## Strategic Recommendations

### 1. Implement Discount Guardrails to Prevent Margin Collapse

Action: Cap discounts at 15% for all SKUs unless elasticity testing shows positive ROI. Automatically block discounts on loss-leading SKUs like Binders, Tables, and flagged supplies.

Timeline:

* *Day 0–30*: Build “Problem SKU” list from profitability and churn analyses.
* *Day 31–60*: Modify POS and e-commerce platforms to enforce discount blocks.
* *Day 61–90*: Monitor impact; expand to national level if margin improves.

Success Metrics:

* % reduction in deep-discount transactions (>20%)
* Profit per transaction uplift
* Margin recovery by category (target: +200 basis points in Furniture)

### 2. Launch a Churn-Hotspot Retention Pilot in Ohio

Action: Target At-Risk High-Value customers in Ohio with personalized offers that steer them toward high-margin Hero SKUs (e.g., Copiers, Phones) and block discounting on churn-triggering Problem SKUs.

Timeline:

* *Day 0–30*: Finalize customer list using RFPM + churn model; align Hero SKUs.
* *Day 31–60*: Send targeted win-back campaigns with 25% discount on Hero SKUs.
* *Day 61–90*: Measure reactivation, repeat purchase rate, and margin impact.

Success Metrics:

* Reactivation rate among targeted customers (goal: ≥15%)
* Average profit per reactivated customer
* ROI of campaign vs. predicted churn cost ($727 per customer)

### 3. Rationalize the Product Portfolio

Action: Retire or reprice the bottom 30% of SKUs by margin contribution. Launch cost audits for Volume Traps (e.g., Phones or Tech SKUs with high sales but low profit) and renegotiate or phase out suppliers with unsustainable cost structures.

Timeline:

* *Day 0–30*: Identify low-performing SKUs and suppliers.
* *Day 31–60*: Begin removal or repricing; initiate supplier renegotiations.
* *Day 61–90*: Finalize portfolio shift and reinvest freed capital into top SKUs.

Success Metrics:

* SKU count reduction (target: -30%)
* Improvement in average margin per SKU
* Inventory turnover improvement

### 4. Align Q4 Campaigns with Profit-First Product Strategy

Action: Focus seasonal marketing on Copiers, Phones, and Accessories. Use A/B-tested bundles and capped discounts to boost volume without sacrificing profitability.

Timeline:

* *Day 0–30*: Forecast Q4 demand; build bundle offers and pricing floors.
* *Day 31–60*: Launch promotional campaigns with profit guardrails.
* *Day 61–90*: Analyze campaign ROI and adjust strategies.

Success Metrics:

* Campaign ROI (>300%)
* Profit per order increase
* Average discount rate held under control (<15%)

### 5. Develop Predictive Models for Regional and Segment Planning

Action: Build demand forecasting and churn prediction models that integrate seasonal trends, SKU profitability, and regional performance to inform campaign, pricing, and inventory decisions.

Timeline:

* *Day 0–30*: Assemble cross-functional data team and select toolset.
* *Day 31–60*: Develop initial models for Central/South expansion and churn risk.
* *Day 61–90*: Launch dashboards and train regional managers.

Success Metrics:

* Forecast accuracy (>80%)
* Central/South revenue growth (target: +10%)
* Decrease in holding costs and overstock rates