

AdventureWorks Analysis Report

Team 6 : JoonHee, Lucca, Yui



Agenda

01 About Company

Information of AdventureWorks2016 as industry, sales, and customers.

02 Analysis

3 marketing questions :

- Profit and seasonality
- Overall trend of the data
- Experienced significant losses

03 Next Step

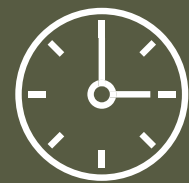
Give recommendations based on data for how to improve the company's profitability.

04 Reference Data

Additional Materials : SQL queries and links to external resources.



Summary



Background

AdventureWorks is a sporting goods retailer; based on three years of data from June 2011 to June 2014. (a) The number of clients is half B2B and half B2C. (b)

The company's main customers in the U.S. and Canada, but it also has sales in Australia and the Europe.



Results Summary

Data from the summer of 2011 through the summer of 2014 shows that profits were high throughout the year. Additionally, there is seasonality in the company's sales.

Sales declined significantly in early 2012. This impact was not resolved until the end of the data period.



Next Steps

Consider the discount sales in early 2012 that resulted in significant losses. Discounts for inventory clearance should be planned. If the sales had been planned, the loss could have been greatly reduced.

Provide a sales forecast for the next 12 months based on current sales.

01 About Company

Industry:

Bike retail

Sales Target:

Worldwide (c)

Clients:

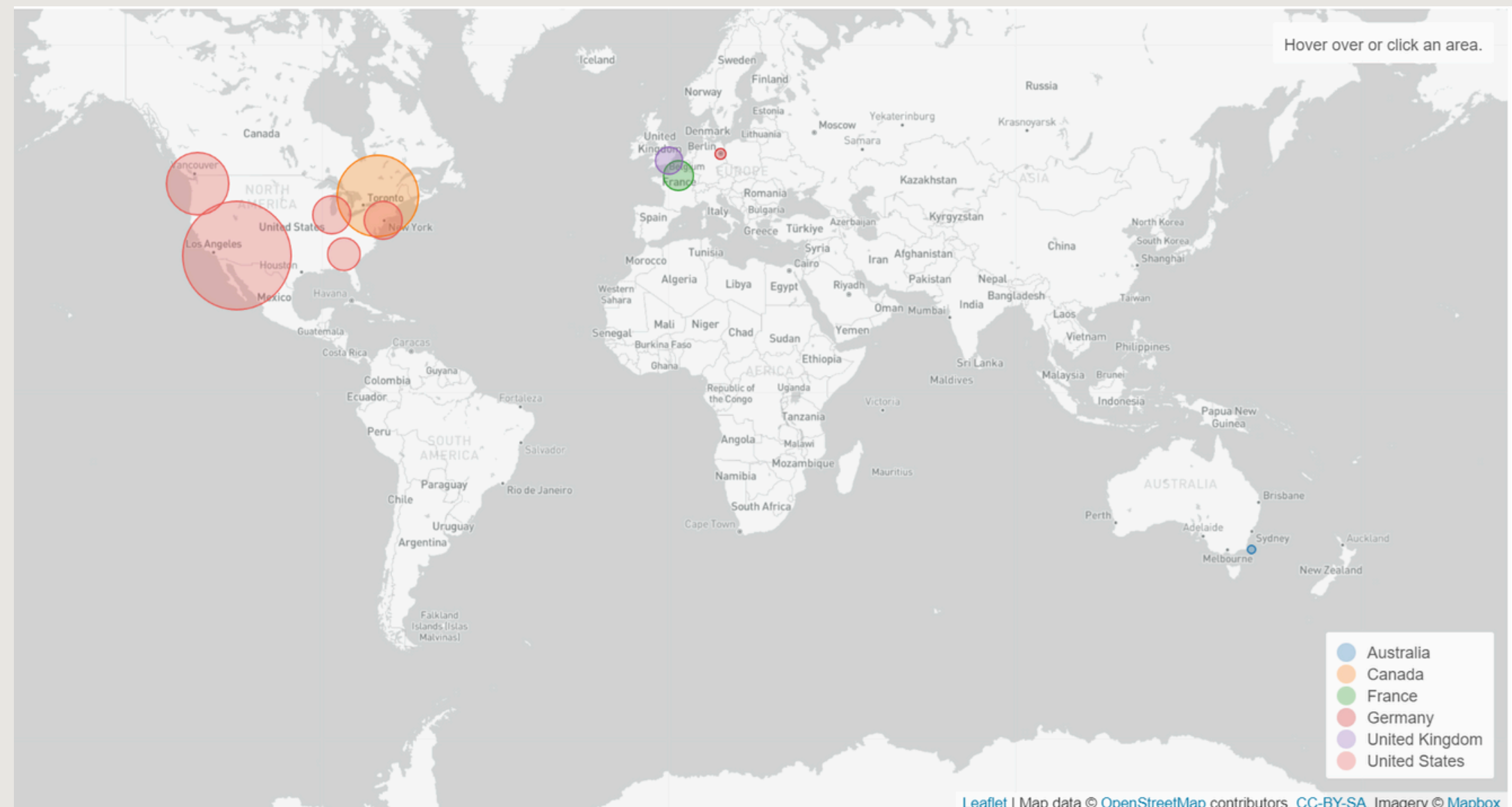
Companies, individuals

Top3 countries in sales :

US 1.64B,

Canada 0.65B,

France 0.18B



Scale of Sales : Data Period: 5/30/2011-6/31/2014

Sales

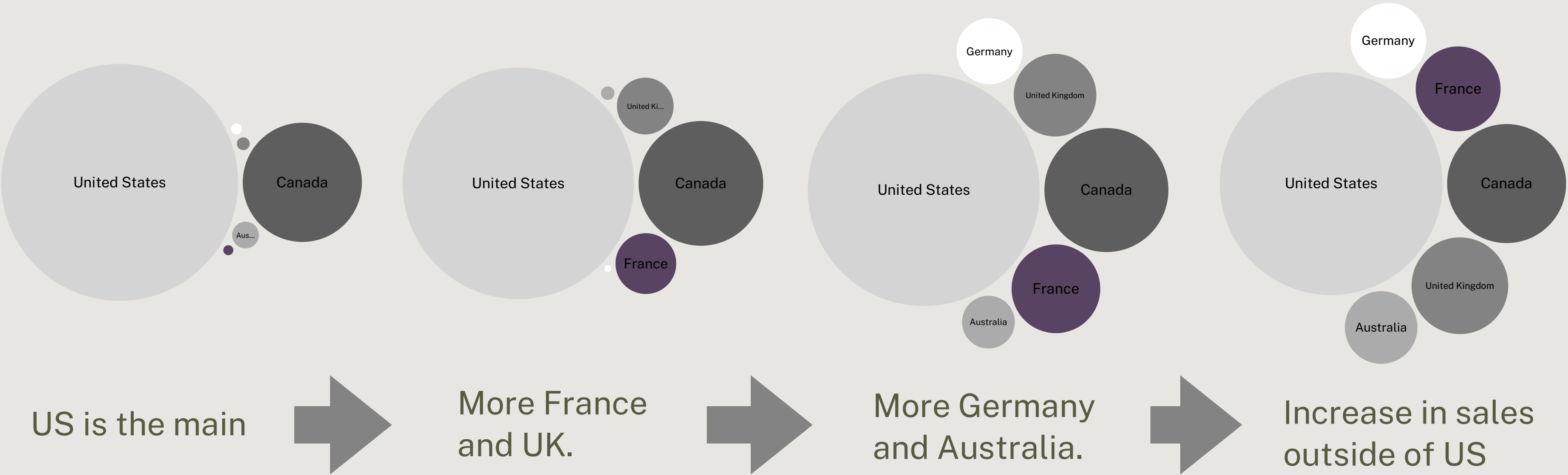
Since the data periods are different, we use ratios.

2011 (7month)

2012 (12month)

2013 (12month)

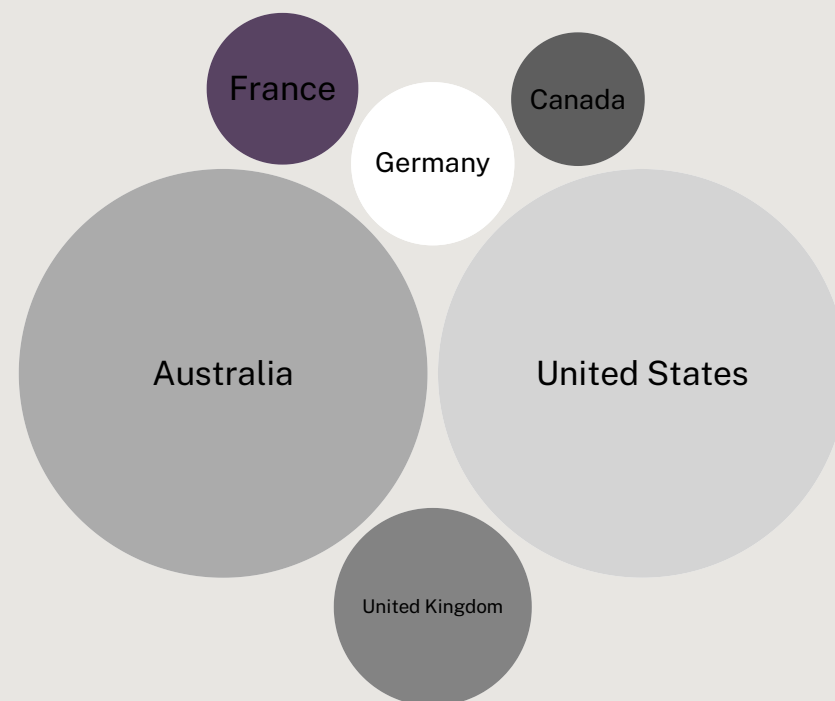
2014 (6month)



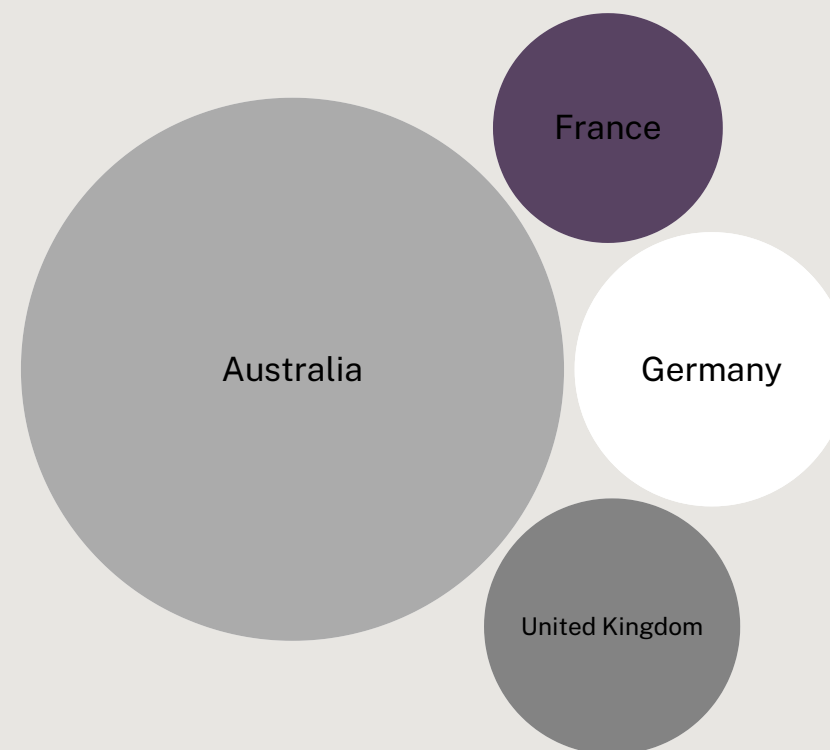
Profits

Since the data periods are different, we use ratios.

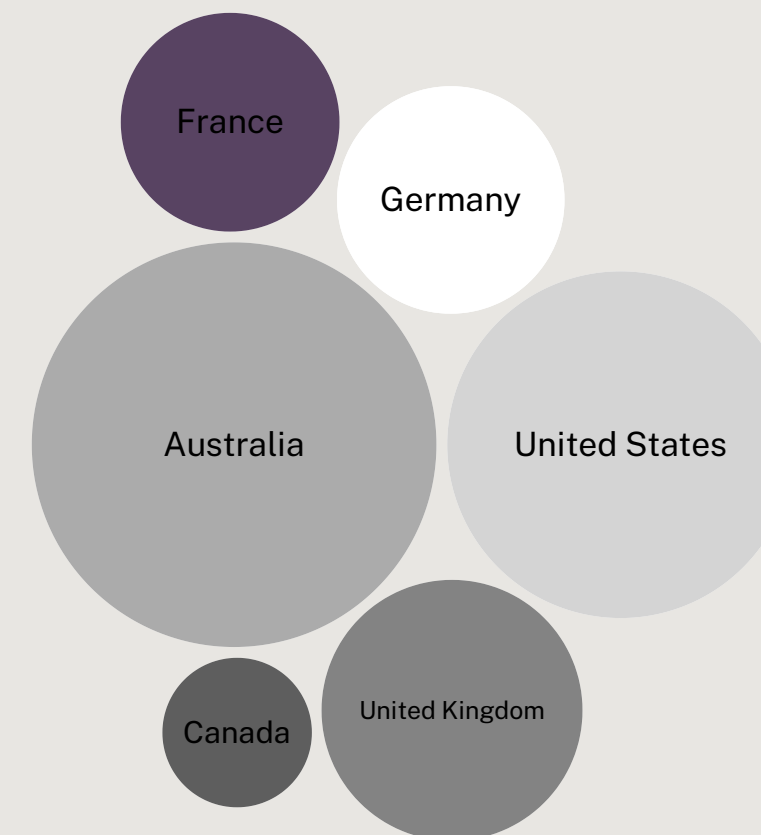
2011 (7month)



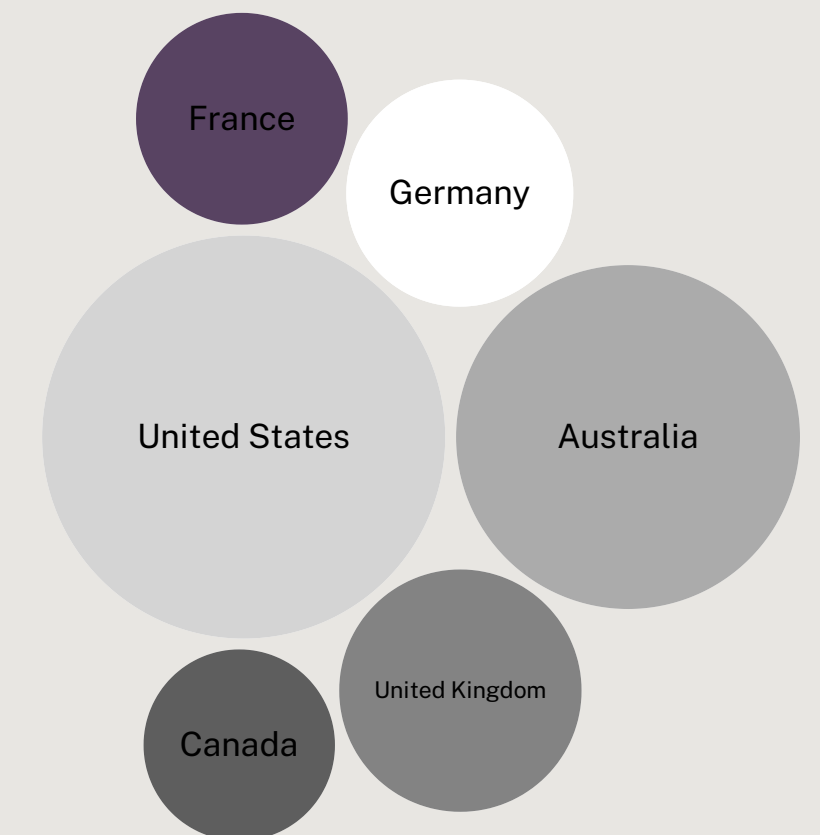
2012 (12month)



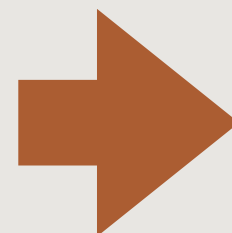
2013 (12month)



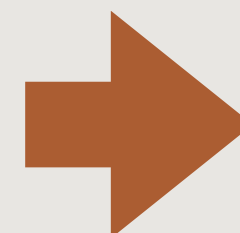
2014 (6month)



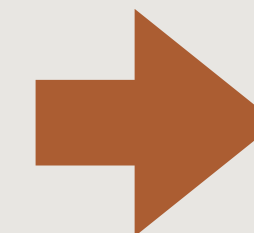
Australia and US
close behind



US and Canada
are in the red



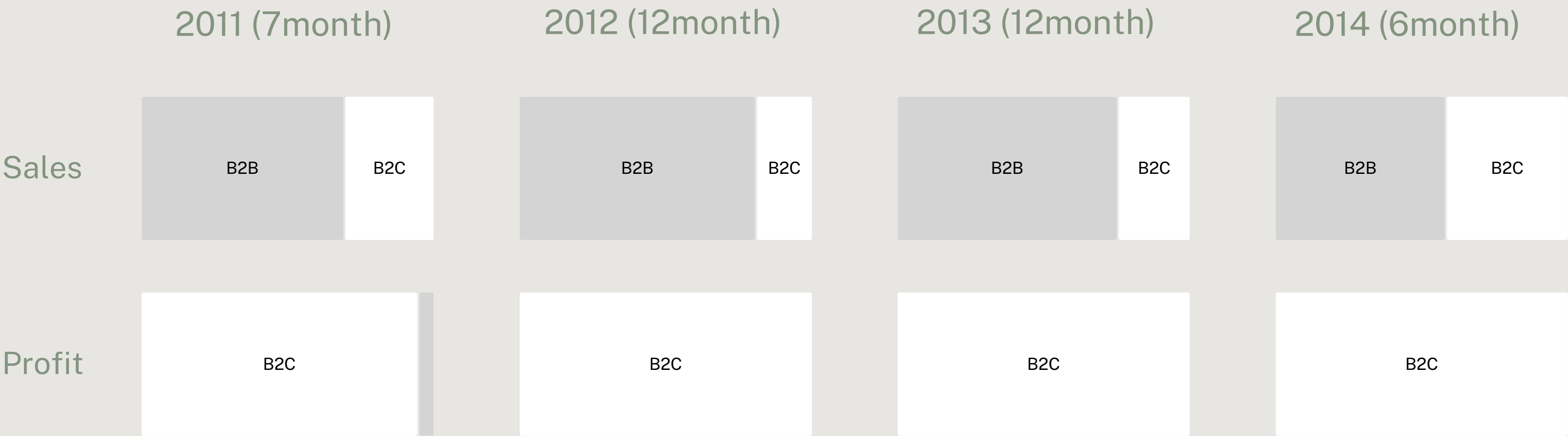
US and Canada
profits are back



Increased presence
of other countries

B2B / B2C

Since the data periods are different, we use ratios.



Profits are mostly B2C.

➡

B2B is \$1.4M in the red.

➡

B2B is \$0.9M in the red.

➡

B2B is \$27K in the red.

02 Analysis



Q1:

Is the revenue/profitability seasonal?

A1: Yes. Winter is the highest profit across the years, while Summer shows consistently low profits.

Q2:

Is there an upward or downward trend in the company's data over the months and years?

A2:

There has been an upward trend in both profitability and revenue over the years.

Q3:

Experienced significant losses in April 2012.
Identification and Verification of Causes.

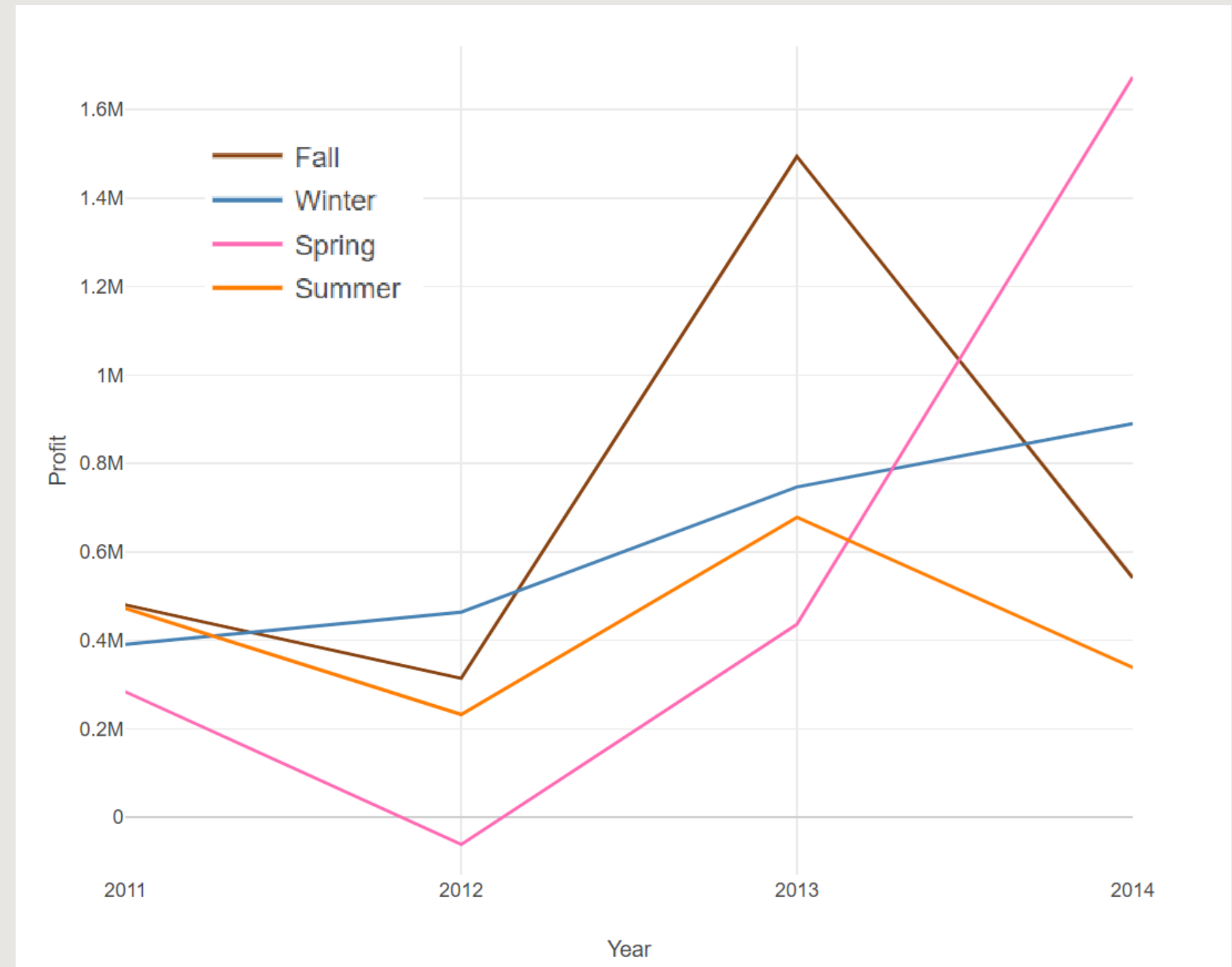
A3:

We supposed this incident reason is a large clearance sale of the Mountain-100 bikes.

Q1: Is the revenue/profitability seasonal?

Answer: Yes, the profit it's seasonal,
Key Seasonal Observations:

1. Winter is consistently the most profitable season.
2. Fall shows high profits in some years but is inconsistent.
3. Spring has mixed results, with both strong and weak years.
4. Summer is the least profitable, with consistently low performance.



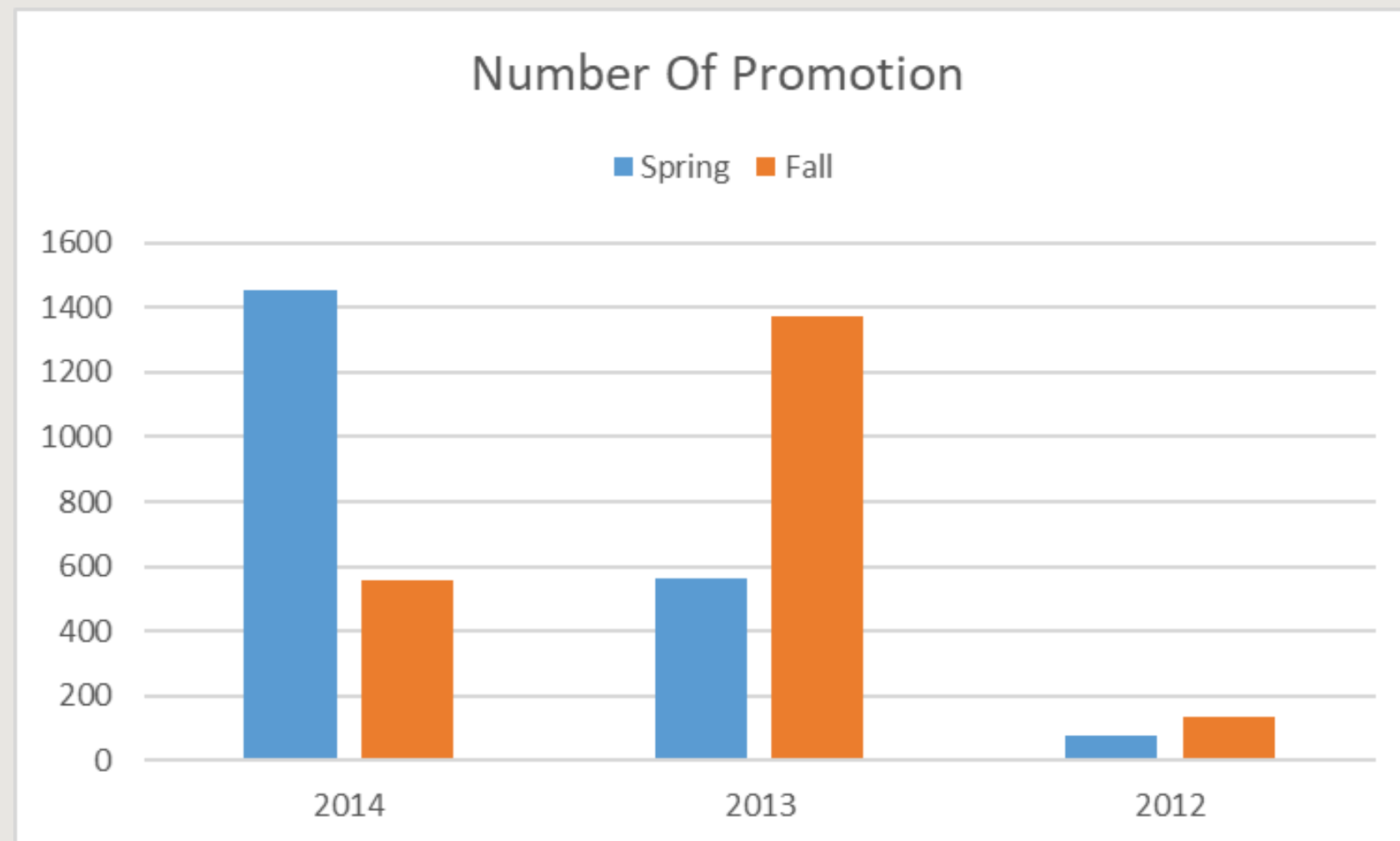
X-axis: year, Y-axis: profit, Line: season

NOTE : Australia has opposite seasons. Based on this, we have totaled with the regions.

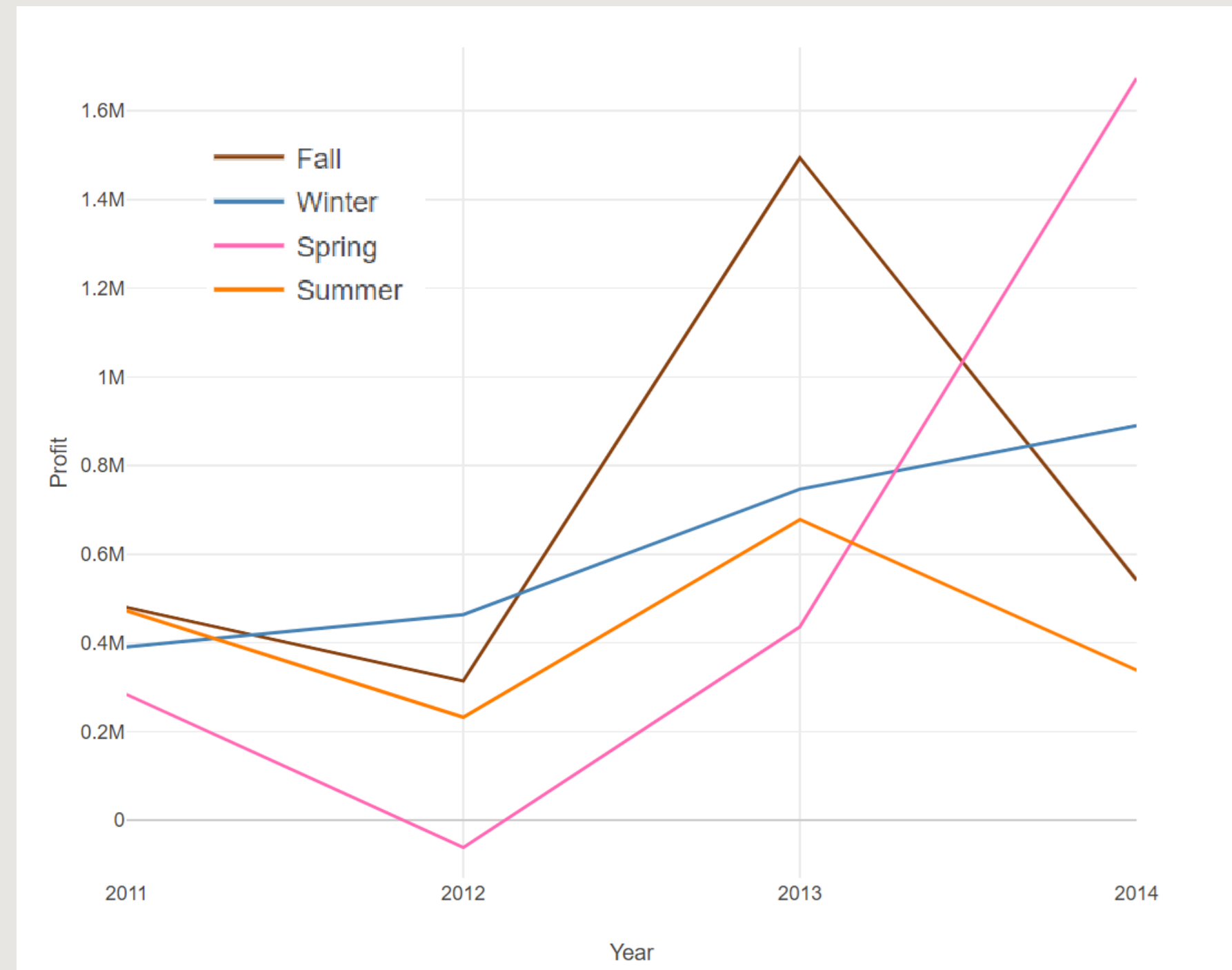
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X-axis: year, Y-axis: Number



X-axis: year, Y-axis: profit, Line: season

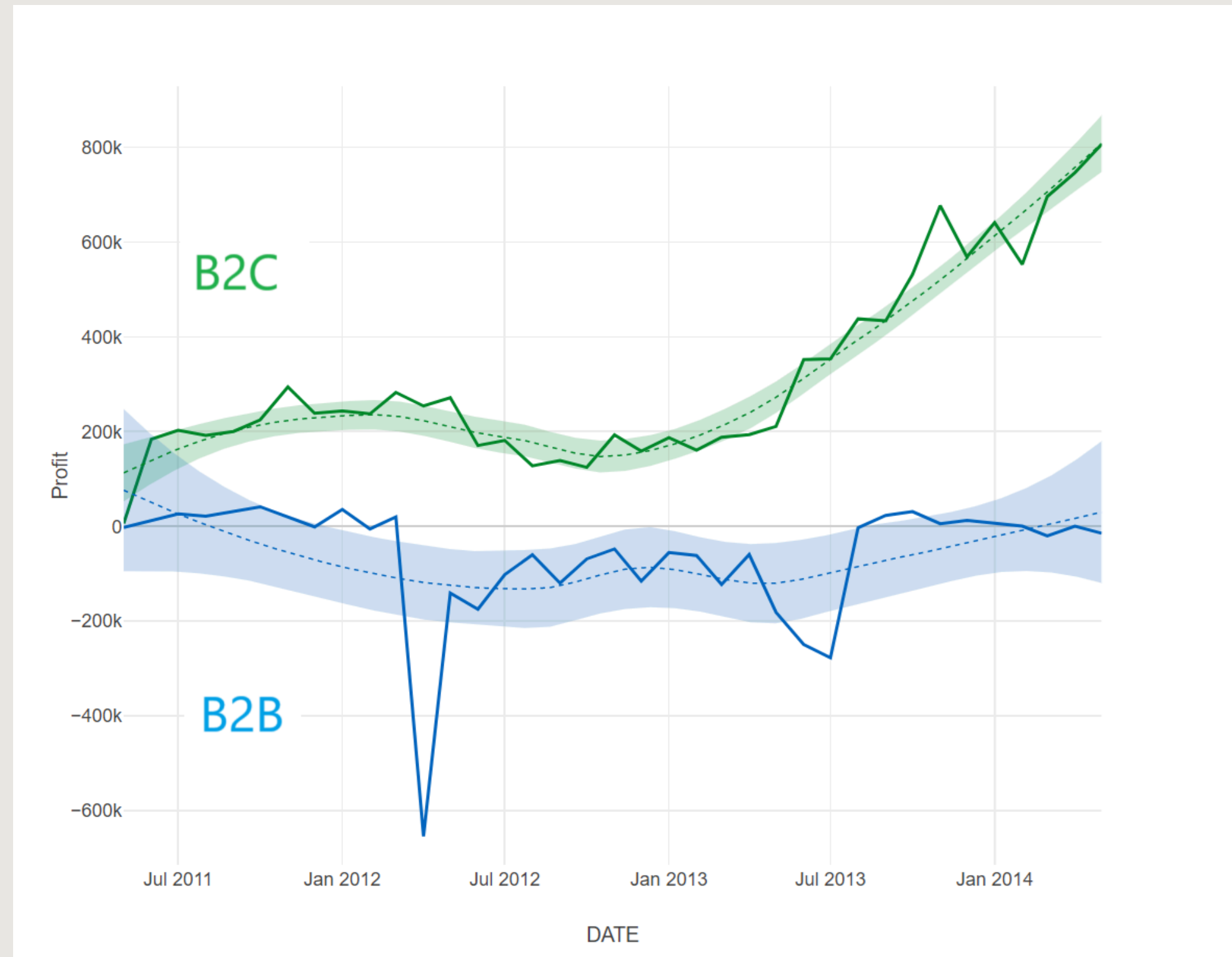
Q2:

Is there an upward or downward trend in the company's data over the months and years?

Answer:

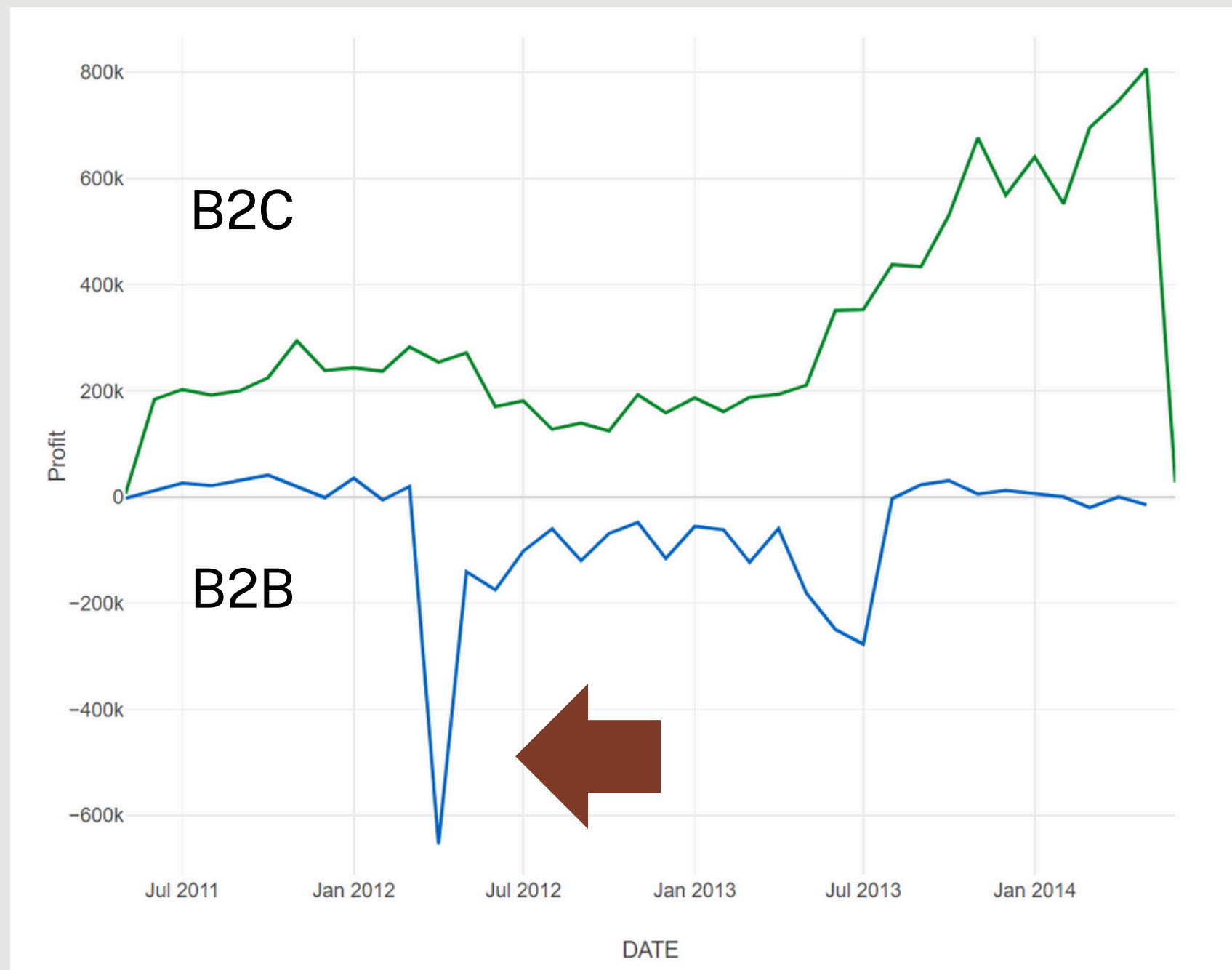
Profitability and revenue have been rising over time.

B2B sales are still unprofitable, but losses are decreasing, suggesting potential profitability in 2015 if the trend continues.



X-axis: date, Y-axis: profit, Background: trend line

Q3: Experienced **significant losse** in **April 2012**. Identification and Verification of Causes.



X-axis: date, Y-axis: profit

To prepare for the launch of the new Mountain-200 and Mountain-300 models, a 35% discount and a huge price decrease were applied to the existing Mountain-100 bikes to clear out inventory.

\$ 3,374

(The original price of Mountain-100)

\$ 849

(After the change price of Mountain-100)

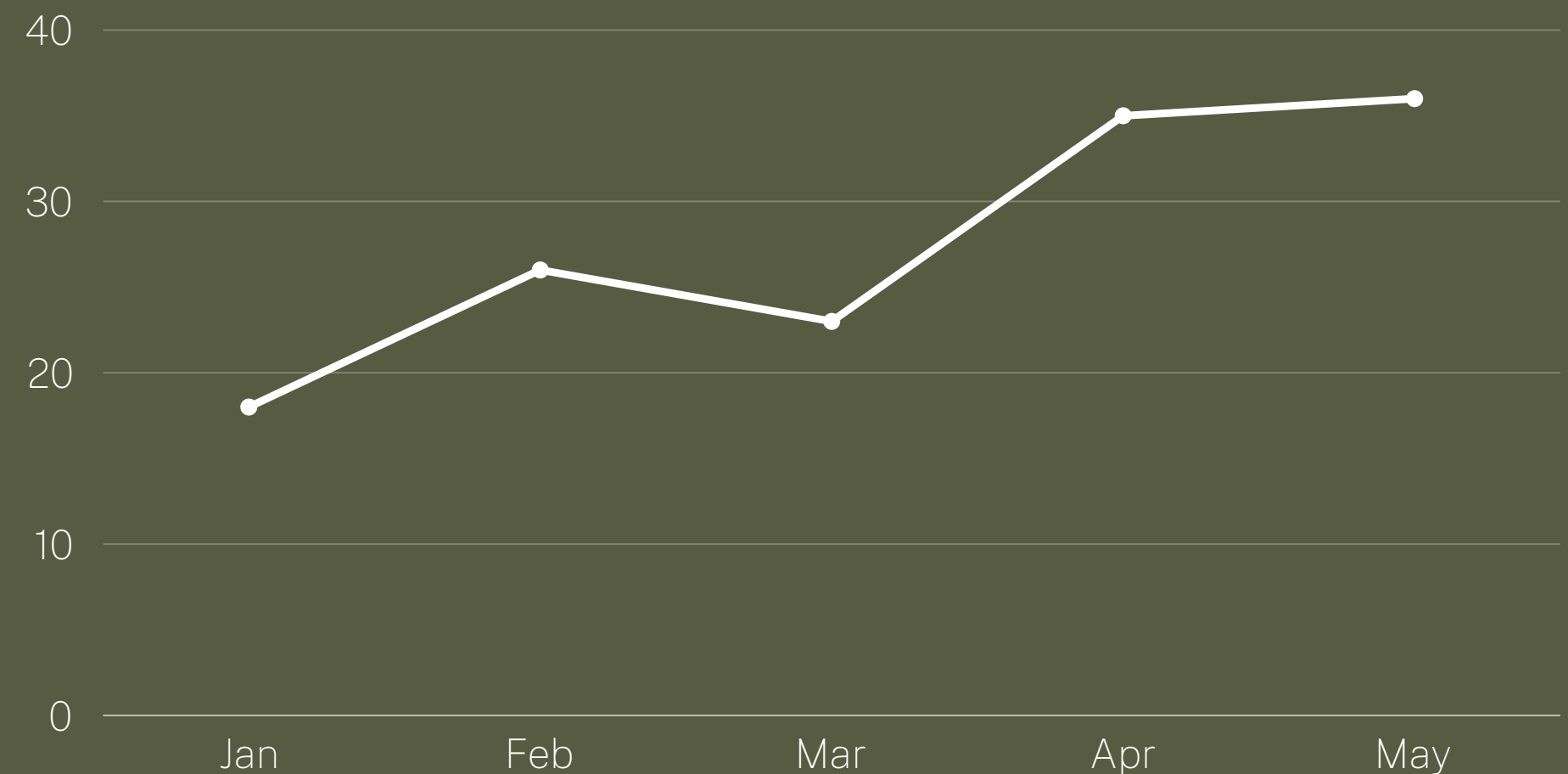
03 Next Steps

Future Policies and Strategies



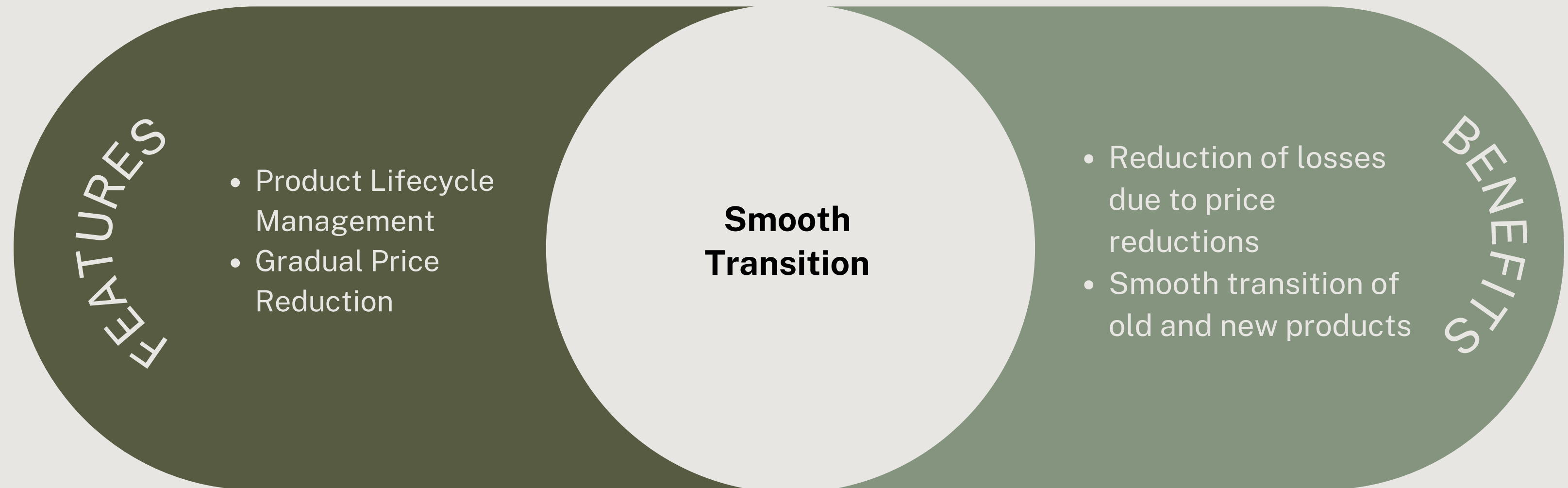
Measures and Forecasts

1. Countermeasures against the expected drop in profits during inventory disposal.
2. Sales projections for the next 12 months.



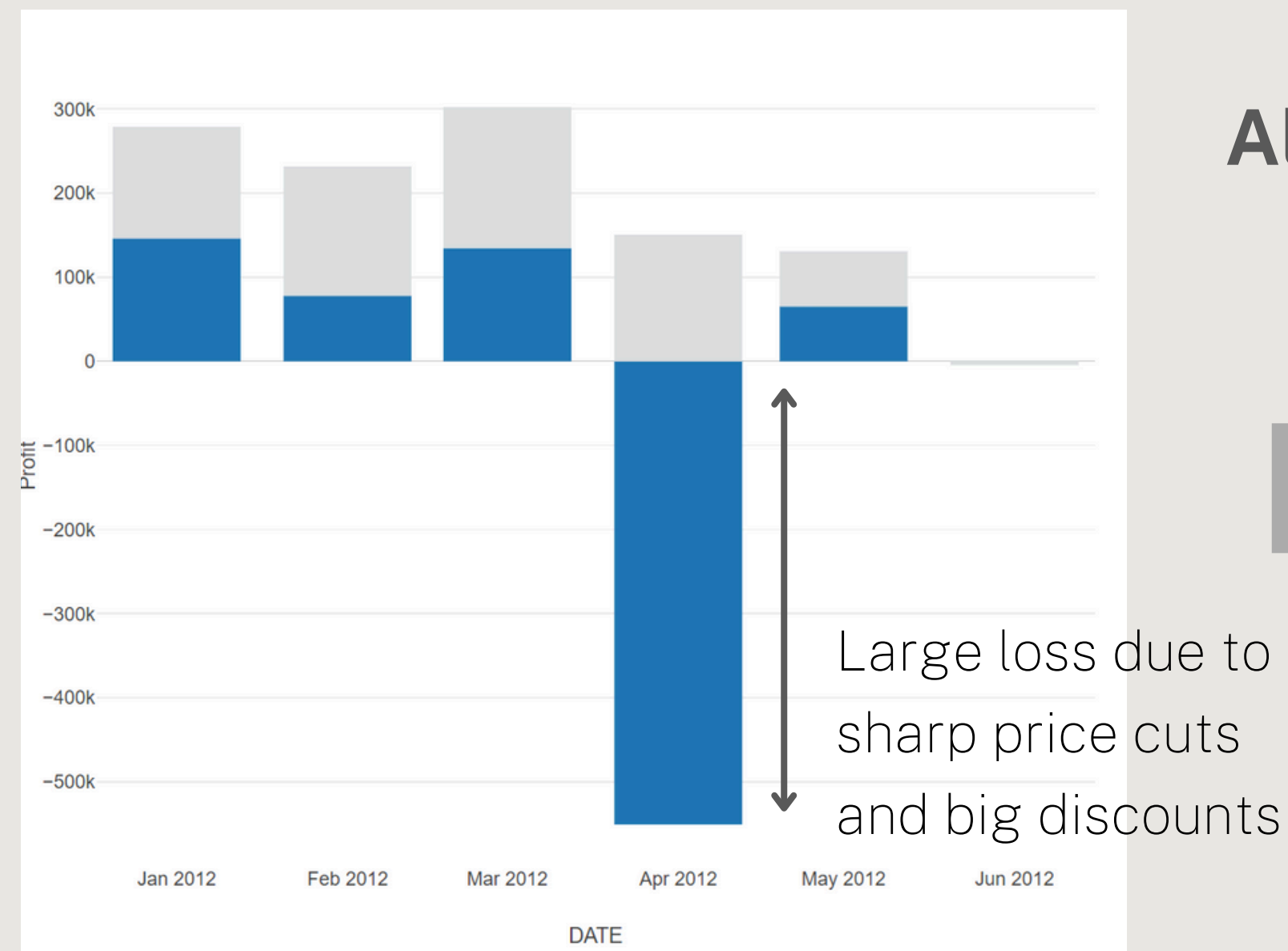
1.Solutions to Minimize Loss

Effect of changing the method of sale

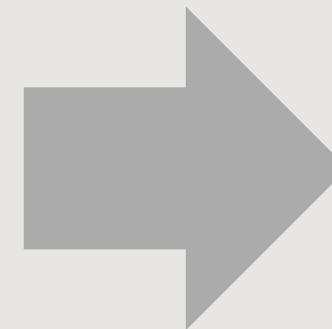


Bike-100 series as a percentage of overall profit (2012 Jan- Jun)

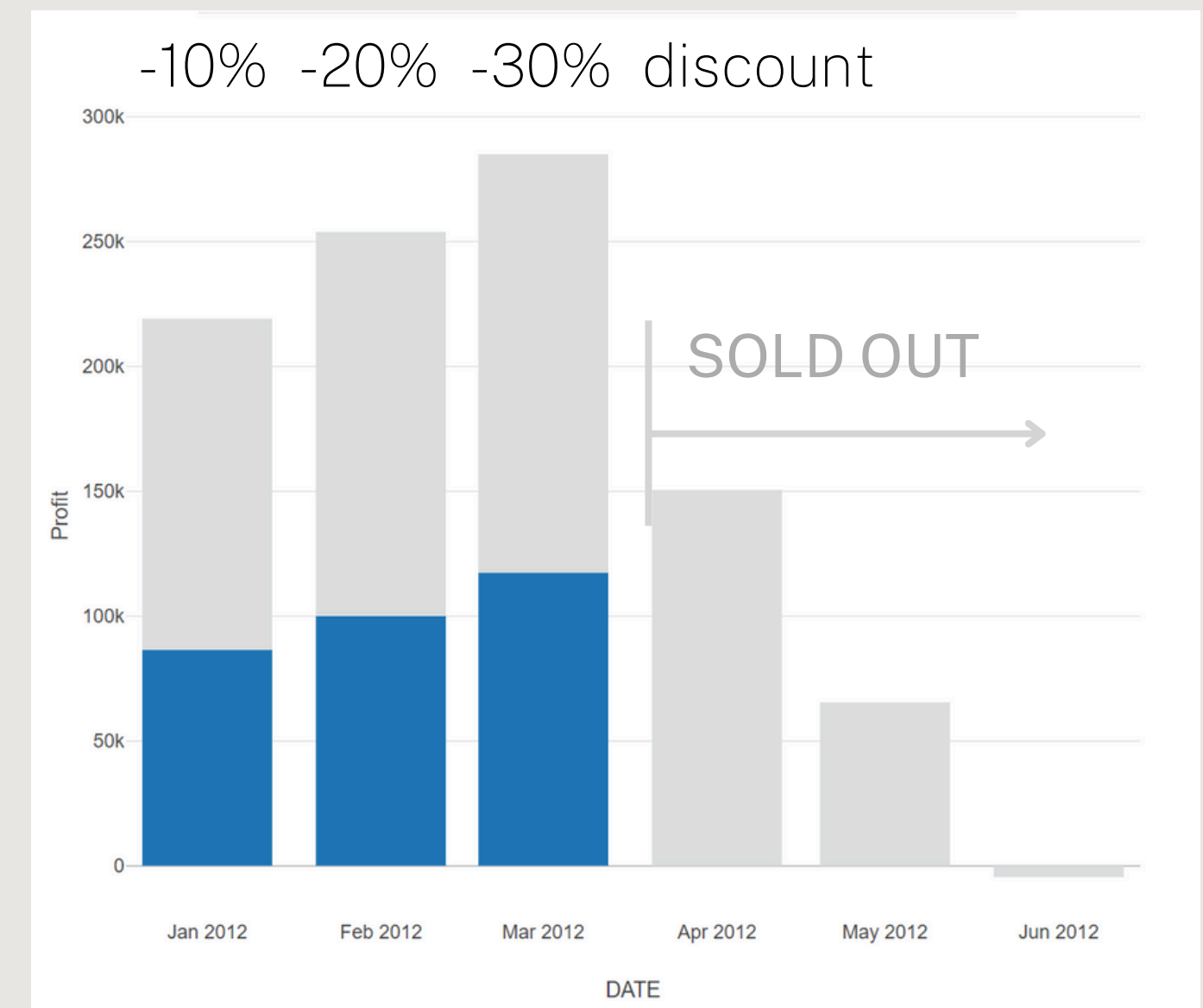
Fact



Alternate plan



If... step by step discount



Blue : Bike-100 series (8 products) **Grey**: Other products

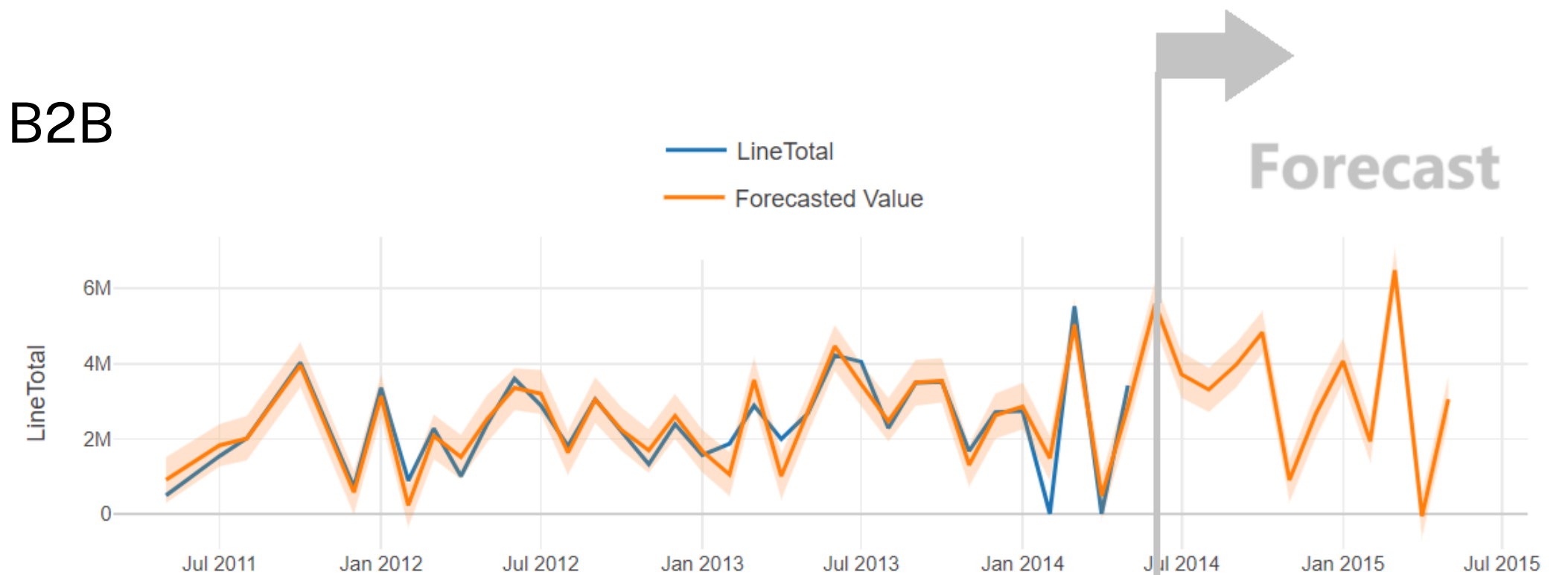
2. Revenue Forecast

Next 12 month

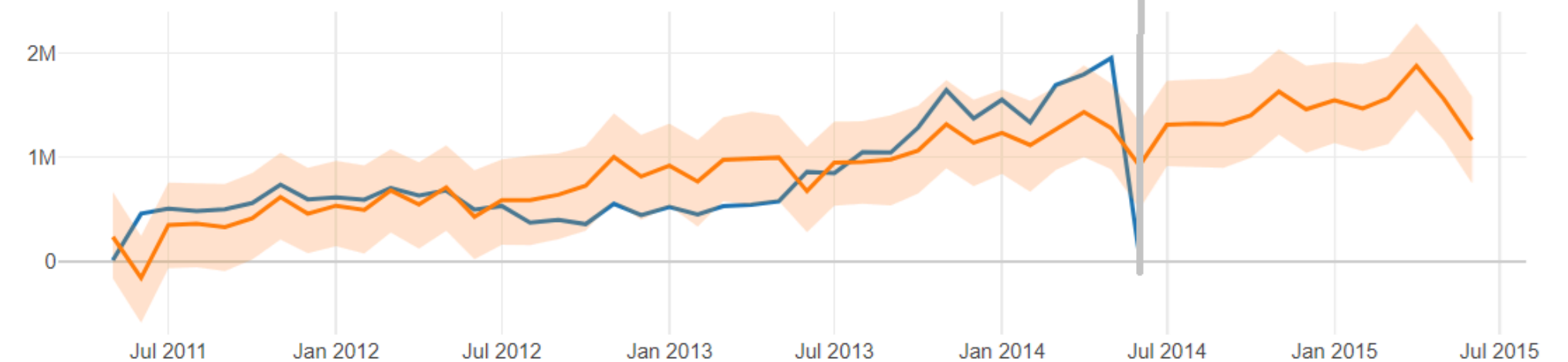
We calculated the sales forecast for the next year based on the data from the past three years. BtoB is seasonal, while BtoC grows slowly.

2.Revenue forecast

B2B



B2C



Reference Data

External document (PDF) :

[Team6_Final ExternalDocument](#)

All SQL queries (sql file) :

[Team6_FinalQuery.sql](#)

