Portfolio Analysis Report

Dear Mr/Mrs. **CEO of the Portfolio Company**,

After careful analysis on last year's operating data across all locations, I would like to present you some of the potential strategies to improve the profit margin of different stores.

First of all, some states seem to be more profitable than others as shown by the much higher profit margin. The average annual profit margin is around 1740. Among the 7 states, **Texas** outperforms the other stores by almost 200 unit of average adjusted profit margin, while Georgia has the lowest (*Figure 1*). In fact, four of the top five stores that have the largest profit margin are based in Texas. Without considering the potential market saturation, moving some stores from Georgia to Texas could potentially increase the average profit margin in the long run. Texas has the most stores too (*Figure 2*), so its target market might have more buying potentials to even more of our stores.

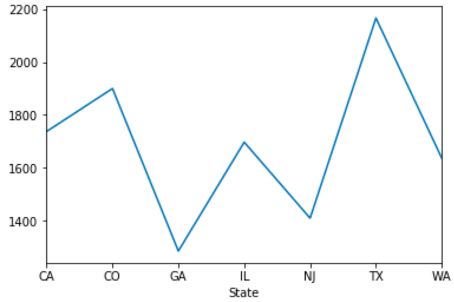

Figure 1

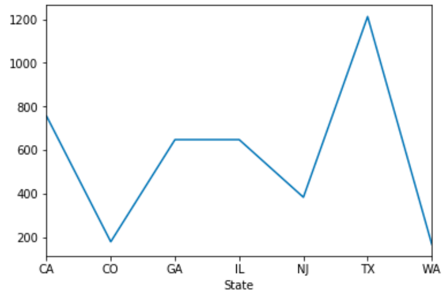

Figure 2

Secondly, adjusting the number of products at each store depending on the time of the year could also help increase the profit margin. **March, June, September, and December** have higher profit margin across all the stores and therefore should be potential time to increase the number of inventory for sales. Looking at the quarter values, we see that **Q3** has the largest margin compare to the rest. Across the entire dataset, I notice that number of items sales seem to remain constant throughout the entire year. Adjusting the numbers of items on sale across the quarters might help increase the profit margin more if further analysis support such seasonal attribute of the products.

Please let me know if you would like to further discuss about these findings.

Thank you.

Best,
Ada Zhu