
Store 10 and Store 21 Analysis

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Agenda

- Introduction
- Q1: Overall Assessment of Store 10 and 21
- Q2: 2013 Bonus Allocation Plan
- Q3: Sales Trends by Day of Week
- Q4: Suggestion on Opening New Stores
- Summary and Overall Recommendation

Introduction

Goal:

Analyze sales, product, and geographical data to inform business decisions with a focus on store 10 and 21

Measures:

- Overall Sales Assessment
 - Evaluation
 - Rewarding system: bonus allocation
- Daily/Weekly/Monthly Product Sales
 - Understand customers' shopping pattern and preferences

Together supports **decisions** on:

- opening new stores and/or closing existing
- maximizing store profits



Q1 - Overall Assessment

* Difference = Actual - Target

Accumulative VS. Monthly Sum

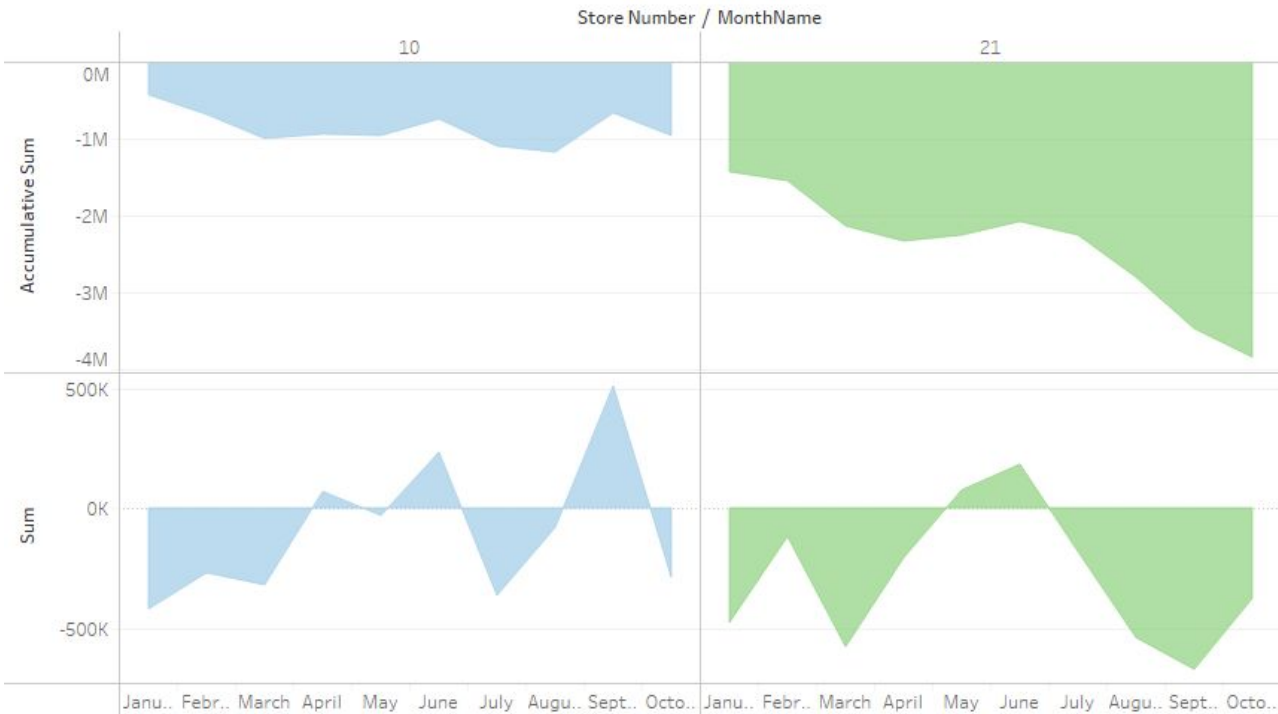
Store 10:

- Fluctuated actual - target difference

Store 21:

- Accumulative sum continuously increased
- Hardly met monthly targets

Accumulative Sum and Sum of Monthly Difference of Actual - Target Sales Amount (2014, store 10 & 21)



Q1 - Overall Assessment Methods

Considerations of Nov & Dec Forecasts:

1. Use Monthly Average

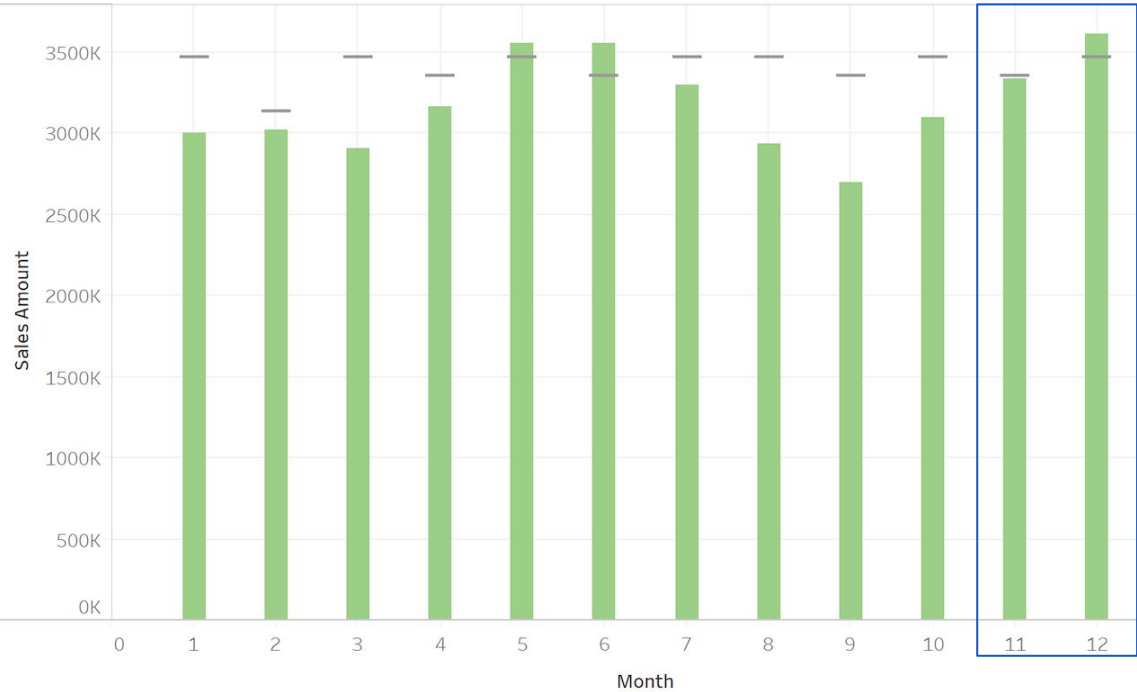
Annual Total = Total (Jan - Oct) * 1.2

2. 2013 Data Reference (✓)

Monthly trend/fluctuation

Time period	Percentage
Jan - Oct	83.05 %
Nov - Dec	16.95 %

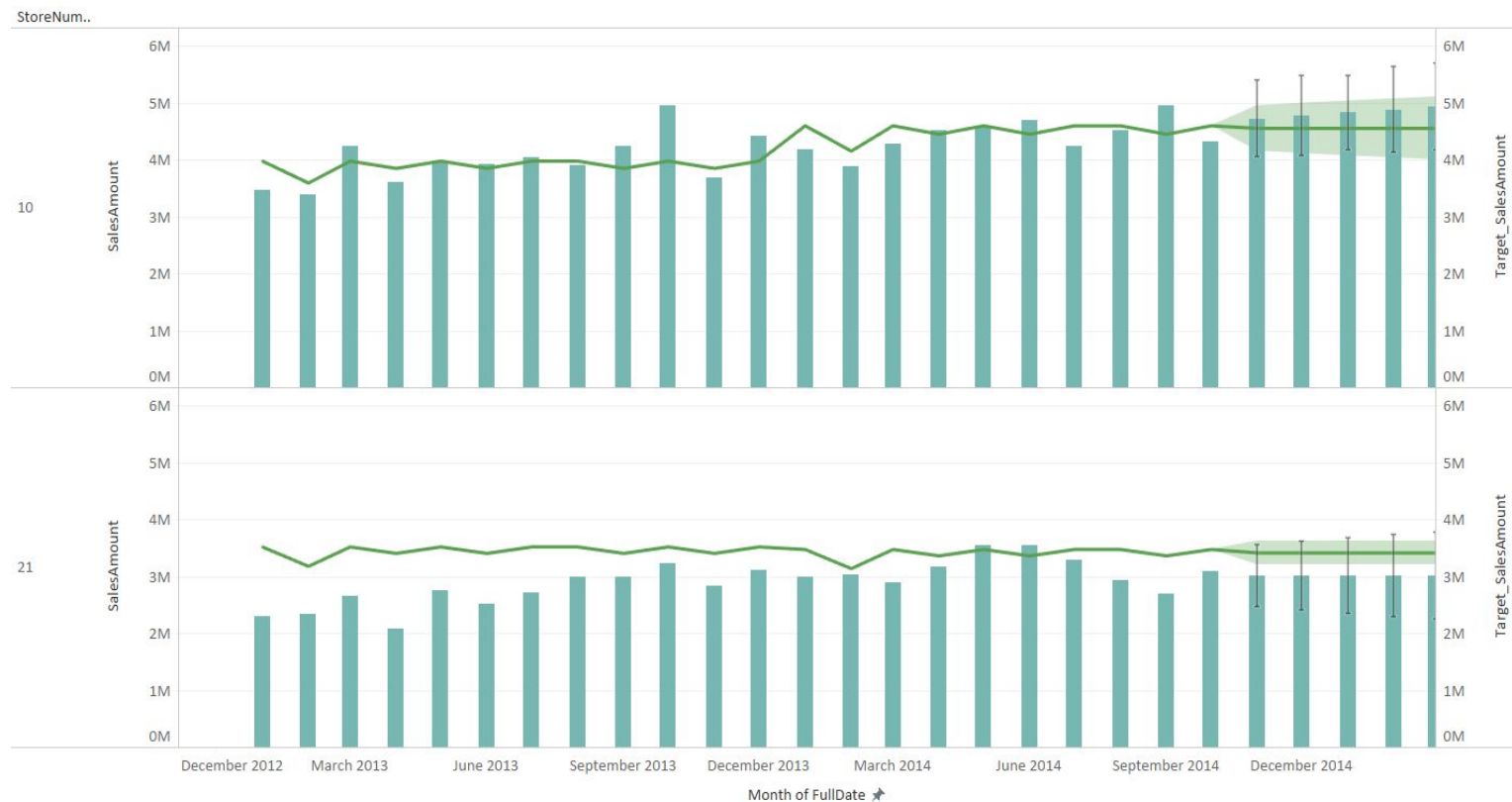
Monthly revenue forecast for 2014
(Using 10 months Actual Sales/Seasonal factor to predict Nov&Dec Sales)



Q1 - Overall Assessment Methods (Cont'd)

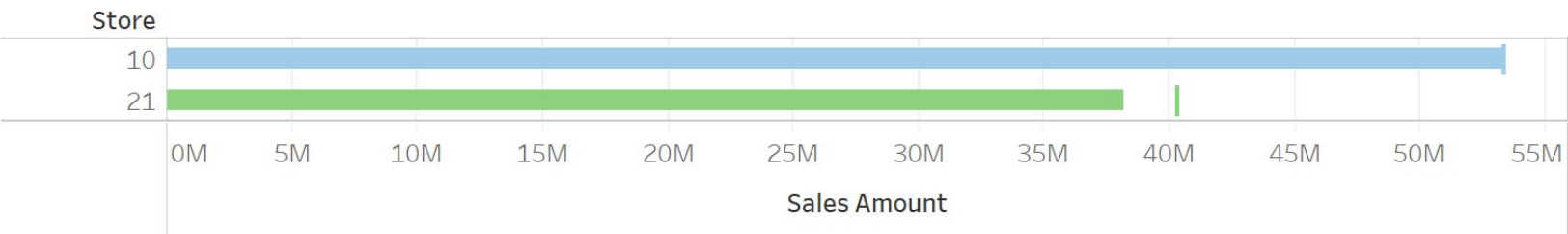
3. Tableau built-in Forecast (✓)

Exponential smoothing



Q1 - Overall Assessment Conclusion

Sales Amount: Forecast vs Target FY2014



Store 10: Would approximately meet target

Store 21: Would not meet target

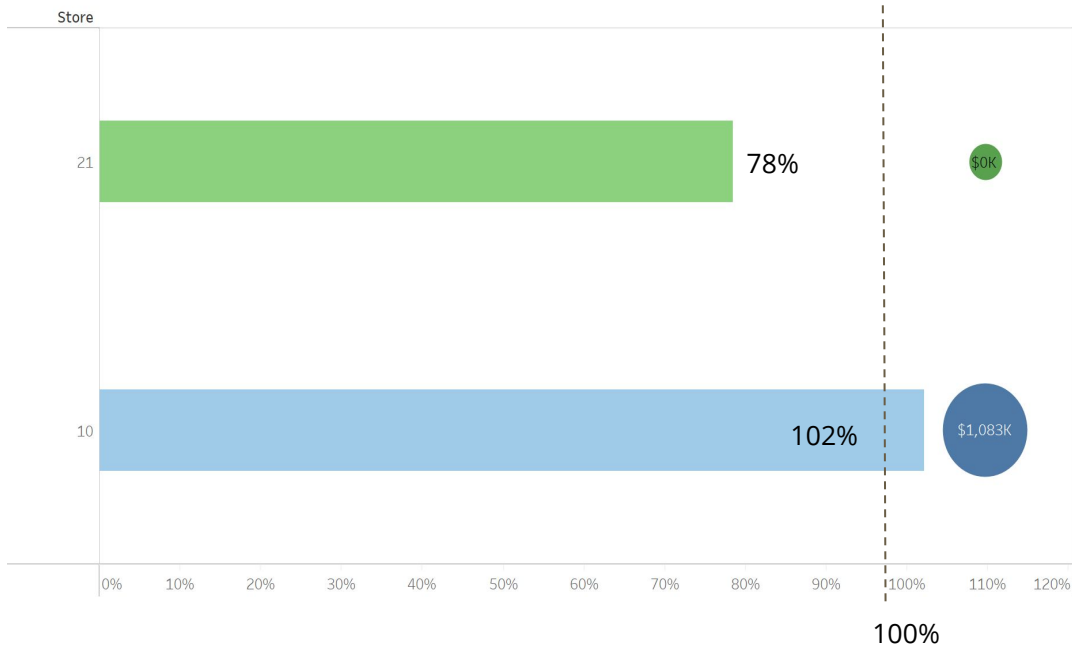
Q2: Bonus Allocation - Detailed Calculation

- Our bonus plan is based on comparison of 2013 actual sales amount VS sales target.
- Store 10&21 as a whole didn't meet total sales target.
- No data for net profit, recommend to allocate bonus cautiously!

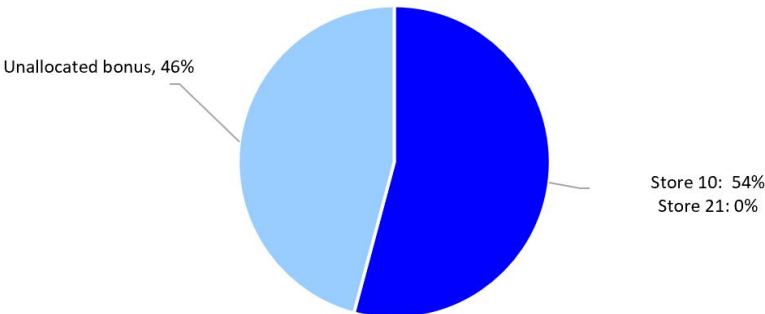
Bonus Pool		2,000,000	(A)		
Principle: Only stores that reach the Annual Sales target can get bonus.					
FY2013					
Step 1		Sales Amt. Exceeding KPI			
Store	ActualSales	TargetSales	Difference	Bonus if 100% completion	
10	47,916,947	46,931,700	985,247 (E)	1,061,088 (D)	
21	32,546,862	41,527,875	(8,981,013)	938,912	
Total	80,463,809	88,459,575 (B)	(7,995,766)	2,000,000	
Step 2		Extra bonus per unit sales outperformed			
Extra unit bonus		0.023 (C=A/B)			
Bonus Allocation					
Store	Bonus before Adj.	Extra Bonus	Bonus After adj.	Notes	
21	-	-	-	Completion ratio < 100%	
10	1,061,088 (D)	22,276 (C*E)	1,083,364		
Step 3					

Q2 - Bonus Allocation based on Performance

Sales completion and Bonus allocation Summary FY2013



Bonus Allocation Overview



- **Store 10:** \$1,061k base + \$22k extra bonus for outperformance
- **Store 21:** No bonus due to underperformance
- **Total Bonus allocated:** 54%, \$1,083k

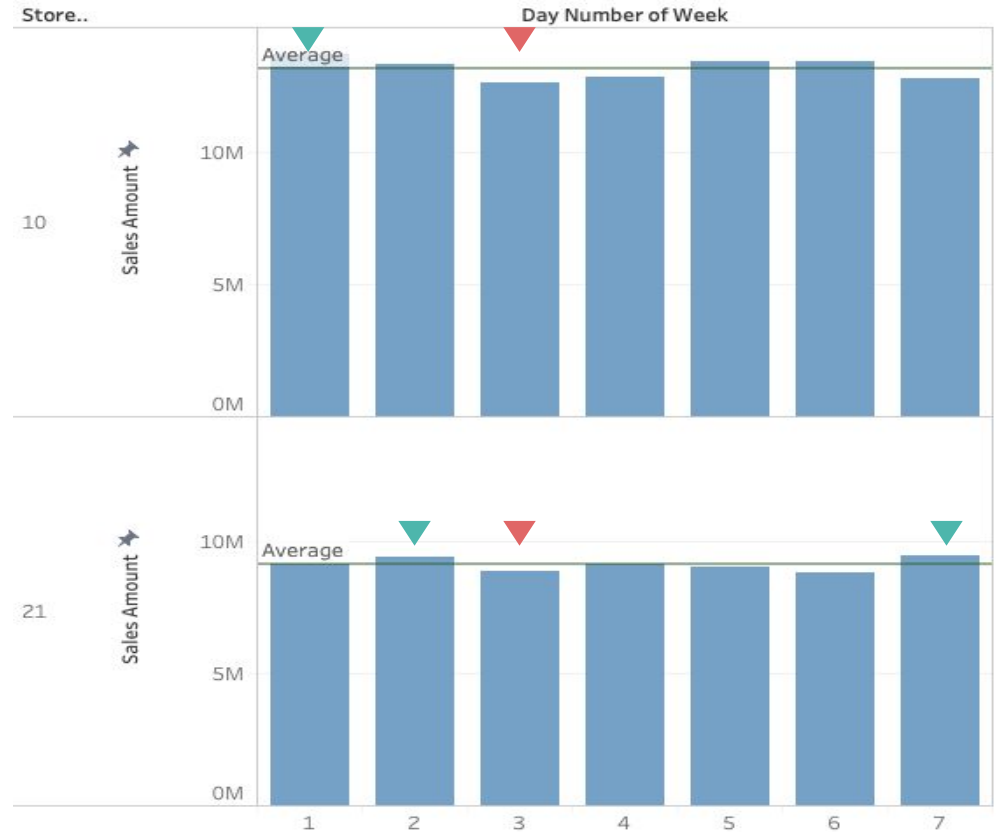
Q3 - Weekly Store Trend Based on Sales Amount

Store 10

- Highest: Monday
- Lowest: Wed

Store 21

- Highest: Sun, Tue
- Lowest: Wed



Q3 - Weekly Store Trends Based on Sales Quantity

Store 10

- Consistent Across the week: Baby Products
- Mondays are the best for Accessories and Women's Apparel
- Fridays are best for Men's Apparel

Store 21

- Tuesdays busiest for all categories
- Consistent across the week: Baby Products
- Fridays best for Women's Apparel - highest overall sales of the week

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Q4 - Geographic Locations of Stores



Current stores: (6)
2 stores in Missouri
2 stores in Arkansas
1 in Georgia
1 in Mississippi

Where can we open the next store?

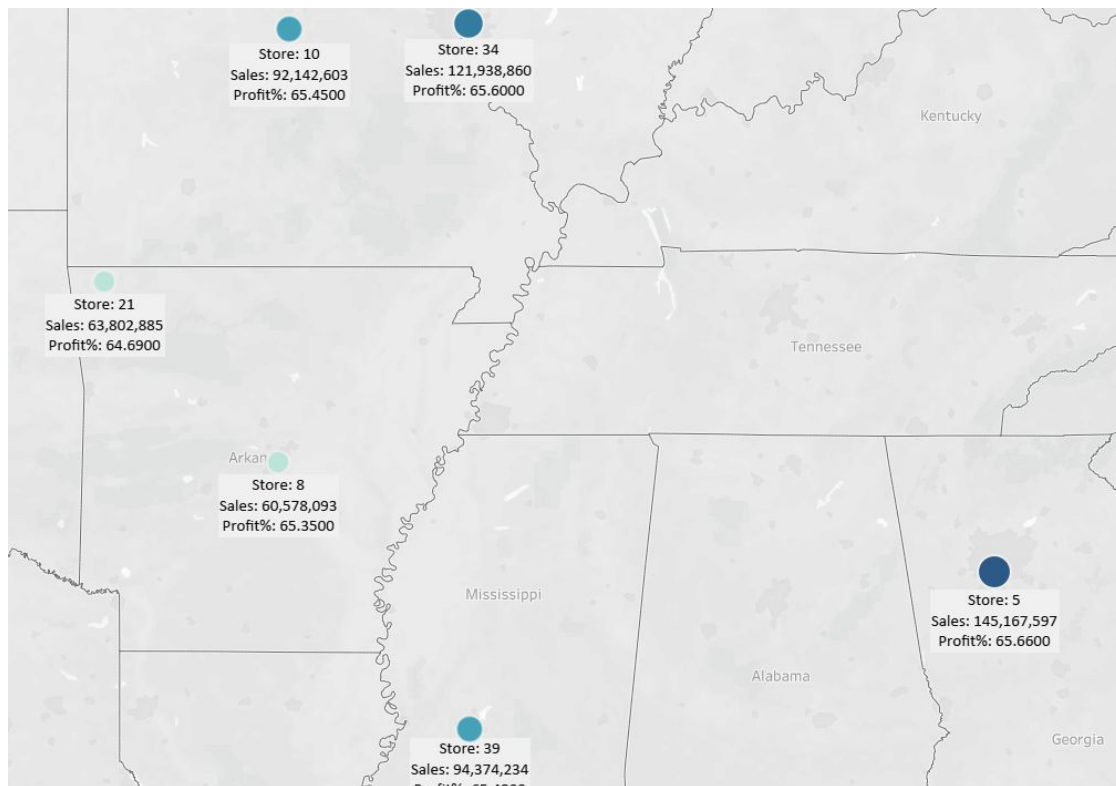
Option 1: Missouri(MO)

Option 2: Georgia(GA)

Selection principles of cities:

Capital, Population, Sales Tax

- Kansas city, MO
- Columbus, GA
- Montgomery, AL



Product-wise Breakdown across Stores



Store 5, 8, 10, 34, 39:

Cosmetics, Jewelry, Kids 7 -14,
Men's formal, Women's formal



Store 21:

Men's Casual, Women's Casual

Represents **Demographics**
Distribution Difference: age

ProductCa..	ProductTy..	Product	StoreNumber					
			5	8	10	21	34	39
Accessories	Cosmetics	Blush						
		Lipstick						
	Jewelry	Amytheyst Necklace						
		Silver Ring, Gallic pattern						
Children's Apparel	Baby 0-2	Silver Ring, plain						
		Blue Onesie Pajamas						
	Kids 7-14	White Socks, 6 pack						
		Spider-man T-shirt						
Men's Apparel	Men's Casual	Captain America T-Shirt						
		Denim Jeans						
	Men's Formal	T-Shirt						
		Buttondown Shirt						
Women's Apparel	Women's Casual	Formal Pants						
		Blouse						
	Women's Eveningwear	Skirt						
		Dressing Gown						
	Women's Formal	Pajamas						
		Dress						
		Shoes, High-heel						
		Strapless Dress						

Socio-economic Factors Affecting Store Open and Closure



Potential Competitors

Department stores, clothing stores

Bentonville, AR (store 21) - city size relatively small & birthplace of Walmart



Operational Costs

Minimum employee wage variations

Store Rent



Map of Store 21 Nearby Area

Business Decisions

- All stores are profitable. Store 21 could be the less profitable but need not be closed
- Data Analytics to identify sales trends and maximize sales profits
- Closing the store may result in loss of jobs and decrease in brand value

Hence, for Store 21 we recommend the business to maintain current status quo on store operations and gear the product lines more towards Casuals & Cosmetics. If needed the business can also chose to allocate some funds for advertising/offers.

Summary / Conclusion

- Partial Bonus to Store 10 and none to 21
- Weekly offers on Wednesdays
- Sales strategy on best selling products in Stores 10 and 21
 - Formal Wear and Cosmetics in Stores 10
 - Women's Casuals in Store 21
- Future Expansion in Kansas City, Columbus, or Montgomery
- With respect to shutting down stores: We recommend observing the store for 1 more year

Thank You!