



# **Sales Performance Analysis (FY 2004)**

## **Strategies for Sustainable Profit Growth**

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# Objectives

1. **Provide a holistic view on Sales performance in FY 2004.**

2. **Identify areas of concern in Sales data and provide strategies to ensure sustained revenue and profit.**

FY 2004 -

1<sup>st</sup> July 2003 – 30<sup>th</sup> June 2004

# Contents

**1**

**Sales  
Performance  
Overview**



**2**

**Profitability  
challenges  
(Vendor vs Online Revenue)**



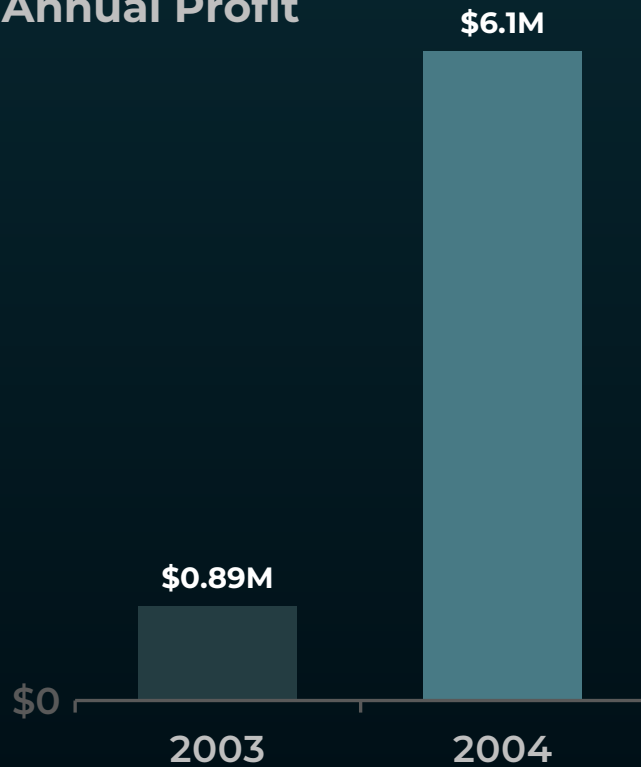
**3**

**Recommend  
Strategies to Enhance  
Profitability**

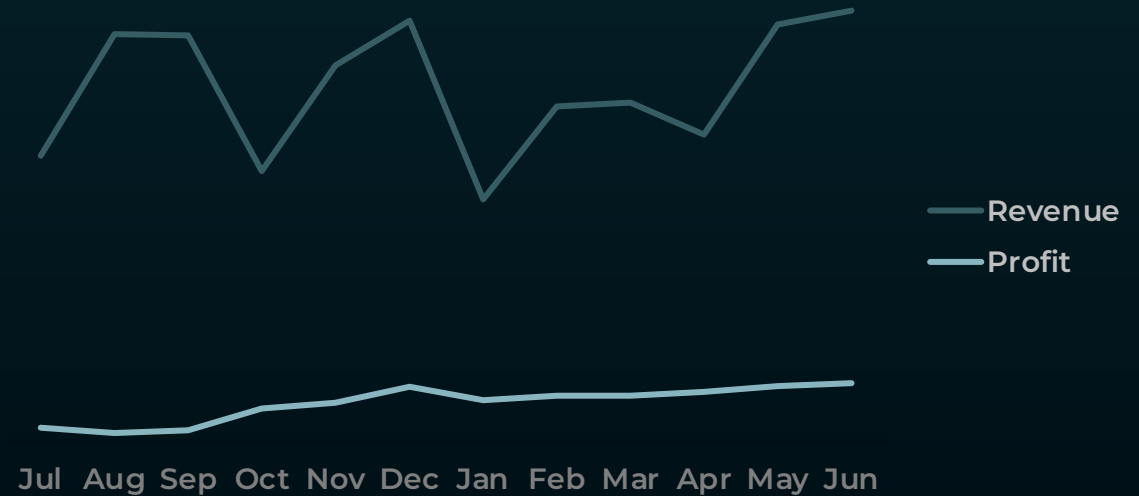
**How did numbers perform  
over the fiscal year 2004?**

# Profit Growth Reached **589.97%!**

## Annual Profit



Profits grew consistently throughout the year while Revenue fluctuated seasonally.



# Annual Revenue Increased by 56.72%

Monthly Revenue by FY



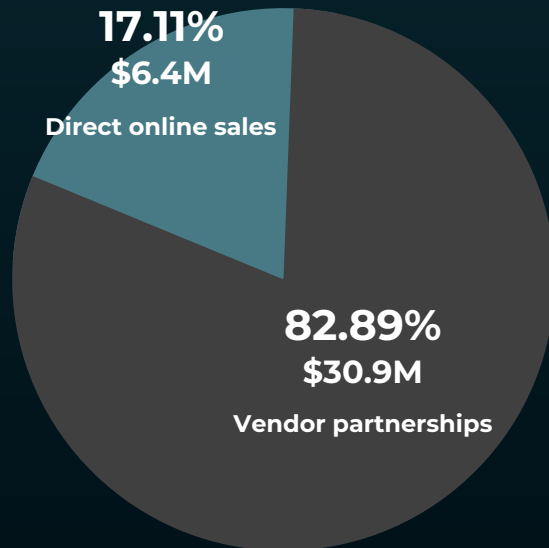
Similar trend to

**+415.3%**

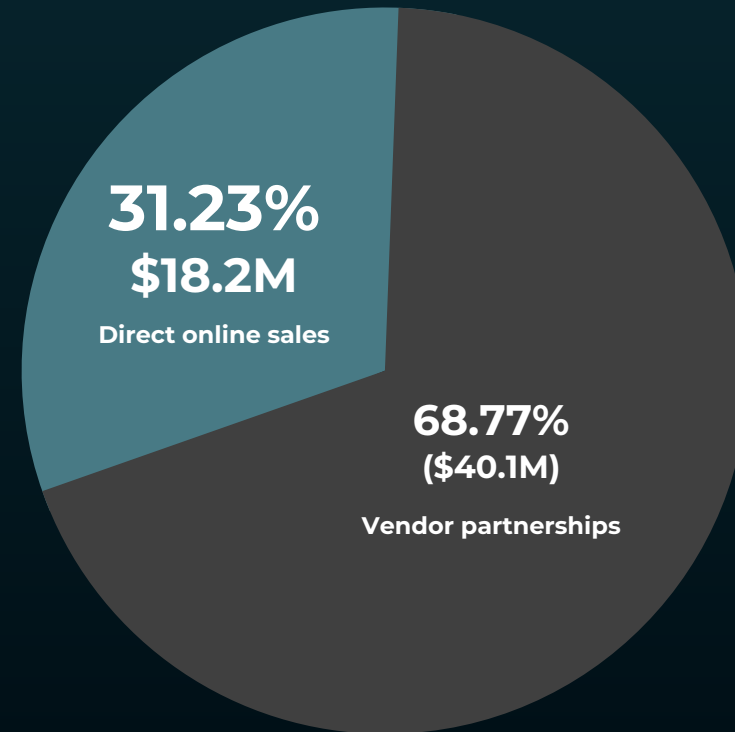
increase in Order Count

# Direct Online Sales Increased by 184.36%

## Yearly Change in Sales Distribution



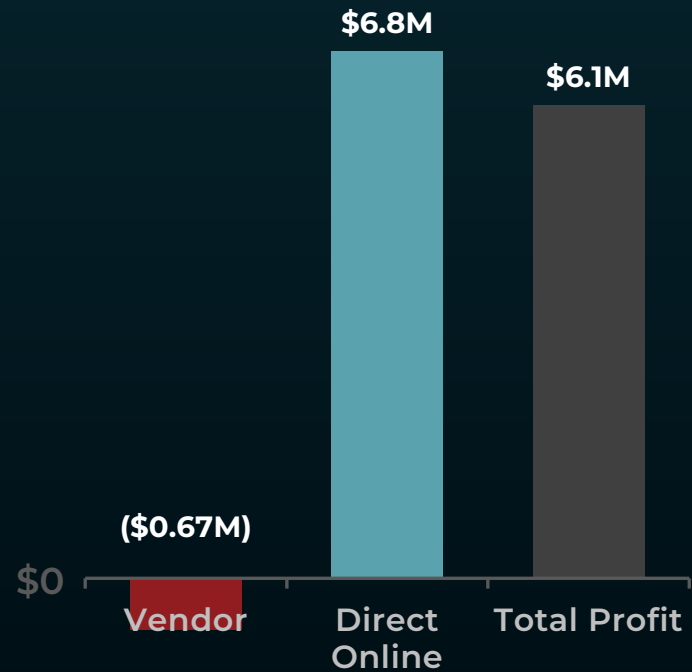
2003



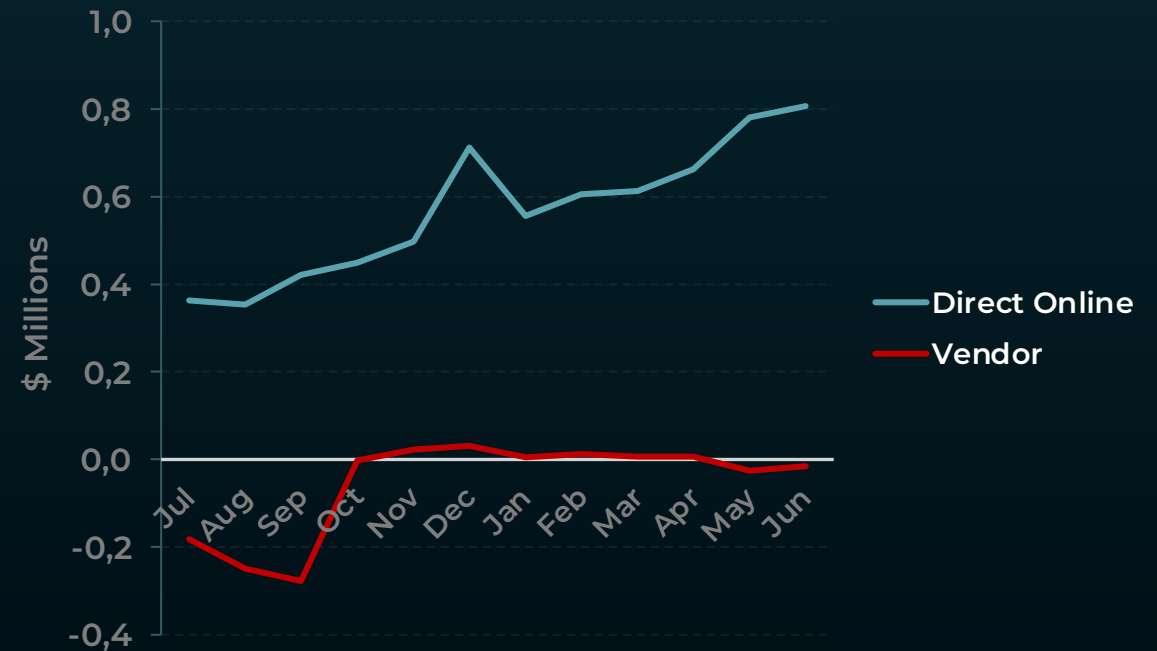
2004

# Vendor Profit was **Negative**

## Yearly Total Profit Distribution



## Monthly Profit Distribution





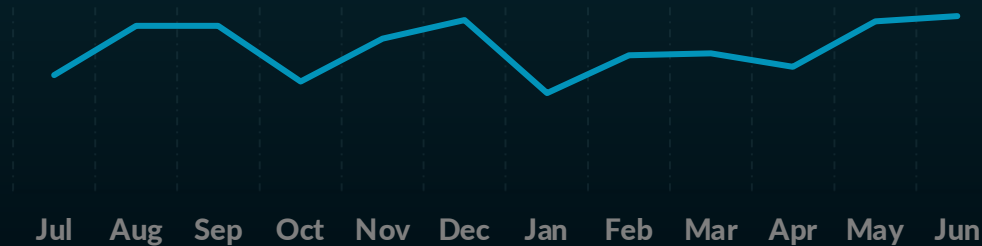
# Revenue Trends Show Online Potential

Total Revenue

**\$58.3M**

▲56.72%

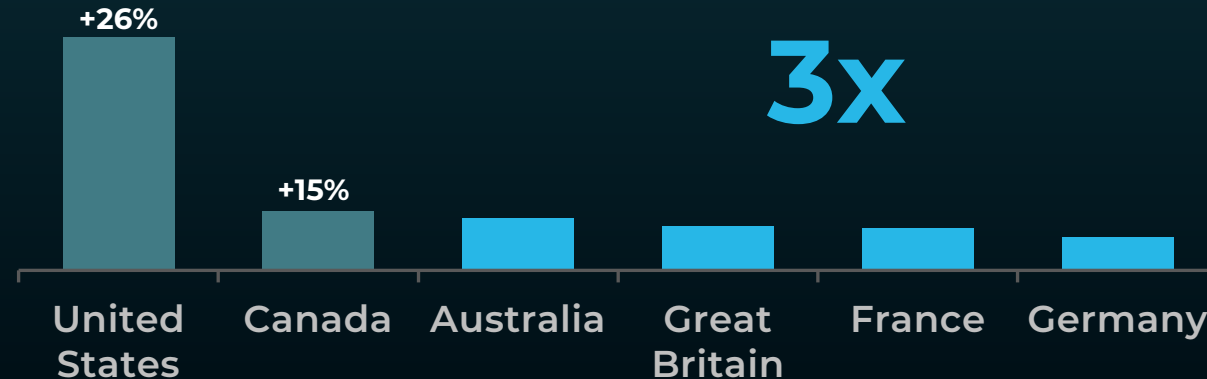
Monthly Revenue



Top Sales Reason

**Price**

Revenue by Region



AOV

▼53.47%

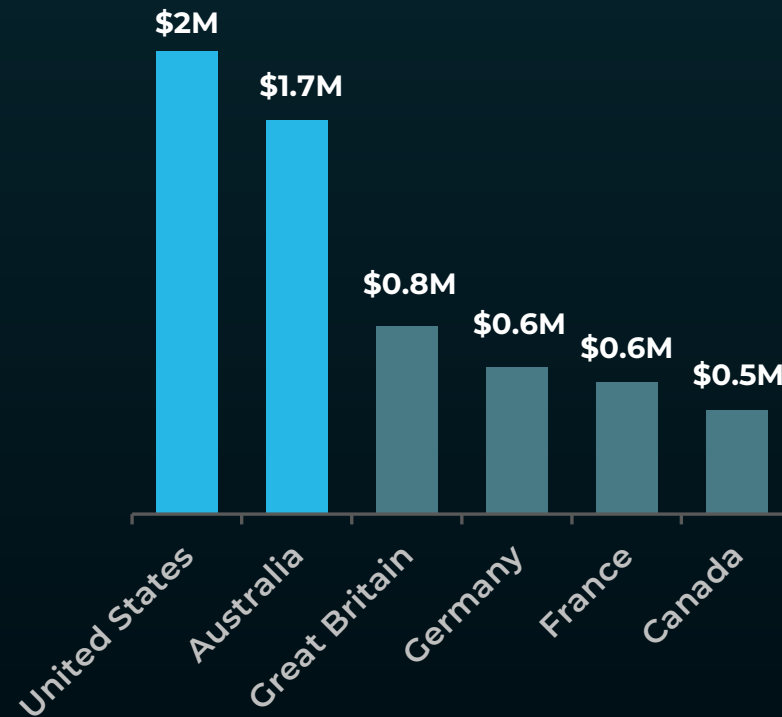
# Company Profitability

Total Profit

**\$6.1M**

▲584.62%

Profit by Region

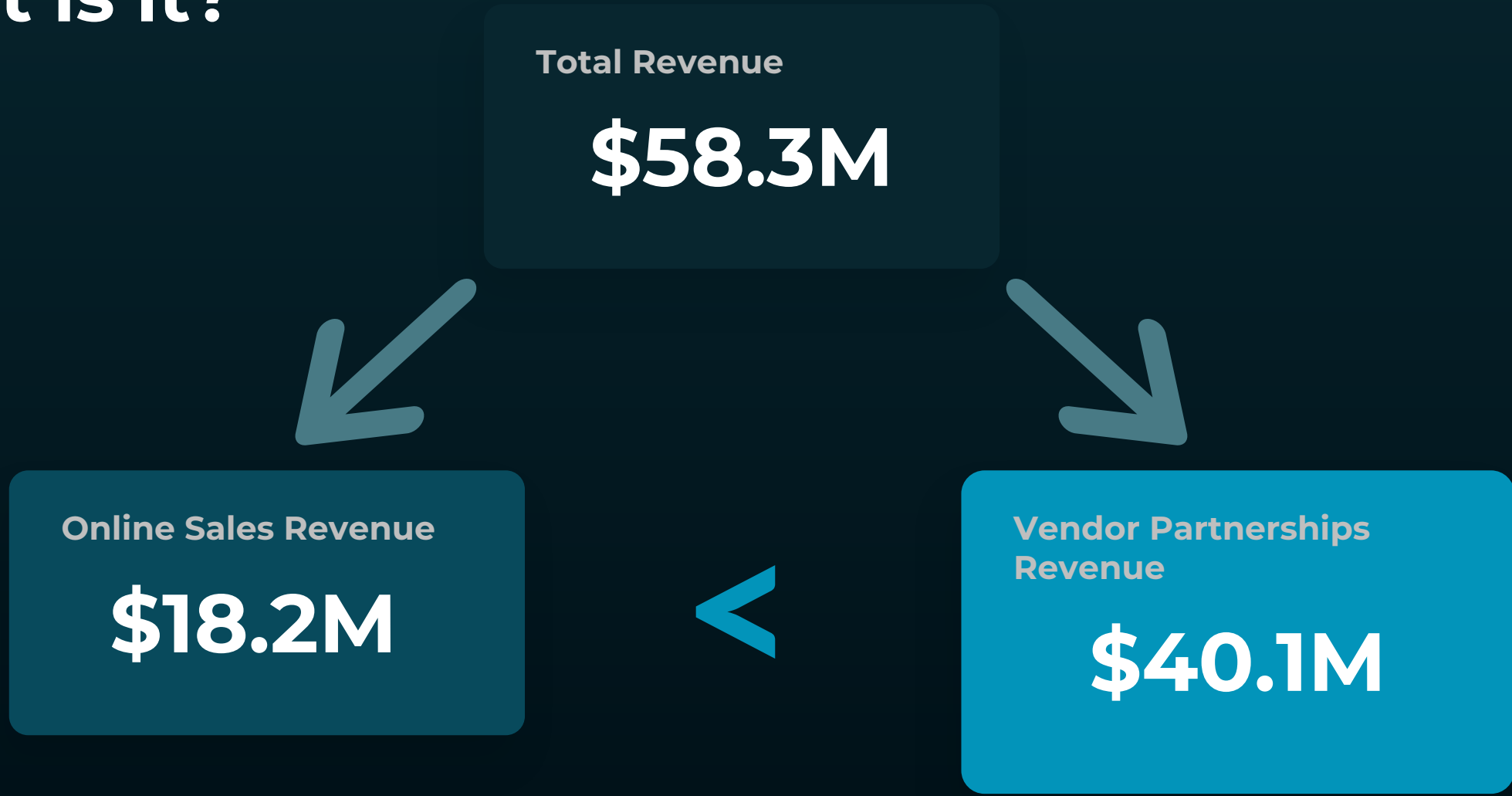


Monthly Profit



**At first, it might seem okay...**

# But is it?



Total Profit

**\$6.1M**



Online Sales Profit

**\$6.8M**



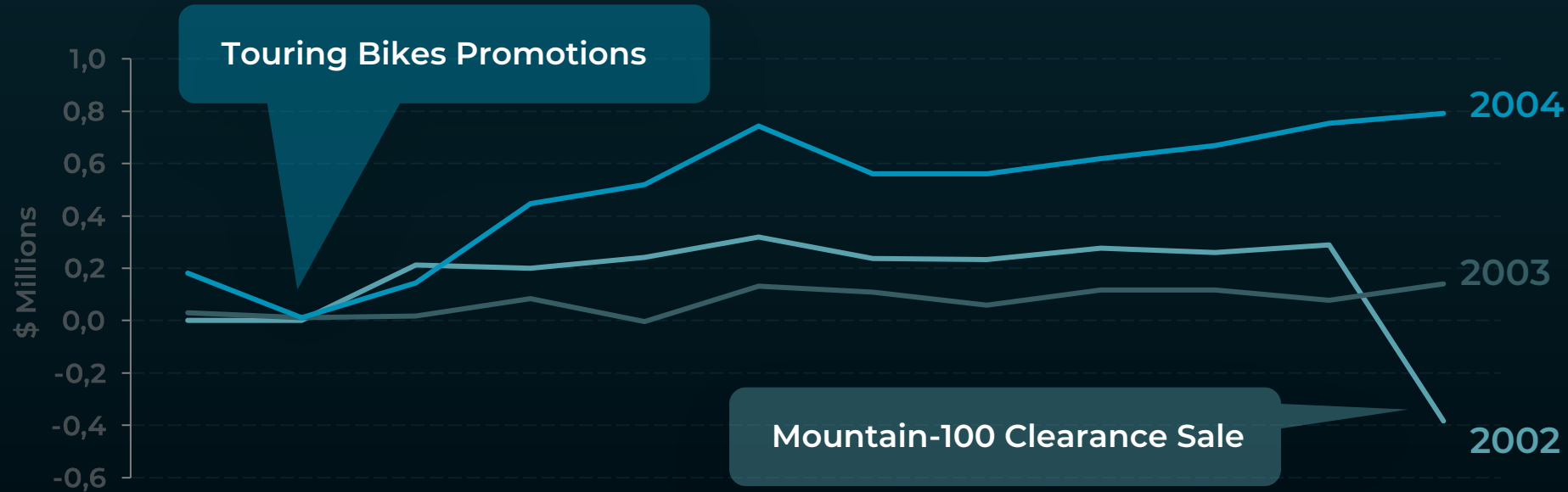
Doesn't look right...

Vendor Partnerships  
Profit

**(\$0.67M)**

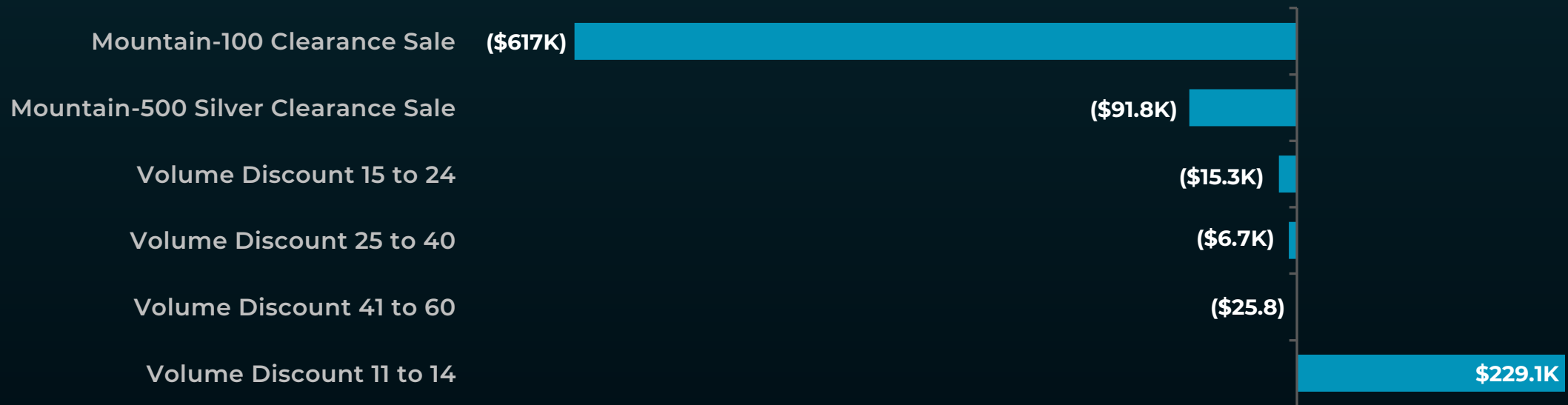
# Stock Clearances Cleansed Profits too...

In FY 2004 Q1, familiar trends emerged showing decreased profits associated with promotional deals related to the Bikes product category, indicating an overstock in inventory.



# Product Pricing Contributed to Profit Loss

The data indicates a significant loss from special offer sales, particularly regarding bike promotions and higher volume discounts. Altogether, these findings suggest a weak pricing model.



# Summary



FY 2004 showed great promise as profit surged by nearly six times, together with a 57% revenue increase. Despite revenue fluctuations, profits showed steady growth while online sales soared by 184%.



Direct online sales tripled to \$18.2M, but vendor sales dominated at \$40.1M. The US and Canada saw a modest sales increases, while other regions tripled in growth.



Despite significant vendor sales, an overall loss occurred, contrasting with profitable direct online sales. Direct online sales constituted the primary source of profit despite the large share of vendor sales.



Bike sales incurred most losses, highlighting ongoing issues with overstock and pricing strategies. Historical data showed a correlation between profit declines and bike promotions or clearance sales.



# Strategizing Better Profitability



## Mitigating Overstock Issues

Collaborate with inventory management department to effectively manage overstock.



## Adjust Pricing Models

Implement measures to optimize pricing strategies and maximize profitability, especially in the Bikes category.



## Leverage Online Sales

Consider long-term strategies to capitalize on the increasing growth potential of direct online sales, as well as growing markets such as Australia.



# Thank You

For Your Attention

Further Questions are Welcome!