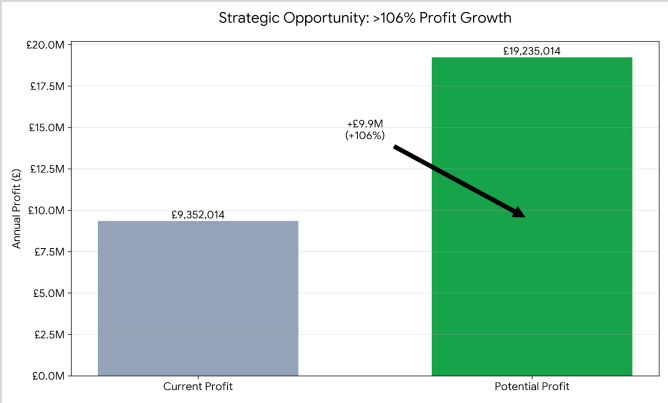## ▌ THE CHALLENGE

The client (an SME furniture retailer) was data-rich but insight-poor. Despite holding 34 months of transactional history (6,000 orders), they lacked the strategic analytics framework to diagnose a **21% year-on-year sales decline** in January and ineffective discounting practices.

▌ THE APPROACH

Moved beyond basic reporting to conduct a full-spectrum strategic audit. The analysis focused on **Price Elasticity**, **Customer Lifetime Value (CLV)**, and **Operational Efficiency** to prescribe actionable solutions.

Strategic Opportunity: >106% Profit Growth — Current Profit £9,352,014; Potential Profit £19,235,014; +£9.9M (+106%)

1. Geographical Uplift: £5.3m Opportunity

- **The Data:** The North East generates **£0.41** per capita, dwarfing the **£0.13** generated in London/SE.
- **The Action:** Closing this efficiency gap in the largest markets unlocks a **£5.3m profit opportunity**.

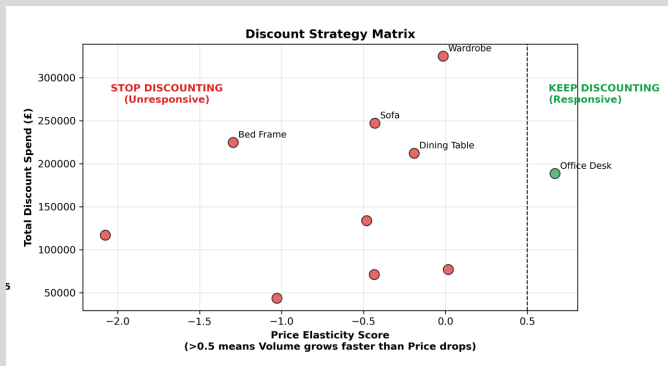## 2. Customer Loyalty: Leveraging the "Vital Few"

- **The Data:** The top 10 customers alone account for **52%** of all sales.
- **The Action:** A tiered Loyalty Programme to convert "Occasional" buyers into "High-Value Repeats" yields a **£2.6m ROI**.

3. Pricing Strategy: Plugging £1.45m Leakage

The Insight: Statistical analysis revealed 9 out of 10 discounted products were "price inelastic."

The Evidence: Discounting Wardrobes saved customers £325k but resulted in **-0.01 elasticity** (see chart), effectively giving away profit.

The Action: Remove discounts on unresponsive inventory to save **£1.45m/year**.

Discount Strategy Matrix — STOP DISCOUNTING (Unresponsive) / KEEP DISCOUNTING (Responsive); Total Discount Spend (£) vs Price Elasticity Score (>0.5 means Volume grows faster than Price drops); labelled points: Wardrobe, Sofa, Bed Frame, Dining Table, Office Desk.

4. Operational Efficiency: Reducing Returns Costs

The Insight: Returns cost 6.6% of total profit (£619k/yr). Analysis pinpointed the South West as a returns hotspot.

The Action: Targeted quality control on top 3 offenders (Wardrobes, Tables, Sofas) to reclaim **£91k+ profit**.

▌ STRATEGIC ROADMAP

By implementing these data-driven interventions, the business can pivot from a £9.4m baseline to a **£19.2m profit valuation** within 12-24 months.

| *"We don't need to expand to new territories to grow; we simply need to replicate our own best practices."*

Tech Stack: Python (Pandas/NumPy/SciPy), Tableau, Regression Analysis, Elasticity Modelling

[View Code on GitHub] | **[Interactive Dashboard]**
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