

Analysis of Sales Performance

AdventureWorks Fiscal Year Analysis

Sales Department

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Date: 30/07/2024



Summary

To provide an overview of sales performance, identify key issues, and propose solutions to enhance organizational goals.

Problem statement



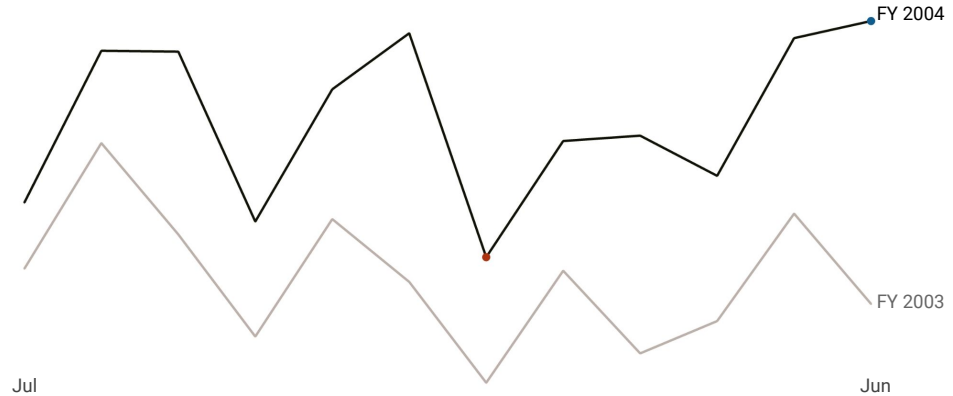
1. Product portfolio losses
(underperforming products).
2. Inconsistent data collection
(sales reason).

Sales increased by 56.6% in FY 2004 from the previous year

Sales in FY 2004



\$52.75 M



- All amounts are in USD.
- The analysis is based on the fiscal year (FY), which starts in July and ends in June.

Product portfolio losses

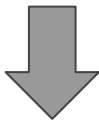
FY 2002



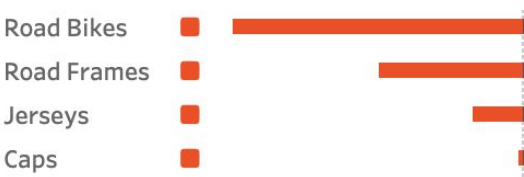
Products: 8
Underperforming (losses): 3



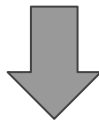
FY 2003



Products: 17
Underperforming (losses): 4



FY 2004

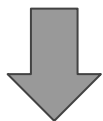


Products: 32
Underperforming (losses): 4



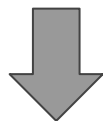
Product portfolio losses (underperforming products)

FY 2002



Products	Gross margin
Road frames	-4.8%
Jersey	-33.9%
Caps	-34.2%

FY 2003



Products	Gross margin
Road frames	-6.7%
Jersey	-35.3%
Caps	-12.9%
Road bikes	-1.6%

FY 2004



Products	Gross margin
Road frames	-1.2%
Jersey	-15.5%
Caps	-1.5%
Touring Frames	-0.3%

Product portfolio losses (underperforming products)

In FY 2004, 18 new products were introduced. Only one underperformed [touring frames with gross margin of -0.3%]

Product portfolio (discontinued products)

In FY 2004, three products were discontinued

- Forks
- Headsets
- Pumps

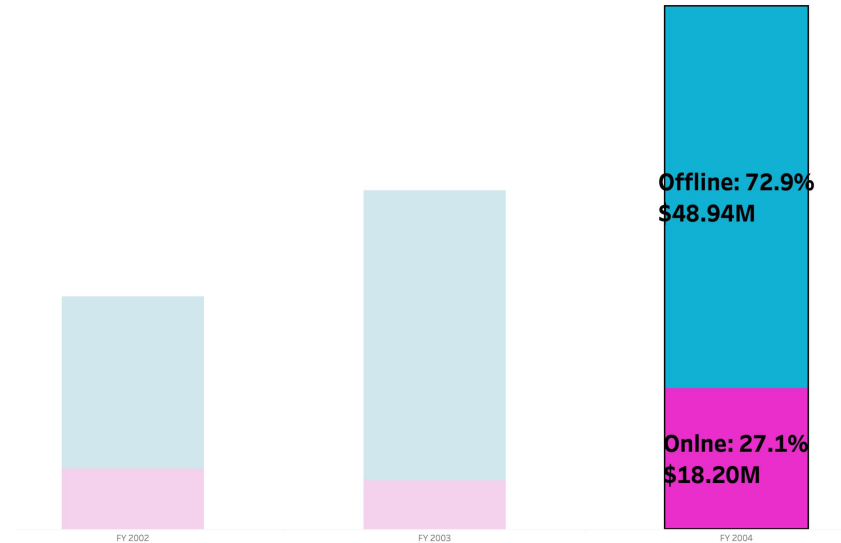
Product portfolio (discontinued products)

Profit margin as of FY 2003 (last period that they were sold)

Products	Gross margin
Forks	25.9%
Headsets	25.3%
Pumps	31.3%

Sales by sales channel and sales reason

In FY 2004, 72.9% (\$48.94 M) of the company's revenue was from offline channels and 27.1% (\$18.20 M) from online channels



82.3% (\$14.97 M) of the company's online sales have an associated sales reason. All offline sales do not have a sales reason.

Sales by sales reason

In FY 2004, 'price' accounted for 60.2% of online sales with an associated sales reason. 'On promotion' contributed 30%, 'review' 4.5%, 'manufacturer' 3.3%, 'television ads' 0.2%, and 'other' 1.8%.

Sales reasons

Name



Sales reason: **Price**
Revenue: **\$9.01M**
% of Total revenue: **60.2%**

Proposed recommendations



Underperforming products

Road frames sales were only from offline channel in FY 2004.

Jersey and caps have low online sales with 9.8% and 8.1% respectively.

Proposed recommendations



Underperforming products

Implementation of online sales channel to improve sales.

Implementation of 'price' and 'on-promotion' sales strategies to drive sales

Proposed recommendations



Underperforming products

Touring frames

Sales in FY 2004 were only from offline sales channel.

Implementation of online sales channel to improve sales.

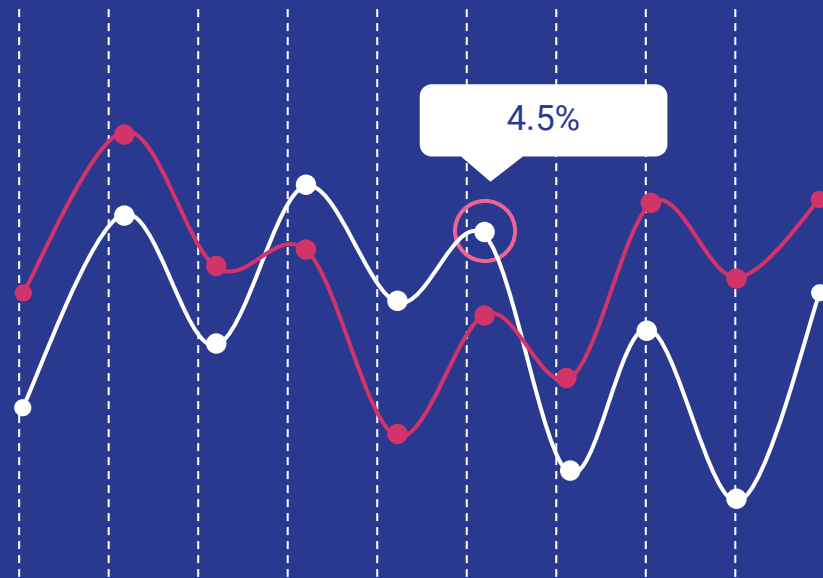
Implementation of 'price' and 'on-promotion' sales strategies to drive sales.

Proposed recommendations

Product reintroduction

Reintroduce high-margin products such as forks, headsets, and pumps to boost profitability.

4.5% sales increase



Proposed recommendations



Product reintroduction

Implementation of online sales channel to improve sales.

Implementation of 'price' and 'on-promotion' sales strategies to drive sales.

Proposed recommendations

Sales reason data omission

- 1.) Implement advanced Point-of-Sale (POS) systems for offline sales data collection.
- 2.) Standardize data collection processes and integrate customer feedback systems.
- 3.) Offering incentives (such as discounts or rewards) for customers who provide feedback.

Conclusion

This presentation provides actionable insights and strategies for the sales department. This approach not only highlights the current performance but also offers a roadmap for future growth and improvement, ensuring the sales team is well-equipped to meet organizational goals.

Challenges

Currently, there is no available data on the company's stores; therefore, a store analysis could not be conducted. It is essential to collect and document data regarding the company's stores for future analysis.



Questions?



Thank you!