

Optimizing Inventory Management For Enhanced Business Efficiency And Minimizing Operational Costs

GARIMA SIKKA [21F1005923] [MAY 2023 TERM]



**BUSINESS DATA MANAGEMENT
PROJECT PRESENTATION**

P I Z Z A L I C I O U S



- ❖ **‘Pizzalicious’** is a small pizzeria located in C78, Jhilmil Colony, Dilshad Garden, New Delhi. It is a fast-food restaurant, a B2C that deals directly with customers in the segment of ‘Food Service’.
- ❖ They specialize in Pizza’s and the major problem issue the pizzeria faced was *tracking inventory* and *product inflow & outflow*.

➤ P: INVENTORY MANAGEMENT

Tracking Inventory, Classifying Inventory Materials and Quantify Usage per products to minimize operational costs.

➤ D: DATA COLLECTED [JUNE 2023]

Sales Data, Total Inventory Usage Data, and Quantified Usage data per products for top 40 items.

➤ M: ANALYSIS AND METHOD'S

Pareto Analysis, ABC Analysis, Inventory Categorization using Excel Tool Pak and Descriptive Statistics.

THE PDM:

PROBLEM(S)

DATA OVERVIEW &

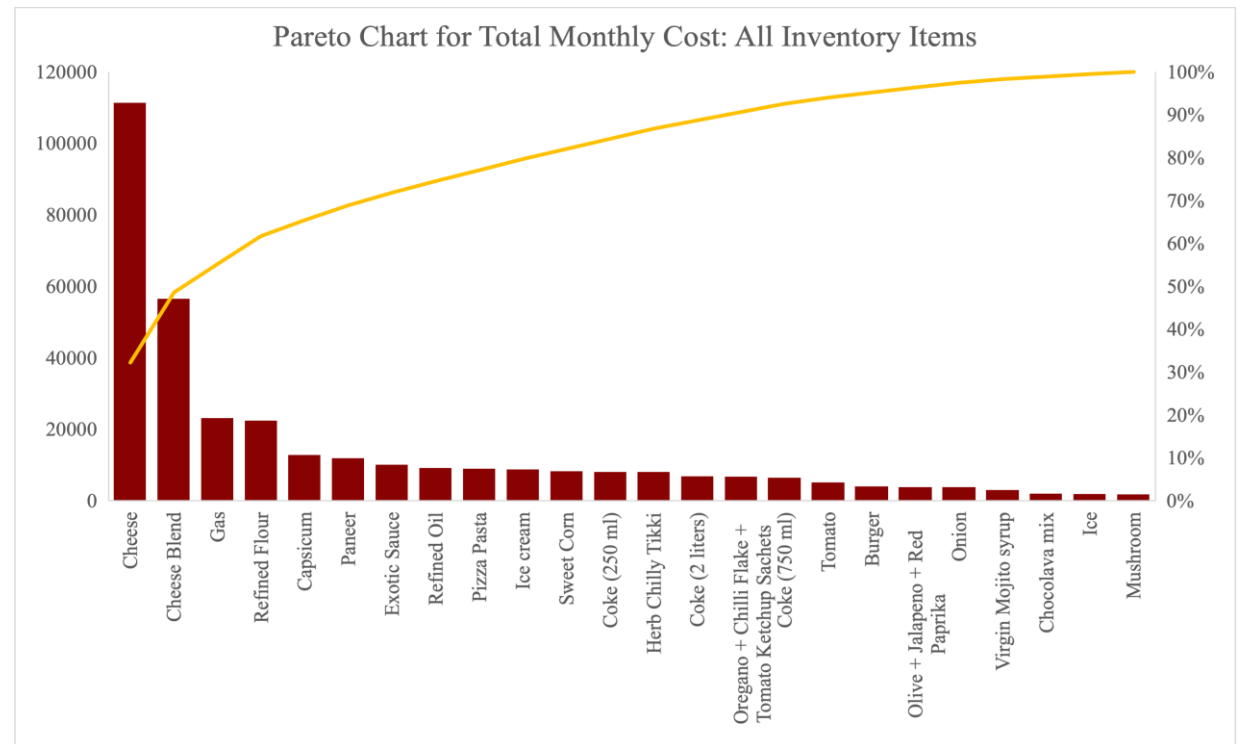
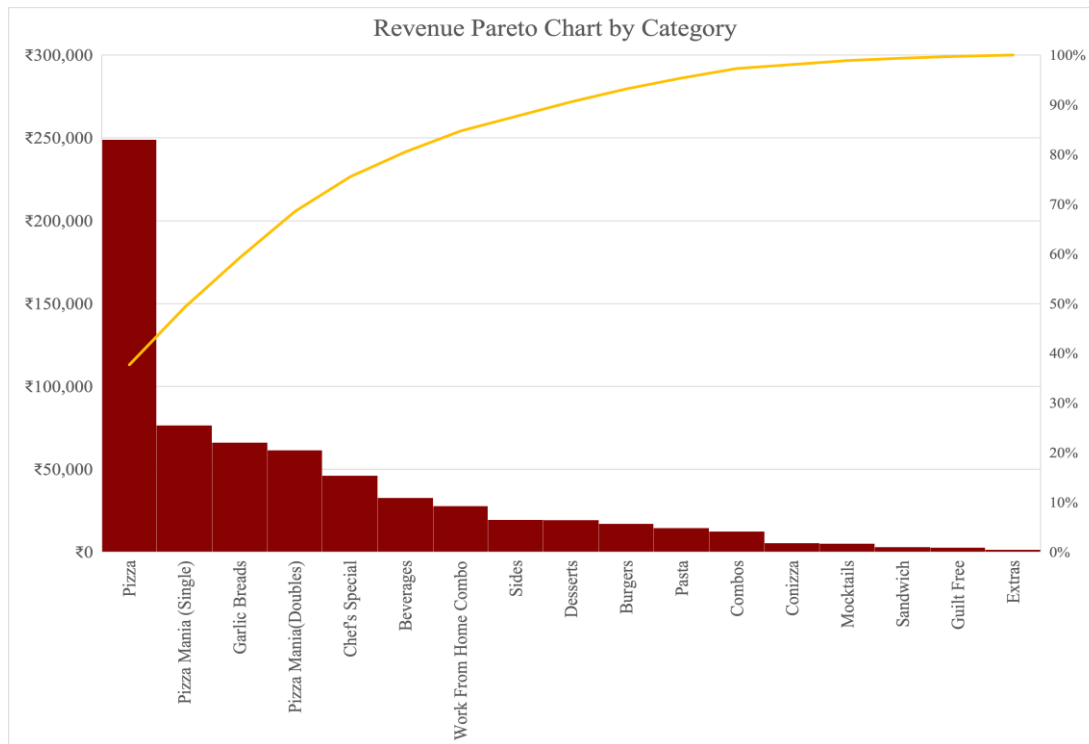
METHODOLOGY

TAKEAWAY:

Optimizing and quantifying inventory for top 40 items.

PRELIMINARY PARETO ANALYSIS : SALES AND INVENTORY

It was found that both the sales data and inventory cost follow pareto closely.

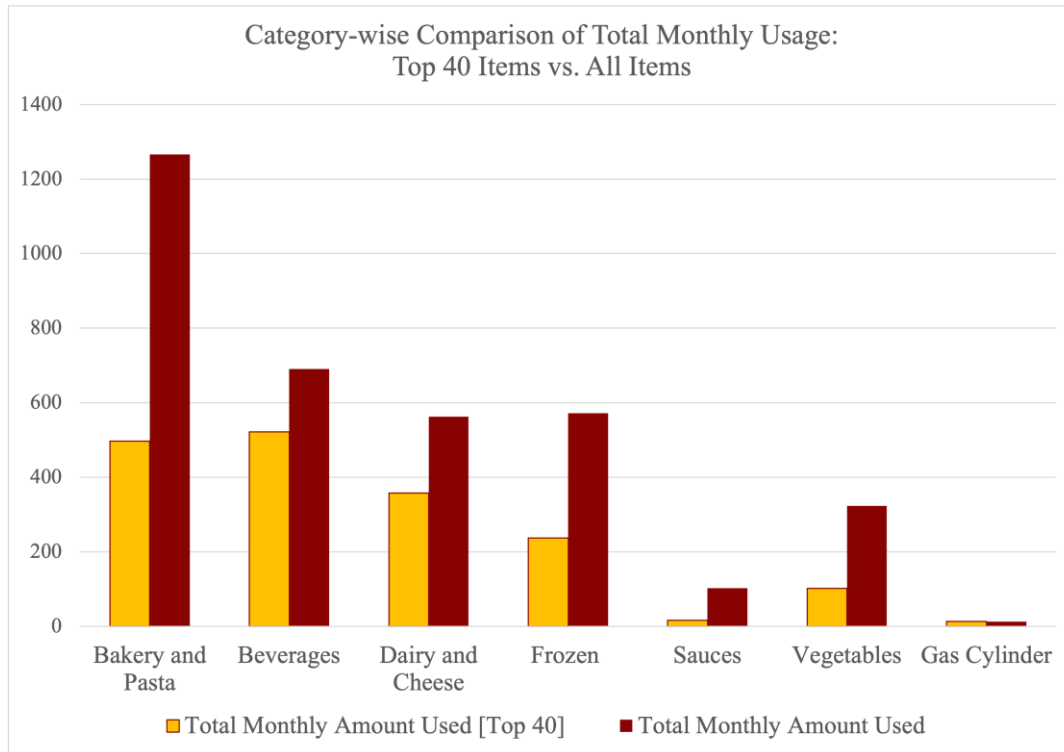


- The highest revenue-generating items were *Pizzas* and *Garlic Breads* generating 75.56% of the total revenue.

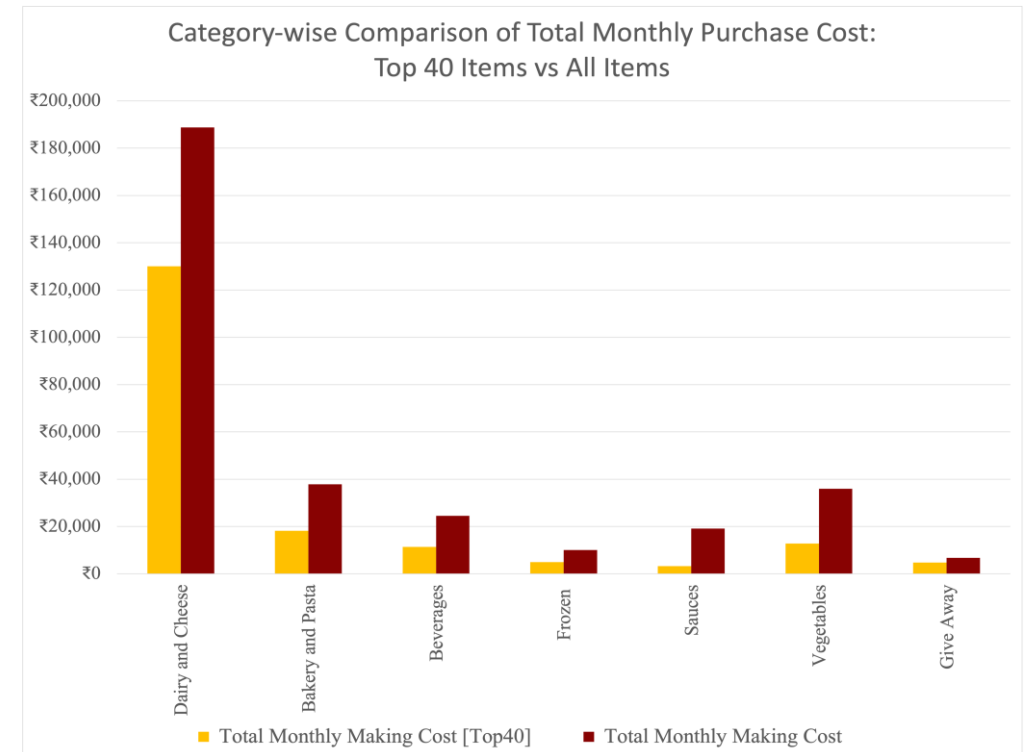
- The purchase cost is majorly driven by inventory items such as *Cheese*, *Cheese Blend*, *Gas*, *Refined Flour*, *Capsicum*, and *Paneer*, collectively accounting for 68.91% of the total.

ANALYZING DATA DISPARITIES: UNCOVERING INSIGHTS AND OPPORTUNITIES

There was a noticeable disparity between the total monthly amount used and amount used for top 40 items which projected on the total purchase costs.



It's noteworthy that the Monthly Estimated Amount usage for the top 40 items accounts for approximately half of the Total Estimated Monthly Amount usage.



The total estimated monthly purchase cost is ₹3,46,117.64 and the expected monthly purchase cost for the top 40 items is estimated at ₹2,08,326.04. This results in a substantial discrepancy of ₹1,37,791.63.

RECOMMENDATIONS

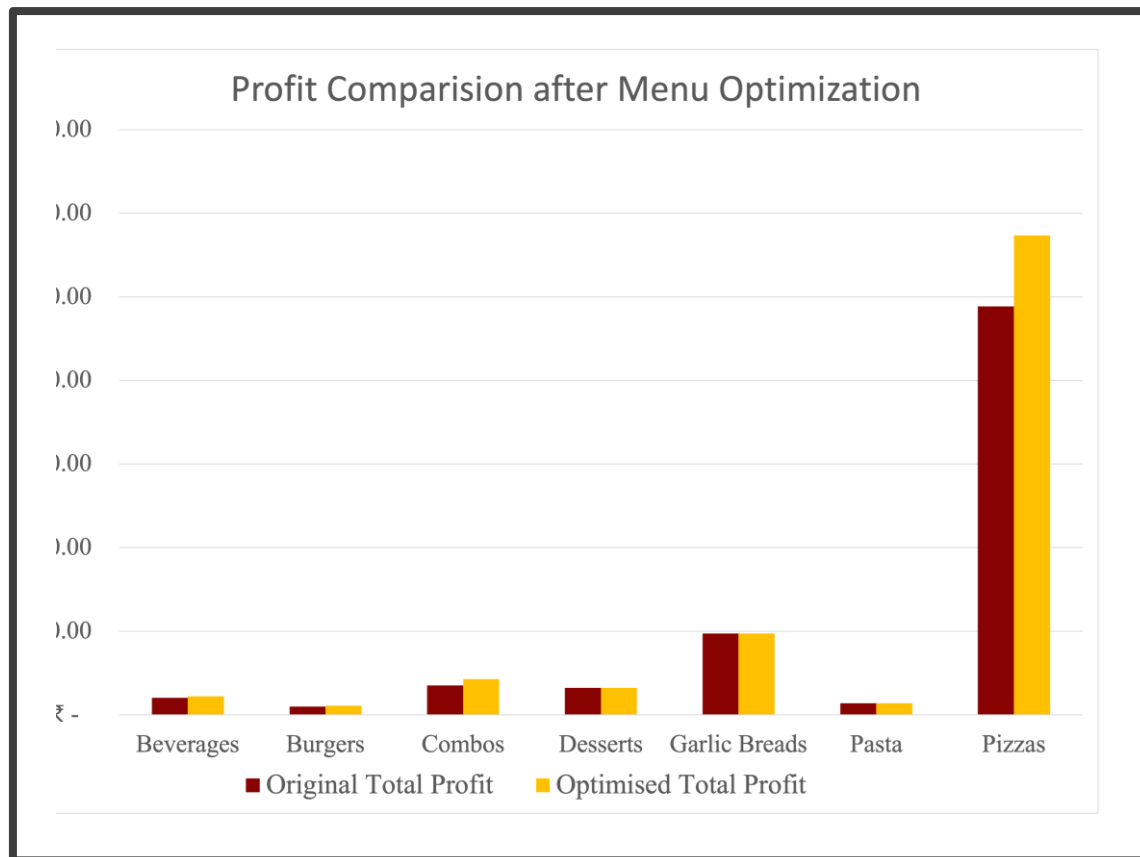
MENU Optimization

- *Garlic Breads* and *Choco-lava* as Add-ons and in Combo deals
- *Burger-Fries-Coke* Value Meals
- Strengthen Combo Value

Reevaluations

- *Conizza*, *Guilt-free*, and *Sandwich* in menu
- Optimizing Margins on *Coke*
- Investigate inventory usage

RECOMMENDATIONS SIMULATED MODELLING



- **Result:** The net profit *increase* is approximately 13.7% [about ₹47,727], on the key assumptions above.
- **Key assumptions:**
 1. We are selling Original Garlic bread and Choco Lava with 50% of all Medium and Large pizzas of the top items sold.
 2. We are increasing the selling price of coke by about 15%.
 3. We sell a coke as an add on with 50% of Small and 7 inches pizzas sold in the top products.
 4. We are selling Burger Value (Burger + Coke) meals with 50% of total burgers sold.

THANK YOU

Open to Questions!

