QUARTERLY SALES REPORT

PREPROCESSING

As part of pre-processing for better visualization, the following changes have been made in Power BI using Power Query and Quick measure

1. A New column of **Service tax** is created to measure to calculate the additional charges For each order.
2. In order to better analysis the **Week Number** column has been added derived from the order date column.
3. Added a column to calculate the **quantity of the re-supply** required for each product based on buffer stock column which is predetermined to be maintained.
4. Added a column calculating the cost of **total buffer stock** of each item.
5. Calculated the **total expenditure** on procurement of all items sold using the above information.
6. Used measures to calculate **Inventory turnover Ratio, Inventory days, Inventory Expenditure, Net Income, Procurement Cost.**

From the data and visualizations in the report generated we can deduce the following

GLOSSARY

- *Inventory Turnover Ratio: It is a measure of the number of times inventory is sold or used in a time period.*
- *Inventory days: An efficiency metric that measures how long it takes a business to generate sales equal to the value of its inventory.*
- *Inventory Expenditure: All the costs associated with holding and management of inventory.*
- *Net Income: Business profit after expenses and deductions taken out.*

OVERVIEW

- The cafeteria had an opening month sale of **Rs3,65,679** with **1078** orders the highest number of sales in that quarter. Possibly due to the buzz of a newly opened outlet.
- August despite being the lowest in terms of revenue generated, it is the most profitable month given the Sales/Orders ratio.
- Expensive items such as Pizza Burger Donut form the major part of sales **48%** total sales revenue. Followed by Chocolate cake which happens to be **most sold item**.
- Most number of sales done in the quarter is June 9th with **Rs20,073.**
- **Highest sales** done in a week is 88000 between 26th June-2nd July. Indicating some employees preferred to eat out at company's expense. Possibly due to less money to spend on home food by the end of month.
- This can also be seen through a clear trend of weekly sales graph which tend to increase by the end of the month. And sales dipping mid-month showing the disinterest.
- Medium size pizza is the most sold item among expense items in menu.
- Pepsi sales go up in fourth week of every month.
- Coke is the only item in the entire menu that showed a growing trend every month.
- There is a consistent drop in sales throughout the quarter in terms of units sold and revenue generated suggesting a change in perception of customers or beginning of a trend that gives a better picture of sales outside the hype. Therefore, data of true performance of the

cafeteria is yet to come through future that can truly determine the performance of the cafeteria.

SALES IN TERMS OF GENDER

- Sales revenue in terms of Gender both Male and Female is **61% and 39 %** respectively.
- Chocolate cake is the most sold item with **7.57 %** of total units ordered.
- From the projections of Sales Vs Quantity (units sold).
  Expensive Menu items of *Pizza and Burger* generate revenue almost double their unit sales. While Menu items such as *Salad, Chocolate Cake, Pizza S, Burger S* has a linear relationship when it comes to Sales and Revenue.

PREFERENCES

ITEM	PREFERENCES
Salad, Donut, French Fries, Pizza S, Burger S, Chocolate cake, Soft Drinks, Pasta	Men and Women
PIZZA-M, Burger M, Burger L, Pizza L	Men
Pizza L, Burger S, French Fries, Salad	Women

INVENTORY STATUS

Since the food items are consumed on a daily basis, there is a need to regularly monitor the quantity of items left in storage. A proper supply chain is the key for a seamless delivery of services for any B2C business model.

- The cost of the total inventory i.e., inventory expenditure is **Rs82,000**.
- Total Procurement cost or money spent on inventory the entire quarter is **Rs5,77,000**.
- **Inventory turnover** Ratio of the quarter is **7**.
  Inventory turnover Ratio=Cost of Goods sold /Average Inventory = 577000/87000= 7
- Pepsi happens been refilled the greatest number of times (**10**). Partly due to lower buffer limit.
- A Negative procurement cost suggests that there is a stock is up to the buffer limit OR the product has been recently procured.
- It takes **13 days** for the sales to be equal to the value of the inventory.
- Inventory Days= 90/Inventory Turnover= 90/7 = 13.

BALANCE SHEET

- Each item is procured at **61%** of the item cost. Making a **profit margin** of 40% on each product they sell. Some of which goes into salaries and maintenance.
- A service charge of **14%** is put on the order before billing.
- Total spending on the inventory is **Rs5,77,000**. Which enabled the procurement of the entire inventory 7 times during the period.

- A Total Revenue of **Rs 10,34,703** is generated via sales. Of which **Rs 1,27,000** is service charges. All of which goes to the salaries of the cafeteria employees.
- Total Staff salaries of **Rs 80,000** / month.
- August is the most profitable month with a better Sales/Spending Ratio of **1.91**.
- Overall, Sales/Spending ratio of the quarter is **1.71**.

Monthly Sales Performance

	Total Sales	Inventory Spending	Sales/Spending
June	Rs 3,65,679	Rs 2,47,000	1.48
July	Rs 3,53,315	Rs 2,47,000	1.43
August	Rs 3,15,709	Rs 1,65,000	1.91
TOTAL	Rs 10,34,703	Rs 5,77,000	1.79

Balance sheet (Profit/Loss Statement) of the Quarter

QUARTER	Total Sales	Inventory Spending	Salaries	Profit
1	Rs 10,34,703	Rs 5,77,000	Rs2,40,000	Rs 2,16,970

REMARKS

While Expensive items in the menu give a high return, they also increase the procurement costs which eventually effect the balance sheet for following reasons.

- In what may be an attempt to attract more customers main items such as Large and Medium sized items are modestly priced.
- The profit margin is too low on expensive items, which is clearly visible in the month of august which had less sales in those items.

RECOMMENDATIONS

1.Introduce more variations of products that a have linear relation w.r.t to sales and quantity

- Different types of *Salad, Pizza S, Burger S* can be added at same price range to menu.

2. Maintain constant prices on items that are most common choices for both men and women.

3. Slightly Increase the Profit margin of the Large and Small sized items. Pursuading the customers to pick a size medium size item.