

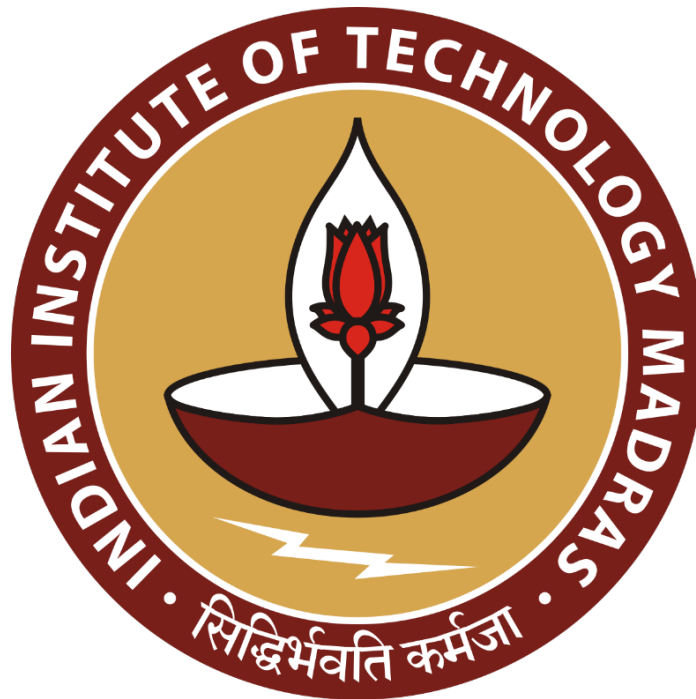
Strengthening Revenue Streams and Supply Chain Efficiency in FMCG Distribution

A Mid Term report for the BDM capstone Project

Submitted by

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Declaration Statement

I am working on a Project “**Strengthening Revenue Streams and Supply Chain Efficiency in FMCG Distribution**”. I extend my appreciation to Hapur Sales Corporation, Hapur for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

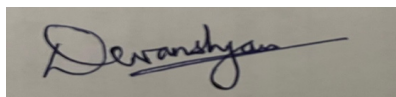
Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate:

A rectangular box containing a handwritten signature in dark ink. The signature appears to be 'Devansh Jain' written in a cursive, flowing style.

Name: Devansh Jain

Date: 03/10/2024

1 Executive Summary and Title

Founded by Shri Madhav Bansal in Hapur, Hapur Sales Corporation is a well-established B2B distributor specializing in Fast-Moving Consumer Goods (FMCG). Initially focusing on agency-based distribution, the organization achieved a significant milestone in 1984 by securing a dealership with Hindustan Unilever Limited (HUL). This longstanding partnership has been pivotal to Hapur Sales Corporation's growth, solidifying its status as a premier HUL distributor in the region.

However, the organization faces several strategic challenges that could limit its expansion and profitability. A primary issue is the high reliance on a limited group of key retailers. This concentrated dependency heightens financial risk, as difficulties faced by any of these major retailers could negatively affect the company's financial health. Additionally, frequent disruptions in stock availability lead to delays, impacting sales consistency and product accessibility for retailers.

This report identifies and analyses these challenges through a data-driven approach, using charts and visualizations to map out stock flow inefficiencies and retailer dependencies. Insights from dependency analysis offer a clearer understanding of the current retail network, highlighting opportunities for diversification to reduce risk. Moreover, visual trends in inventory control pinpoint specific areas where optimization can minimize stock flow disruptions. By addressing these areas, Hapur Sales Corporation can strengthen its resilience, manage risk more effectively, and position itself for sustained growth.

2 Proof Of Originality of Data

2.1 The photographs of the organisation, Hapur Sales Corporation is hereby attached for your ready reference in this drive link:
<https://drive.google.com/drive/folders/1ijg3tjFS238wXq8eTef17J7lUuqO85EM?usp=sharing>

2.2 Link to Datasets:
<https://docs.google.com/spreadsheets/d/1zru2TUKVoZNxNcUSQekcWpAYZ-MoWDzViYhkwO96YA/edit?usp=sharing> (Sales Data)
https://docs.google.com/spreadsheets/d/1pthJWxt-pAiA0OmxmlpjwU2baLc9LdpO-il3bU8_09c/edit?usp=sharing (Inventory Data)

2.3 Letter from Organisation(as attached in next page)

HAPUR SALES CORPORATION

Date: 13 October 2024

Subject: No Objection Certificate for Use of Business Data by Mr. Devansh Jain

We, Hapur Sales Corporation, located at Revti Ganj, Hapur-245101, hereby authorize Mr. Devansh Jain to make use of the business data that we have provided. This authorization is granted with the understanding that he will ensure strict adherence to our privacy and data protection standards.

He is permitted to utilize this data solely for the intended purposes as discussed with Hapur Sales Corporation. We confirm that we have no objection to his use of our data, provided that all usage aligns with the agreed-upon terms and complies with relevant privacy policies and data protection regulations.

By issuing this certificate, Hapur Sales Corporation certifies that it holds no objections to the usage of data by Mr. Devansh Jain, as per the guidelines mentioned.

Thank you.



Hapur Sales Corporation

Revti Ganj, Hapur-245101

Contact: +91 9968313993

3 Metadata and Descriptive Statistics:

The data collected ranges from 1 April 2023 to 30 September 2023. The duration the the data collection is of 6 months in total. The data further contains 2 sheets, one is of the invoice Sales Data and second dataset is of Inventory/Stock Movement.

Below is attached of the dataset for your ready reference:

Invoice No: is the unique Number for any generated invoice.

Invoice Date: the date at which invoice was generated.

Amount Central Tax : CGST paid to the Central Government.

Amount State Tax: SGST paid to State Government.

Outlet Name: name of the retailer who purchases the products.

Tax-State/Central: Rate of tax in percentage.

Taxable: Total amount for a product for a given quantity in that invoice.

Base Value: Price of single unit of a particular product.

HSN: Unique code assigned by Government to various categories of products.

HSN Description: Category of the product.

Product Description: Name of the product.

Total Quantity: quantity of that particular product bought in that invoice.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Invoice No	Invoice Date	Invoice Value	Amount - Central Tax	Amount - State/Tx Tax	Outlet Name	Tax - Central Tax	Tax - State/Tx Tax	Taxable	Base Value	HSN	HSN Description	Product Description	Total Quantity
1	01000005	1/4/2023	573.292	0.706	0.706	Vinod Vinod Cosmetic Store-D	9	9	7.847	7.847	3401.19.30	Detergent Bar	SURF EXCEL BAR F.W. 80G RS.	1
2	01000025	1/4/2023	573.292	0.34	0.34	Vinod Vinod Cosmetic Store-D	9	9	3.783	3.783	3405.40.00	Vim/Scourers / bar	VIM BAR 70G	1
3	01000031	1/4/2023	103.29	4.16	4.16	ANANT DISPENSARY/GENERAL STORE	9	9	46.224	2.704	3304.99.10	lakme consumable others	GAL ADY MAY HG TRACE OFFER 24x1	6
4	01000034	1/4/2023	115.479	0.93	0.93	ANANT DISPENSARY/GENERAL STORE	9	9	10.929	0.646	3305.10.90	Shampoo	SS BLACK SH SHMP SONT 6 ML	16
5	01000035	1/4/2023	103.29	0.939	0.939	0.939 SAKSHI GEN STORE	9	9	10.206	0.638	3305.10.90	Shampoo	CLINIC PLUS STRONGSHINY SHMP 6 ML	16
6	01000036	1/4/2023	96.736	2.799	2.799	J.R.CONFECTORIES	9	9	33.104	0.648	3305.10.90	Shampoo	CP SL SHMP 6 ML INCL SUN EXTRA	48
7	01000041	1/4/2023	1711.145	130.511	130.511	130.511 MADAN GOPAL GENERAL MANDHENT	9	9	1450.123	60.422	9609.21.00	Toothbrush	SENSO BRUSH SENSITIVE 3BRUSH_REL	24
8	01000005	1/4/2023	3745.62	8.436	8.436	8.436 Roop Kishor Rakesh Kumar	9	9	93.732	7.811	3401.11.90	Toilet Soaps	LB SILVER SHIELD SOAP 52G	12
9	01000005	1/4/2023	3745.62	16.871	16.871	16.871 Roop Kishor Rakesh Kumar	9	9	187.452	31.242	3401.11.90	Toilet Soaps	LB SILVER SHIELD SOAP 484G	6
10	01000005	1/4/2023	3745.62	30.106	30.106	30.106 Roop Kishor Rakesh Kumar	9	9	334.511	111.504	3401.11.90	Toilet Soaps	LUX RADIANT GLOW 100G PK OF 5	3
11	01000005	1/4/2023	3745.62	43.432	43.432	43.432 Roop Kishor Rakesh Kumar	9	9	48.158	100.86	3402.50.00	Preparations put up for retail sale	SURF EXCEL EXPANDED DETENDENT LIQUID 16TR	3
12	01000008	1/4/2023	6286.295	14.054	14.054	14.054 Ankit Kir Store	9	9	156.152	156.152	3402.50.00	Preparations put up for retail sale	VIM LIQUID YELLOW BOTTLE 750ML	1
13	01000008	1/4/2023	4339.349	5.884	5.884	SHRINGAR PALACE	9	9	65.486	65.486	2712.10.90	Vaseline Petroleum Jelly (PGrade)	VPI 40G	1
14	01000008	1/4/2023	4339.349	5.389	5.389	SHRINGAR PALACE	9	9	58.878	4.878	3304.99.10	lakme consumable others	PONDS LIT MOIST SOAM	1
15	01000008	1/4/2023	4339.349	13.317	13.317	SHRINGAR PALACE	9	9	147.866	73.983	3304.99.10	lakme consumable others	GAL BB CREAM 38G	2
16	01000008	1/4/2023	4339.349	9.795	9.795	SHRINGAR PALACE	9	9	108.881	54.618	3304.99.10	lakme consumable others	PONDS BB CREAM IVORY 9G	2
17	01000008	1/4/2023	4339.349	6.581	6.581	SHRINGAR PALACE	9	9	73.235	36.618	3304.99.10	lakme consumable others	GAL BB CREAM 9G	2
18	01000008	1/4/2023	4339.349	7.336	7.336	SHRINGAR PALACE	9	9	81.509	81.509	3304.99.30	Body lotion	VTM ALICE FRESH LTN 100ML	1
19	01000008	1/4/2023	4339.349	8.14	8.14	SHRINGAR PALACE	9	9	69.337	69.337	3305.10.90	Shampoo	DOVE SHY TFC CANDID 80ML	1
20	01000008	1/4/2023	4339.349	8.667	8.667	SHRINGAR PALACE	9	9	96.302	96.302	3305.90.11	Perfumed Hair Oil	CAC HAIR OIL 150ML	1
21	01000009	1/4/2023	9925.661	44.848	44.848	Haji Kir Store	9	9	498.307	41.526	3401.11.90	Toilet Soaps	PEARLS RADIANT TSOAP 100G	12
22	01000009	1/4/2023	9925.661	26.161	26.161	Haji Kir Store	9	9	294.678	48.446	3401.11.90	Toilet Soaps	PEARLS OIL CLEAR GLOW SOAP 75G UL FRE	6
23	01000009	1/4/2023	9925.661	59.119	59.119	Haji Kir Store	9	9	212.431	70.811	3401.11.90	Toilet Soaps	CLINIC PLUS LINDORA SOAP	1
24	01000009	1/4/2023	9925.661	51.095	51.095	Haji Kir Store	9	9	174.386	95.731	3401.19.30	Detergent Bar	SURF EXCEL BAR MPM 400GSS	6
25	01000009	1/4/2023	9925.661	110.284	110.284	Haji Kir Store	9	9	1225.381	302.115	3402.50.00	Preparations put up for retail sale	SMFL EW SCS OFF CNT CE UP H	1
26	01000010	1/4/2023	10008.108	51.948	51.948	RAJAKUMAR PROV STORE	2.5	2.5	2077.91	17.316	0902.30.20	Tea retail	TAAJIA LEAF PJ 100GPO	120
27	01000010	1/4/2023	10008.108	55.986	55.986	RAJAKUMAR PROV STORE	9	9	622.064	0.648	3305.10.90	Shampoo	CP SL SHMP 6 ML INCL SUN EXTRA	960
28	01000014	1/4/2023	114.688	1.801	1.801	POOJA STORE	9	9	20.01	20.01	3305.10.90	Shampoo	DOVE I R SHP SCS 5 S.ML	1
29	01000015	1/4/2023	99.138	0.711	0.711	NETTA GENERAL STORE-D	9	9	7.896	6.329	3305.10.90	Shampoo	CP STRONGSHINY SHP 6 ML INCL INCL 20N EXTRA	24
30	01000019	1/4/2023	101.48	3.732	3.732	3.732 Manisha Kringer Kure D	9	9	41.472	0.648	3305.10.90	Shampoo	CP SL SHMP 6 ML INCL SUN EXTRA	48
31	01000023	1/4/2023	103.29	0.939	0.939	0.939 Kailash Chait Wale D	9	9	10.206	0.638	3305.10.90	Shampoo	CLINIC PLUS STRONGSHINY SHMP 6 ML	16
32	01000024	1/4/2023	103.238	4.16	4.16	4.16 Sika General Store-D	9	9	46.224	2.704	3304.99.10	lakme consumable others	GAL ADY MAY HG TRACE OFFER 24x1	6
33	01000024	1/4/2023	102.328	0.919	0.919	0.919 SAKSHI General Store	9	9	10.206	0.638	3305.10.90	Shampoo	CLINIC PLUS STRONGSHINY SHMP 6 ML	16
34	01000025	1/4/2023	573.292	0.706	0.706	Vinod Vinod Cosmetic Store-D	9	9	7.847	7.847	3401.11.90	Toilet Soaps	LIBERIDY NISM SOAP 48G	1
35	01000025	1/4/2023	573.292	2.835	2.835	Vinod Vinod Cosmetic Store-D	9	9	31.387	31.387	3401.11.90	Toilet Soaps	GAL CLASSIC AND PACK OF 4	1
36	01000002	1/4/2023	1601.213	122.126	122.126	122.126 Amba Vashio Prov Store	9	9	1356.961	54.278	3402.50.00	Preparations put up for retail sale	WHEEL LUNA & CING PWD 4x NILE SRS	25
37	01000026	1/4/2023	1745.62	14.831	14.831	Roop Kishor Rakesh Kumar	9	9	94.784	82.392	3402.50.00	Preparations put up for retail sale	SURF EXCEL 4x WASH DETENDENT LIQUID 100ML	2
38	01000006	1/4/2023	6286.295	8.435	8.435	Ankit Kir Store	9	9	93.728	31.242	3401.11.90	Toilet Soaps	LUX FLAWLESS GLOW 484G	3
39	01000006	1/4/2023	6286.295	8.435	8.435	Ankit Kir Store	9	9	93.728	31.242	3401.11.90	Toilet Soaps	LUX RADIANT GLOW 484G	3
40	01000006	1/4/2023	6286.295	122.126	122.126	Ankit Kir Store	9	9	1356.961	54.278	3402.50.00	Preparations put up for retail sale	WHEEL LUNA & CING PWD 4x NILE SRS	25
41	01000007	1/4/2023	2338.274	2.812	2.812	Amba Vashio Prov Store	9	9	31.242	31.242	3401.11.90	Toilet Soaps	LB SILVER SHIELD SOAP 484G	3
42	01000007	1/4/2023	2338.274	2.108	2.108	Amba Vashio Prov Store	9	9	23.423	7.808	3401.19.30	Detergent Bar	SURF EXCEL BAR F.W. 80G RS	1
43	01000008	1/4/2023	4339.349	3.867	3.867	SHRINGAR PALACE	9	9	38.521	38.521	2712.10.90	Vaseline Petroleum Jelly (PGrade)	VPI 20G	1
44	01000008	1/4/2023	4339.349	7.828	7.828	SHRINGAR PALACE	9	9	86.976	86.976	3304.99.10	lakme consumable others	PONDS AM DMC 10G	1
45	01000008	1/4/2023	4339.349	6.115	6.115	SHRINGAR PALACE	9	9	72.169	70.169	3304.99.10	Body lotion	POST TRIPLE WT MATURING LTN 100ML	1
46	01000008	1/4/2023	4339.349	9.361	9.361	SHRINGAR PALACE	9	9	104.006	104.006	3305.10.90	Shampoo	INDOLESHA HT CLEANSER BOTTLES 100ML	1
47	01000008	1/4/2023	4339.349	4.992	4.992	SHRINGAR PALACE	9	9	55.47	55.47	3305.10.90	Shampoo	DV INTL BPE TYP 34 80ML	1
48	01000008	1/4/2023	4339.349	4.992	4.992	SHRINGAR PALACE	9	9	55.47	55.47	3305.10.90	Shampoo	DOVE KFER SOAP 80ML	1
49	01000008	1/4/2023	4339.349	11.064	11.064	SHRINGAR PALACE	9	9	122.937	122.937	3401.30.90	Face Mask	PONDS BRIGHT BEAUTY FW 100G	1
50	01000009	1/4/2023	9925.661	9.41	9.41	SHRINGAR PALACE	9	9	104.557	104.557	3401.30.90	Face Mask	GAL MAX FACK WASH 100G	1
51	01000009	1/4/2023	9925.661	25.746	25.746	Haji Kir Store	9	9	288.082	47.677	3401.11.90	Toilet Soaps	PEARLS SOFT & FRESH 1000G LUL FRE	6
52	01000009	1/4/2023	9925.661	60.212	60.212	Haji Kir Store	9	9	689.021	111.504	3401.11.90	Toilet Soaps	LUX FLAWLESS GLOW 100G PK OF 5	3
53	01000009	1/4/2023	9925.661	2.684	2.684	Haji Kir Store	9	9	23.838	23.838	3305.10.90	Shampoo	SURF EXCEL BAR 500G RS	1
54	01000009	1/4/2023	9925.661	23.305	23.305	Haji Kir Store	9	9	258.948	43.158	3402.50.00	Preparations put up for retail sale	VIM DRY WIP DWI REL 250ML ATVEL	6
55	01000009	1/4/2023	9925.661	18.644	18.644	Haji Kir Store	9	9	207.134	34.526	3402.50.00	Preparations put up for retail sale	RIN FAN WASH ALA 80G 200ML	1
56	01000009	1/4/2023	9925.661	37.135	37.135	Haji Kir Store	9	9	434.832	69.139	3402.50.00	Preparations put up for retail sale	RIN FAN WASH ALA 80G 200ML	6
57	01000009	1/4/2023	9925.661	2.516	2.516	Haji Kir Store	9	9	27.954	27.954	3402.50.00	Preparations put up for retail sale	WHEEL LUNA & CING PWD 4x NILE 500G	1
58	01000009	1/4/2023	9925.661	12.712	12.712	Haji Kir Store	9	9	142.243	47.081	3405.40.00	Vim/Scourers / bar	VIM BAR TAT F.W. 500G WITH NIKEL SCUBR	3
59	01000009	1/4/2023	10008.108	17.618	17.618	RAJAKUMAR PROV STORE	9	9	940.294	86.159	3405.40.00	Vim/Scourers / bar	WHEEL LUNA & CING PWD 4x NILE 500G	24

Figure (i): Snapshot of Sales Data

The figure (ii) essentially describes the descriptive statistics of the data on the Invoice value which is obtained by sum totalling 'Taxable' Column.

- This has explained the distribution of Invoice Values and helped in pre-eliminary data analysis on the invoices.
- The base value is the price of any individual SKU. It explains the maximum, minimum and average prices across all SKUs that the distributor is dealing with.
- The Total Quantity column explains about the quantity of an SKU being bought in a given invoice. The table depicts the average quantity for all the products that have been bought across all invoices

<i>Invoice Value</i>		<i>Base Value</i>		<i>Total Quantity</i>	
Mean	316.6765884	Mean	24.99563423	Mean	61.70715
Standard Error	5.986826264	Standard Error	0.094356291	Standard Error	2.445138
Median	30.989	Median	7.811	Median	3
Mode	31.242	Mode	7.434	Mode	1
Standard Deviation	2399.836315	Standard Deviation	37.82298724	Standard Deviation	980.1405
Sample Variance	5759214.341	Sample Variance	1430.578364	Sample Variance	960675.3
Kurtosis	1707.355303	Kurtosis	40.48343218	Kurtosis	720.0287
Skewness	28.03683716	Skewness	4.521828984	Skewness	25.79913
Range	262499.138	Range	1027.614	Range	40319
Minimum	1.541	Minimum	0.322	Minimum	1
Maximum	262500.679	Maximum	1027.936	Maximum	40320
Sum	50884544.26	Sum	4016373.495	Sum	9915290
Count	160683	Count	160683	Count	160683

Figure (ii): Descriptive Statistics of the numerical data

VISUAL REPRESENTATIONS:

3.1 The chart given below describes the category wise pareto analysis of the products. It helps to identify the top selling category products which contributes most significantly to the revenue. Here, Washing Detergents is the most significant revenue generating category, followed by Tea and Shampoo.

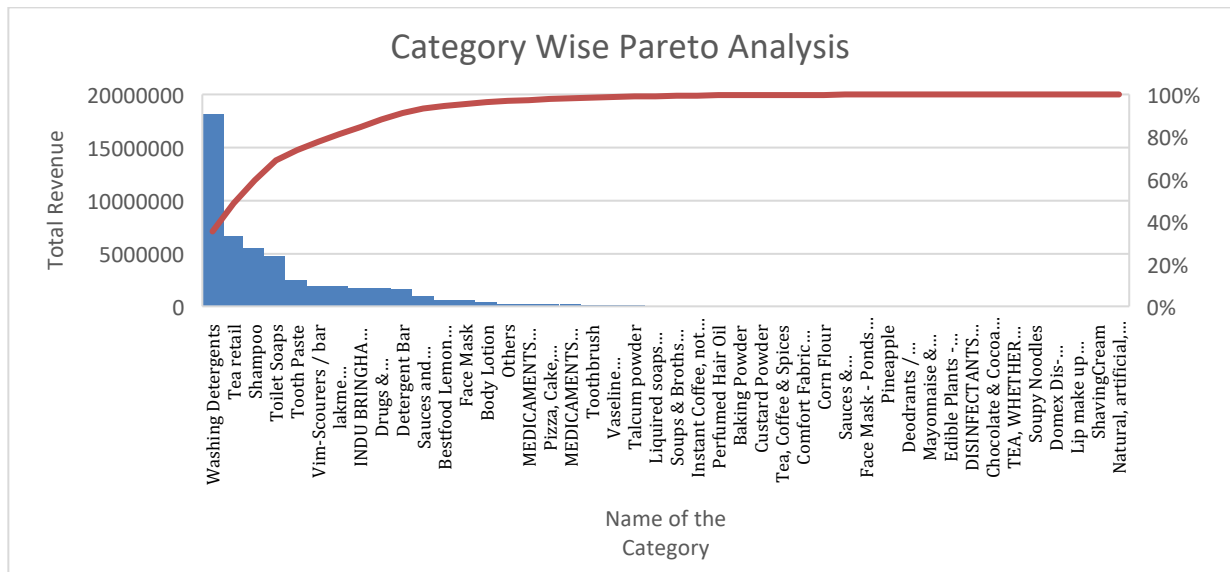


Figure 3.1:Category Pareto Analysis on basis of Revenue Generation

3.2 This distributor deals with more than about 1000+ unique retailers in a 6 month horizon. The figure 3.2 describes the top 30 retailers which contribute to the total revenue. It is therefore understood that Goel Kirana Store and Seema Medicos Agency are top revenue generating outlets for this distributor.

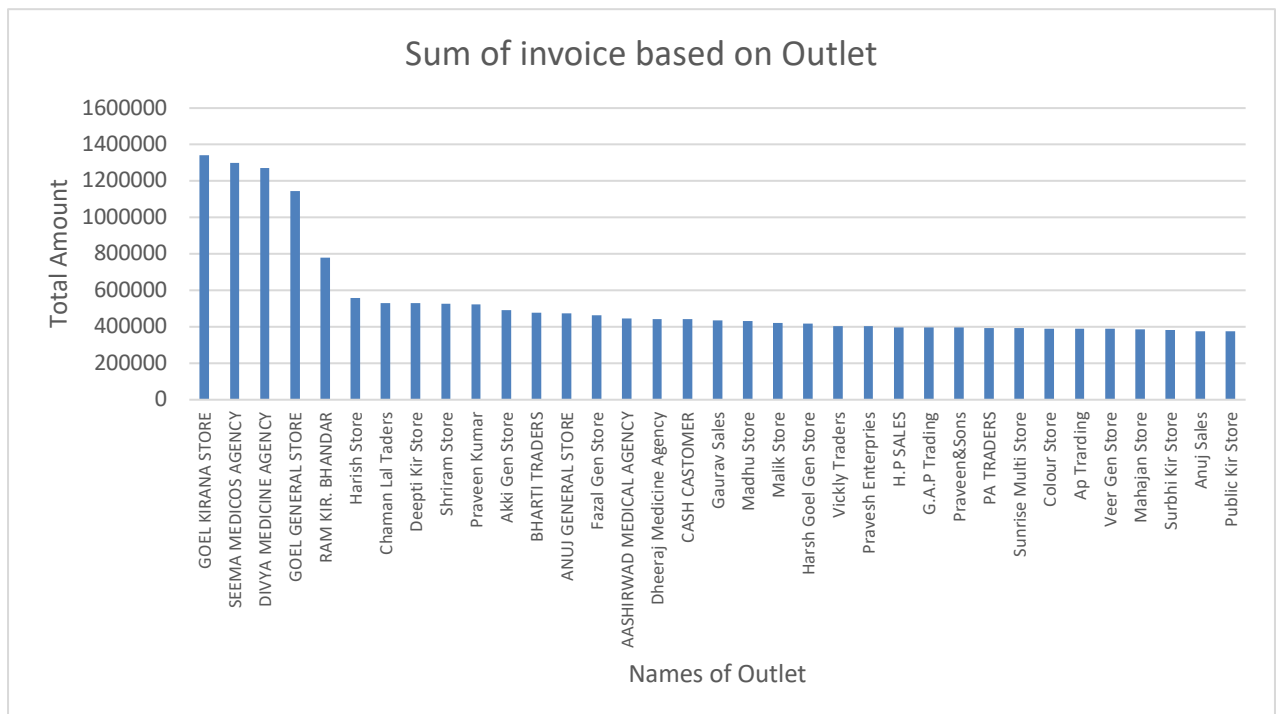


Figure 3.2: Total Revenue contributed by top 30 outlets based on Invoices

3.3 The chart below describes the Volume wise Pareto Analysis for a given product. It helps to identify the top selling revenue generating products across all SKUs.

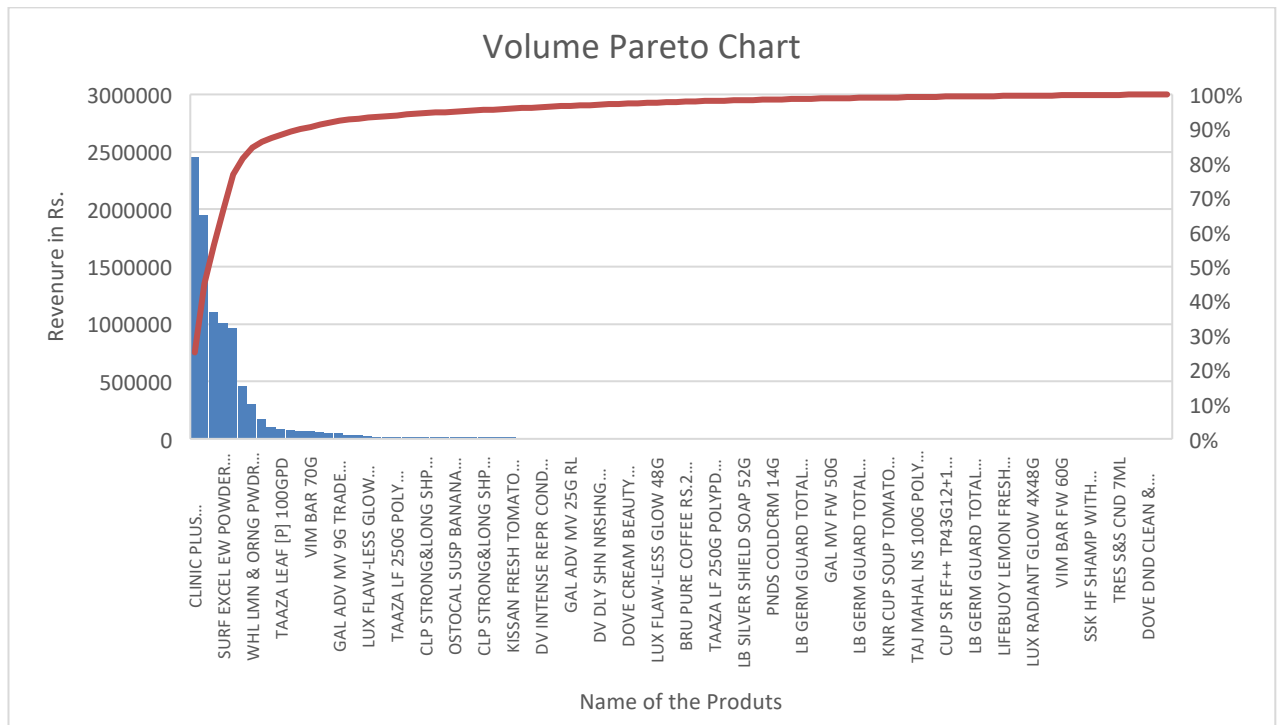


Figure 3.3 : Volume Pareto Analysis by Revenue and Total Quantity of Products

3.4 The chart having figure 3.4 depicts the month wise revenue distribution of the retailer. The highest revenue in this horizon is being generated by May and September respectively.

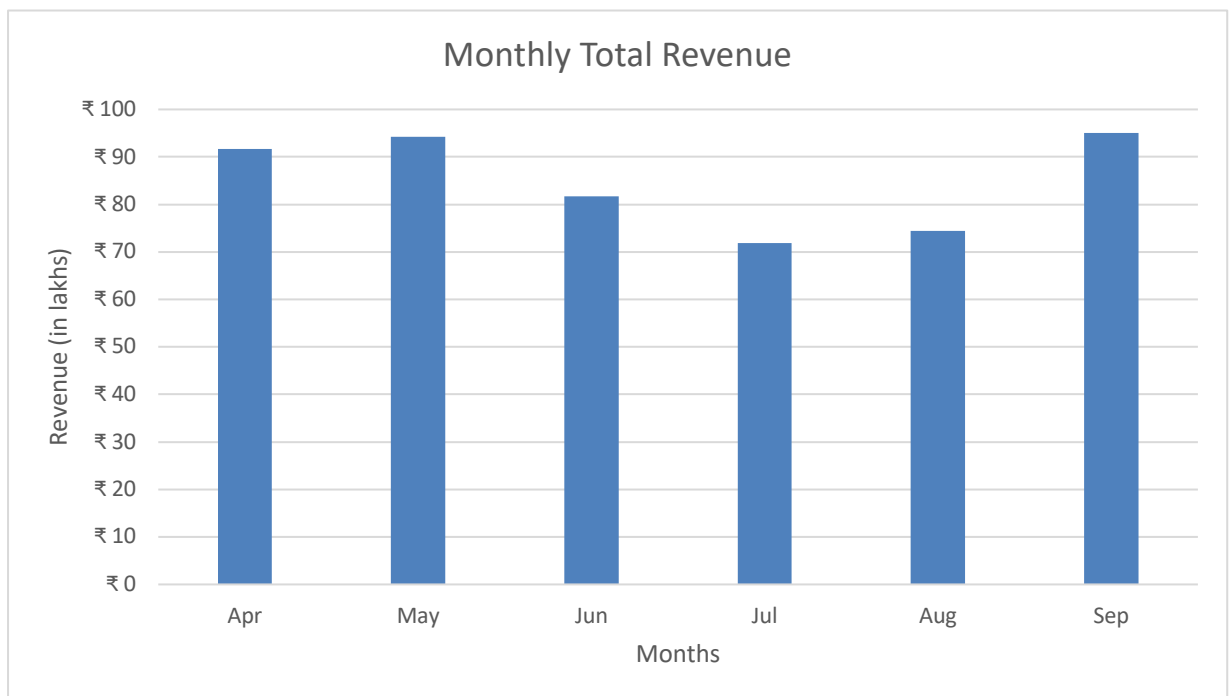


Figure 3.4: Depicts the Revenue Contribution by Month

4 Detailed Explanation of Analysis Process:

The data is collected from 1 April 2023 to 30 September 2023. It involves the sales and inventory/stock movement data. The dataset when received required extensive cleaning processes:

- The date column was not formatted appropriately. Therefore made use of python to format the date as per a standardized format. It involved use of Python and concepts of excel.
- There were additional redundant column like CGST and SGST which were not needed for the problem statement which was discussed.
- Also there was another column 'Invoice Total' which had redundant values for same invoice number. This column was removed and Taxable column was used to find the Total Invoice value by grouping the Invoice No.

After multiple conversations with the owner, the names and roles of the columns were identified. Therefore, descriptive statistics and visualizations were made to understand the data more comprehensively. It provided in depth insights and findings on the data.

Pareto Analysis:

4.1 Category Pareto Analysis on basis of Revenue Generation:

- Provided insights about the total revenue generation by top 30 categories and their role and contribution in the total revenue.
- X-axis represents the Names of Category, obtained from 'HSN Description' column while SUM('Taxable') on Y-axis displayed as Total Revenue shows the contribution by each of the category.
- While the right hand side depicts the contribution of cumulative contribution to the total revenue of the business.

4.2 Total Revenue contributed by top 30 outlets based on 'Invoice No':

- **Volume Pareto Chart** that displays the revenue contribution of various products, with revenue in rupees on the left vertical axis and cumulative percentage on the right. The bars represent individual products' revenue contributions, while the red line shows the cumulative percentage of total revenue.

- It allows us to quickly see which products generate the most revenue, making it a valuable tool for identifying high-priority products.
- The chart's relevance is in helping businesses focus on their most profitable products, optimize inventory, and potentially identify low-performing items. It provides a clear basis for prioritizing efforts and resources toward the items that drive the most financial value.

Bar Chart Analysis:

4.3 Total Revenue contributed by top 30 outlets based on Invoices:

- This chart visualizes the total sum of invoice amounts generated by various outlets, with each bar representing a specific outlet and its associated revenue contribution. The chart is significant as it provides a clear, comparative view of how much each outlet contributes to the overall revenue, highlighting which outlets generate the most income.
- Its relevance lies in helping stakeholders identify top-performing outlets and understand the distribution of revenue across multiple locations. This information is essential for making data-driven decisions, such as focusing resources on high-revenue outlets, optimizing supply chains, or identifying potential areas for growth among lower-performing outlets.

4.3 Revenue Contribution by Month

- The X-axis displays months, enabling easy tracking of revenue fluctuations over time. This is helpful for identifying seasonal trends and variations in revenue.
- The Y-axis represents revenue in lakhs, giving a straightforward visualization of financial performance each month. This allows stakeholders to assess monthly revenue levels against targets or previous performance.
- Such visual insights can guide business decisions, like identifying months where extra marketing efforts may be needed or exploring reasons behind revenue dips.

5 Results and Findings

- 5.1 As seen in the "Sum of Invoice Based on Outlet" chart, the top few retailers (GOEL KIRANA STORE, SEEMA MEDICOS AGENCY, etc.) account for a large share of total revenue. This heavy reliance makes the company vulnerable to changes in demand from just a few key players.
- 5.2 The "Volume Pareto Chart" shows that a few key products (CLINIC PLUS, SURF EXCEL POWDER, etc.) generate the bulk of revenue. Any disruption in the stock or supply chain for these high-revenue products could lead to missed sales opportunities and unhappy retailers.
- 5.3 Since a majority of the revenue is concentrated in a few outlets, this represents both an opportunity and a risk. By fostering relationships with smaller retailers and gradually growing their sales (as suggested by the "Sum of Invoice" chart), the company can decrease the revenue concentration risk while also enhancing growth.
- 5.4 The reliance on just a few key products for the majority of revenue (as shown in the "Volume Pareto Chart") suggests that any disruptions in these products' supply would have a large impact on the business. When stockouts happen, retailers are unable to meet customer demand, leading to missed sales and possibly shifting demand to competitors.
- 5.5 There is a sharp decline in revenue in the months of July and August indicating perhaps a disruption in supply chain due to changing requirements and season.