

Recommendation Report

Goal: To increase the total company profit by 10% this year by better tailoring the company's marketing efforts and focus towards individual products or subcategories with high profits.

We start off our recommendation by determining whether we want to direct our focus toward individual products or select subcategories. We calculated the profit per unit for each individual product by dividing the total profit by the quantity sold. After looking at the yearly sales trend for individual products with a high profit per unit value, we noticed that many products with high profit per unit value have been added, discontinued, or have been out of stock for years on end during the 4-year period. The “Canon imageCLASS 2200 Advanced Copier” is a prime example of this trend, this type of copier sold 9 units in 2016 and 11 units in 2017, however, no units were sold in 2018 and 2019.

With this trend in mind, we decided it would be better to direct our marketing focus toward select subcategories rather than individual products. We computed the sum of profits for all subcategories in Table 1 and noticed that the Copier subcategory has the highest profit out of all subcategories at a total profit of \$55617,82 over 4 years.

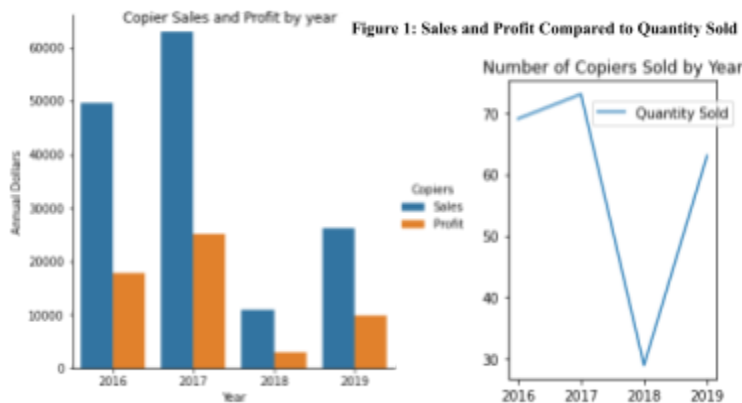
We decided to direct our efforts towards the copier subcategory as it produced the highest sum of profits out of all subcategories while selling the least amount of units out of all subcategories during the 4-year period. It is also the only subcategory where every product within had a positive profit per unit value.

Because every product in the copier category has been profitable for over 4 years straight and the product inventory is constantly changing, it is better that we look towards improving the quantity sold as a whole.

- We investigated the yearly trend of sales and profits for the copier subcategory and noticed that the sales and profits in 2019 were significantly lower compared to 2016 and 2017 while having a similar number of units sold (Shown in Figure 1). This can be attributed to the discontinuation of “Canon imageCLASS 2200 Advanced Copier”, an outlier in terms of sales and profit per unit value.
- Region analysis revealed that during the 4-year period, the East and West regions sold a quantity of 71 and 88 units, respectively. While the Central and South were notably lower at a value of 49 and 26 units.
- Quarter analysis showed that during the 4-year period, quarter 4 (Oct-Dec) had the most quantity sold at 83 units, and quarter 1 (Jan-Mar) had the least quantity sold at 38 units. However, the number of units sold increases with each quarter but falls as a new year starts.
- Because printers are a close substitution for copiers, certain segments are more inclined to buy copiers, while others would choose to purchase printers over copiers. Segment analysis revealed that individuals from the consumer and corporate segments purchase copiers more often compared to individuals from the home office segment.

Table 1: Sub-Category by total profit

Sub-Category	Profit
Copiers	55617.8249
Phones	44515.7306
Accessories	41936.6357
Paper	34053.5693
Binders	30221.7633
Chairs	26590.1663
Storage	21278.8264
Appliances	18138.0054
Furnishings	13059.1436
Envelopes	6964.1767
Art	6527.7870
Labels	5546.2540
Machines	3384.7569
Fasteners	949.5182
Supplies	-1189.0995
Bookcases	-3472.5560
Tables	-17725.4811



Recommendation: Given that copiers are highly profitable but have a low number of units sold. We recommend that Office Solutions tailor its marketing efforts toward the Copier subcategory. Putting more emphasis on advertising copiers over printers, especially in the Central and South regions, from the month of January to March.