Summer MGMT 59000: AI-Assisted Big Data Analytics in the Cloud \* Group: **DN3**

**Assignment 1: Team Collaborative Analysis**   
Using Cloud Data Lakes for Business Intelligence

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Strategic Recommendations

# Five Specific, Actionable Recommendations

## 1. Implement Regional Pricing Strategy

Deploy region-specific pricing models that reduce discounting in underperforming markets while maintaining competitive pricing in high-value regions. Eliminate aggressive discounting on Tables and Bookcases; instead, focus on margin preservation through value-based pricing.

## 2. Concentrate Investment in High-ROI Geographic Markets

Reallocate marketing budget and inventory investment to prioritize West and East regions, specifically targeting cities identified as high-impact drivers. Reduce expansion investments in Central and South regions until profitability improves.

## 3. Develop a Champion Customer Retention Program

Create a comprehensive retention strategy for Champion customers, including dedicated account management, priority shipping, and exclusive product access. Implement predictive analytics to identify potential Champions among Loyal Customers and Potential Loyalists.

## 4. Optimize Product and Brand Portfolio for Profitability

Discontinue or significantly restructure unprofitable subcategories (Tables, Bookcases) while expanding high-margin categories (Copiers, Phones). Prioritize high-performing manufacturers. Renegotiate supplier agreements for manufacturer partners showing strong profit performance.

## 5. Establish Profit-Centric Performance Metrics

Replace sales volume KPIs with profit-per-transaction metrics across all functional areas. Implement monthly profit margin tracking by region, product category, and customer segment to prevent future profit erosion.

# Implementation Timeline

## 30 Days: Foundation Phase

* Implement new performance metrics focusing on profit per transaction
* Conduct regional pricing analysis and begin dynamic pricing rollout
* Identify and segment Champion customers for the retention program launch

## 60 Days: Execution Phase

* Launch Champion customer retention program with dedicated account management
* Complete regional pricing strategy implementation
* Begin product portfolio restructuring, starting with highest-loss categories
* Reallocate marketing budget toward West/East regions

## 90 Days: Optimization Phase

* Evaluate the effectiveness of the new pricing strategy and adjust based on results
* Complete inventory optimization, favoring high-margin products
* Assess regional performance improvements and finalize long-term market strategy
* Launch predictive analytics for customer value identification

# Success Metrics

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| --- | --- | --- |
| Recommendation | Success Metric | Target |
| Regional Pricing | Profit margin improvement by region | 15% increase in Central/South margins |
| Geographic Investment Focus | ROI on marketing spend | 25% improvement in West/East market share |
| Champion Retention Program | Customer lifetime value retention | 90% Champion customer retention rate |
| Product Portfolio Optimization | Category profitability | Eliminate negative-margin subcategories |
| Profit-Centric Metrics | Overall business profitability | 20% improvement in overall profit margins |

Integrated Success Indicator

Achieve overall business profit growth of 20% within 90 days while maintaining sales volume stability, demonstrating that profit optimization enhances rather than undermines business growth.

This integrated approach leverages the interconnected insights from all functional analyses to create a cohesive strategy that addresses the root causes of performance disparities while building on existing strengths in geographic markets, customer relationships, and product categories.