You are a consultant at Egger Consulting. Your job is to extract from the data your client collects a business metric that will help you recommend a profitable business process change. Read the following assignment case study information and review criteria, then complete your own assignment and review three peers. We anticipate this entire peer assessment assignment will take you no more than 3-5 hours total, including writing your own submission and reviewing your peers (but not including any review you may need to do as you work on your own submission).

**Review criteria**

Objectively, with a mix of yes/no and short answer.

**Assignment**

You are a business analyst at Egger Consulting. You have been given this case description from a potential client:

Happy Hat, a U.S. national chain of frozen yogurt stores with about 500 stores in 40 states is asking for assistance with its business processes. The average number of visitors per store has held constant over the past several years, but revenues per store are down by an average of 10%, and many stores are no longer profitable. The client suspects that a large amount of inventory is being thrown away unused at the end of each day. At the same time, customer polling suggests that the yogurt flavor customers want is often not available, even when the flavor is posted on the menu. People also complain about stores being closed when they visit. Now, the chain is facing increased competition from frozen yogurt sold in 24-hour grocery stores. Happy Hat has asked your team to recommend business process changes that can help them increase revenues and restore profitability.

Happy Hat currently has the following data available:

1. 4 years of cash register data for every store that has, for each transaction, the date and time of the purchase, the specific items purchased, and the sales price of each item purchased.
2. 4 years of delivery data that lists how much of each kind of yogurt mix, flavoring, and topping was delivered to each store each week.
3. Typical public company accounting data, including annual revenues, annual cost of goods sold, in-store inventory on hand at the end of the year.

No other company data is available.

As a business analyst at Egger Consulting, you will need to identify one business metric that could be extracted from the available data in the Happy Hat case study in order to suggest a business process change that could be related to improving Happy Hat’s revenue or store profitability.

Remember, an effective metric is one that is directly related to the business process being examined. As such, the metric can be used to help identify a business problem to be addressed with a business process change, and later can also help determine if the implemented change was successful (through seeing if the changes in the metric are in the direction you would expect after implementing the business process change).

**Question 1:** Identify a business metric based on the case study.

Days inventory

**Question 2:** For the identified metric, state whether it is a revenue, profitability or risk metric.

Days inventory is a profitability metric.

**Question 3:** Identify the metric as traditional or dynamic. Explain why you classified the metric as you did.

Days inventory would be a dynamic metric because this metric changes significantly over a short time period of time and can lead to business process changes which can help maximize business profitability. It would not be a traditional metric because days inventory can easily be changed to strengthen a business process unlike a metric such as quarterly earnings.

**Question 4:** Which of the data available in the case study would be used to derive the metric you have chosen?

The annual cost of goods sold and the in store inventory on hand at the end of the year data would be used to derive this metric.

**Question 5:** Propose a type of relevant business process change that would be supported by the metric you have chosen. Explain why and how your chosen metric relates to your recommended business process change.

Knowing days inventory would help Happy Hat make changes to the business process of inventory management. By having an estimate of average number of days it takes a product to be completed and then sold, Happy Hat will be more informed on how they can minimize inventory while also having enough inventory available to meet demand for yogurt. In addition, introducing this metric to their inventory management process will help to reduce wastage/spoilage of yogurt before it can reach the consumer. This in turn, will help to maximize profitability since Happy Hat will be able to increase yogurt sales due to the decrease in wastage. Finally, with the profits maximized Happy Hat will be able to afford to hire more workers and pay them higher salaries so they can remain open longer to compete with 24 hour grocery store chains.