

Northwind Traders

Module Three Final Project

By Krystian Dennis

Agenda

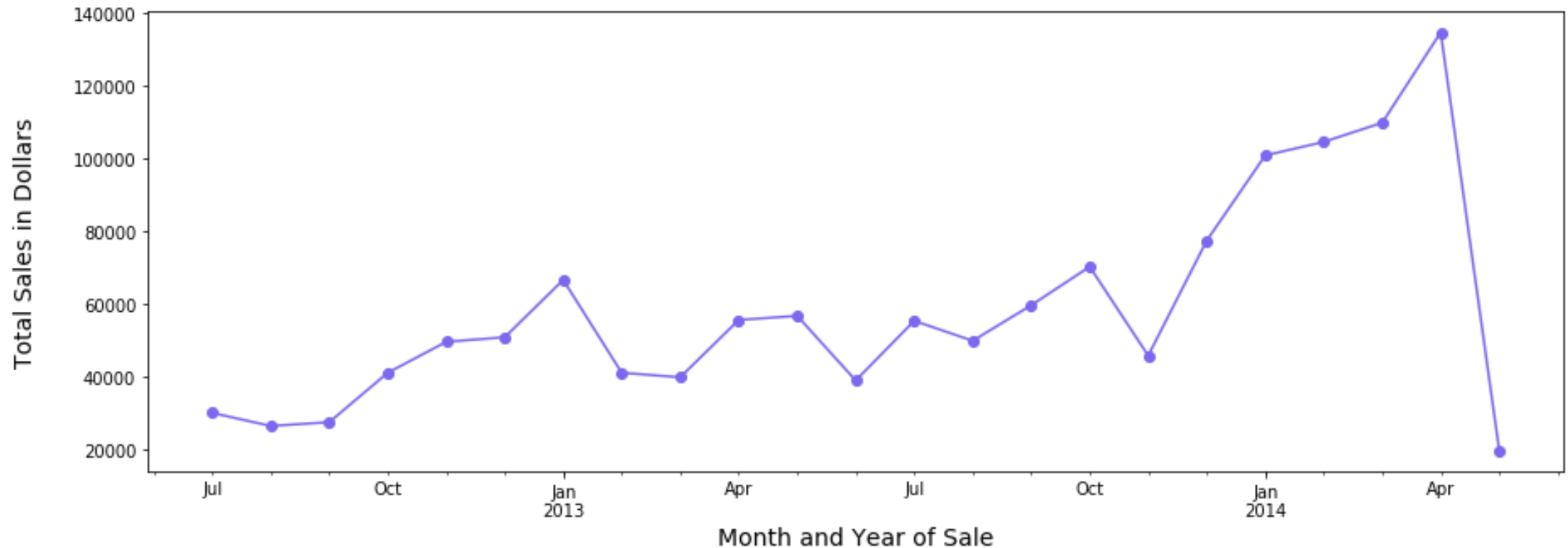
- Background
- Objective
- Methodology
- Discounts
- Frequent Customers
- Employees
- Recommendations

Northwind Traders

Successful Global Importer/Exporter of Specialty Foods

Although sales growing year-over-year, profits are declining

Total Monthly Sales



Objective

- Create action plan to increase Northwind Traders' profitability.

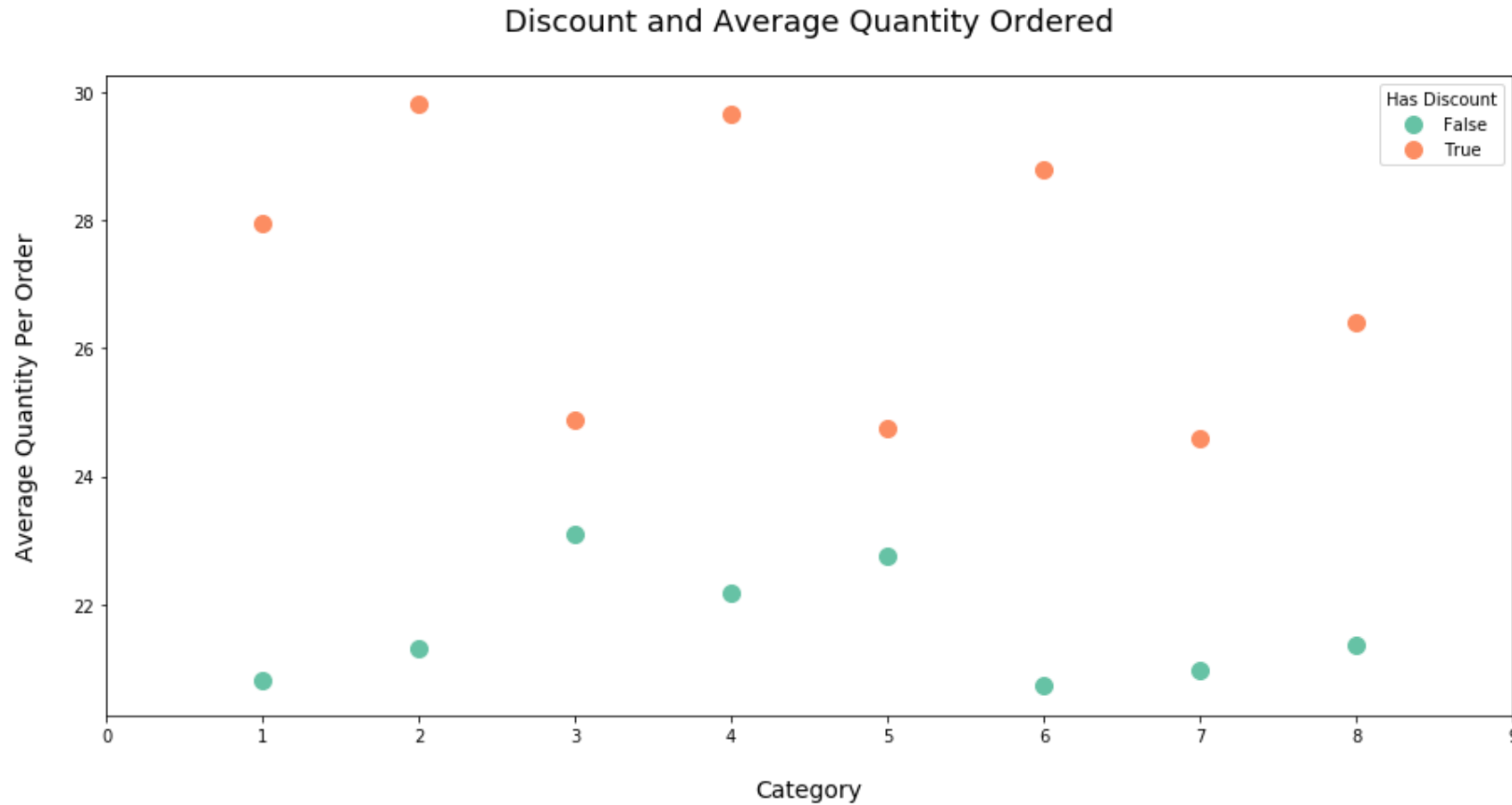


Methodology



All findings based on the scientific method for research design and hypothesis testing.

Limit Use of Discounts



Discounts do not have an effect on quantity of product ordered.

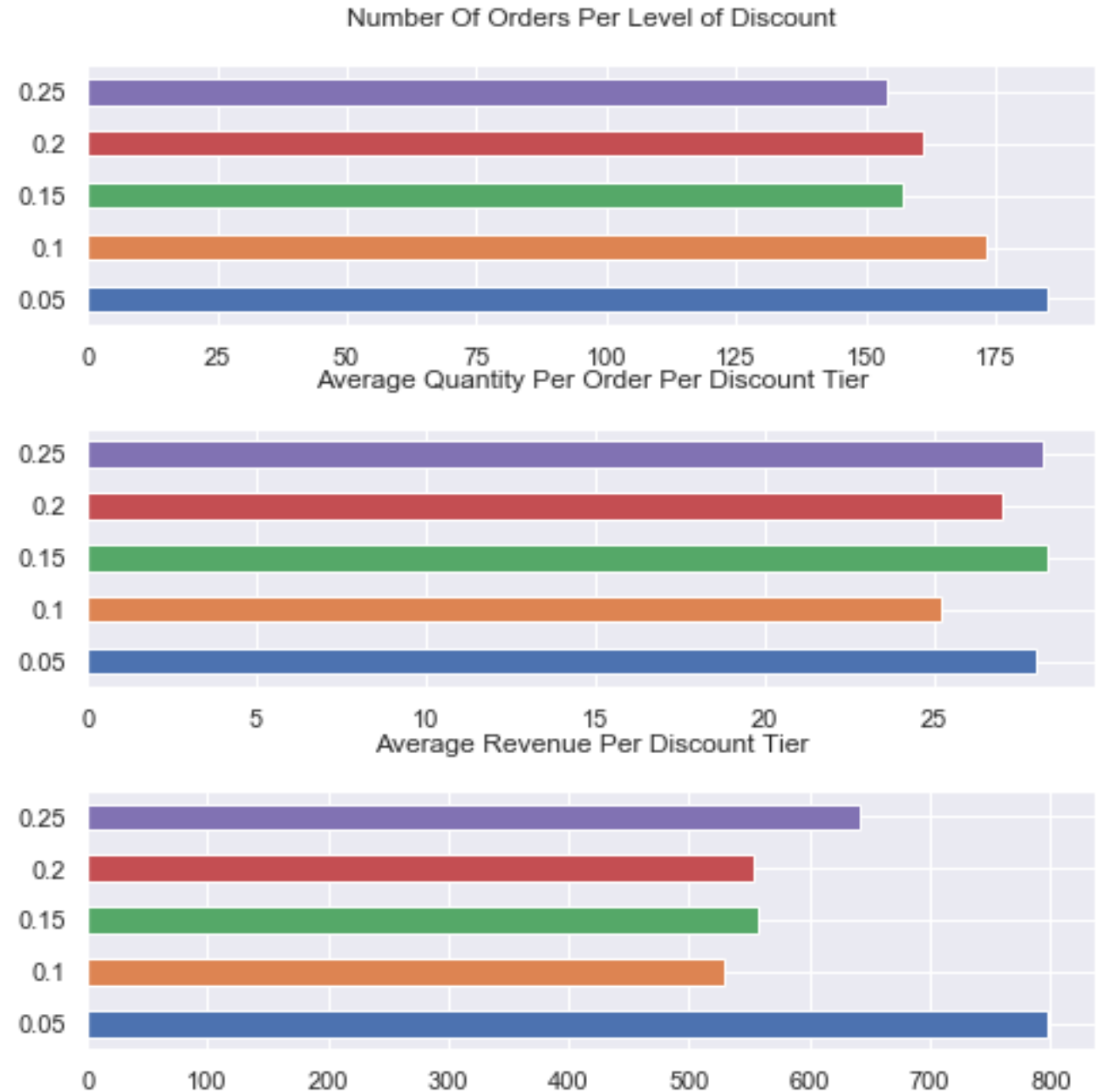
Discounts cut into profit margins and are not showing any benefits.

Limit how employees can use discounts.

Keep Discount to 5%

Keep discount at 5% as it is most profitable, averaging \$740 revenue per order.

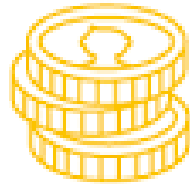
A discount rate of 5% also has the highest average number of orders.



Encourage Frequent Customers to Buy More Often

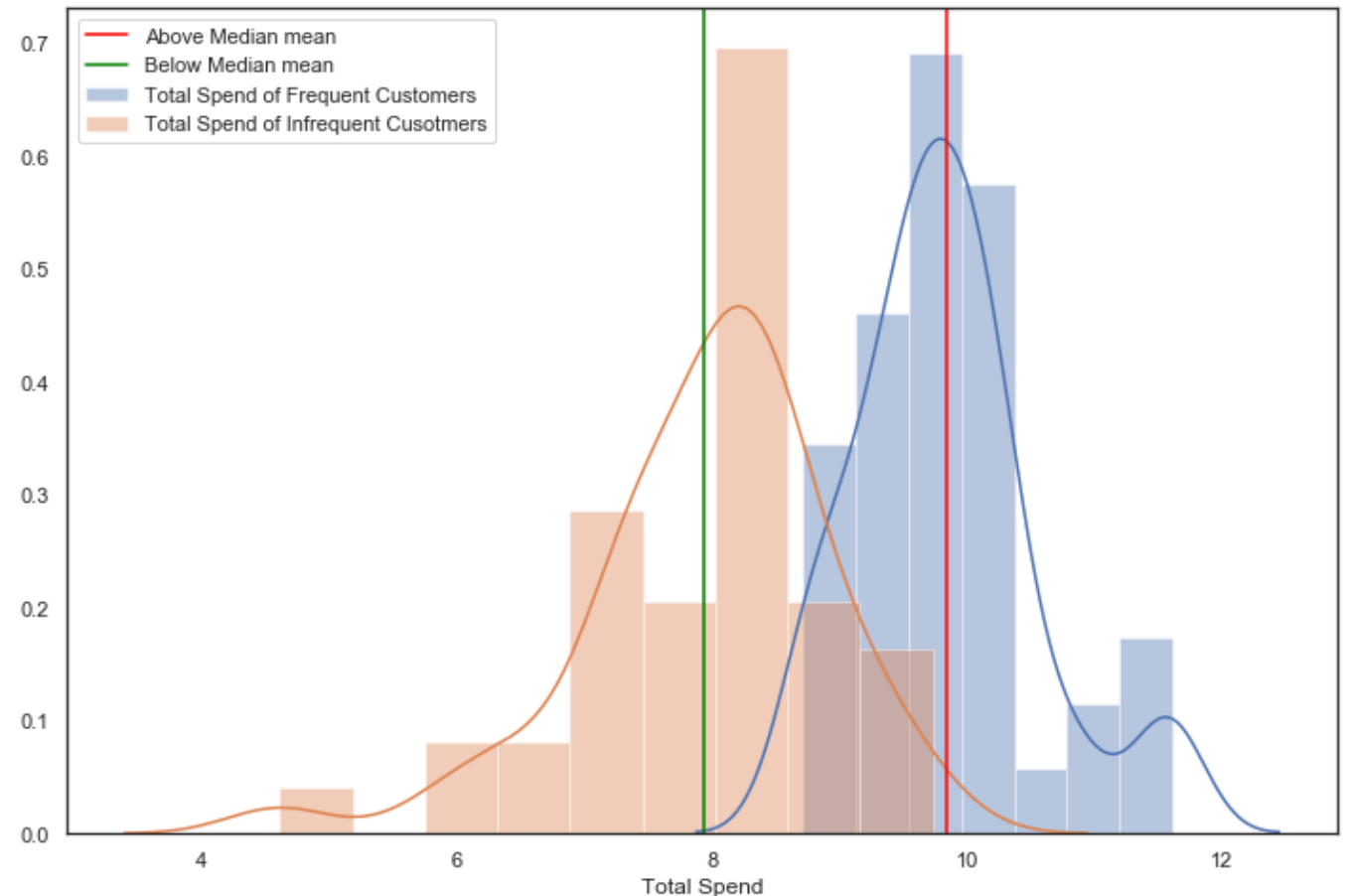


Customers who buy more often spend \$25,107 on average.



Customers who buy less often spend \$4034 on average.

Total Spend for Frequent vs Infrequent Customers (Log Transformed)



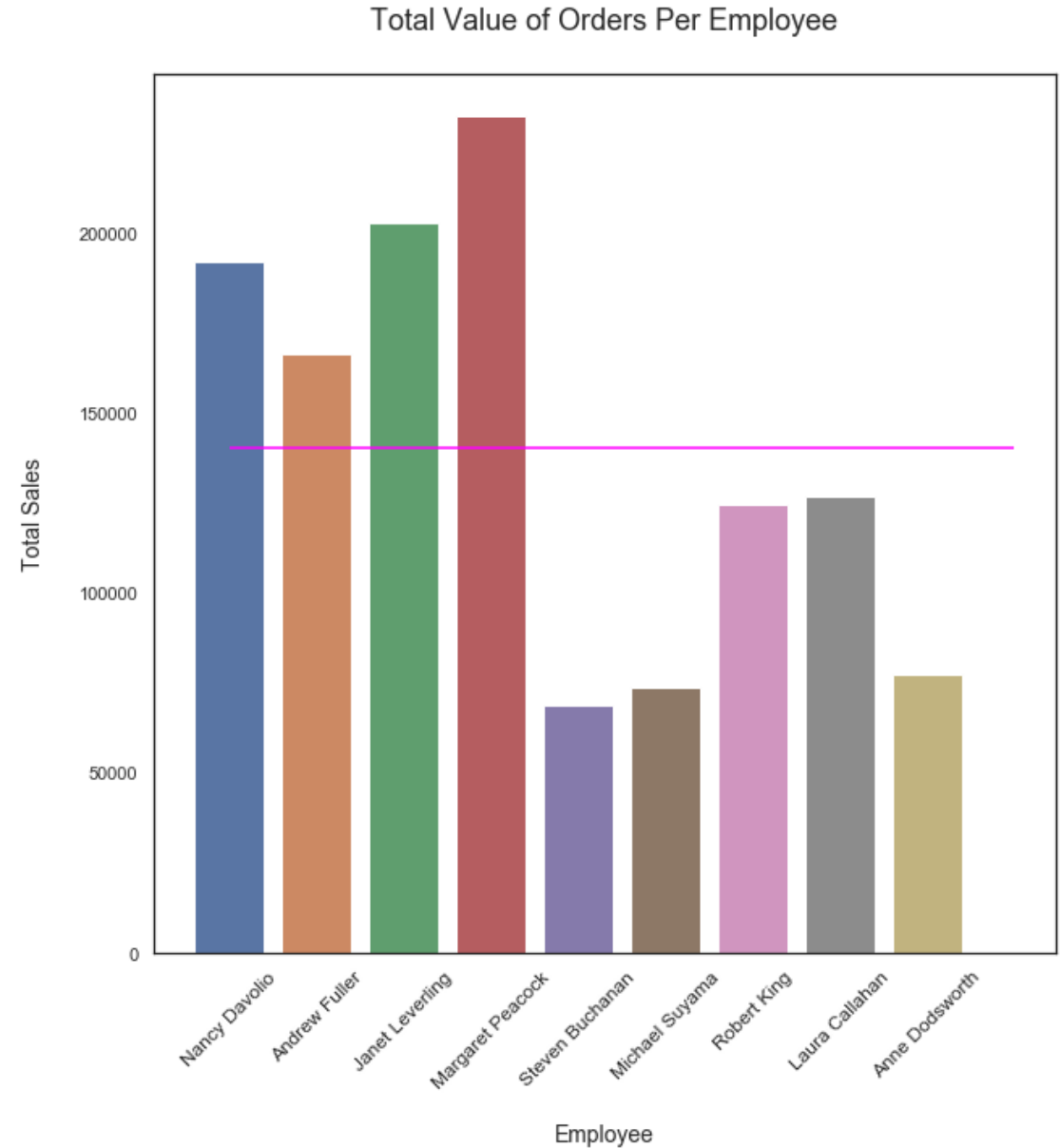
Provide Employees with Comprehensive Sales Training

Employees with highest number of sales have an average \$558 revenue per order.

Employees with lower than average number of sales have an average \$630 revenue per order.

All four UK-Based Employees have below average number of sales.

Sales training and share of best sales practices encouraged for all employees.



Recommendations

1. Limit how sales team can issue discounts.
2. When issued, keep discount to 5%.
3. Create strategy to encourage frequent customers to buy more often.
4. Retrain sales staff, especially employees in UK office.
5. Encourage high performing colleagues to share best sales practices high underperforming employees.

