

Improving Northwind Inc.

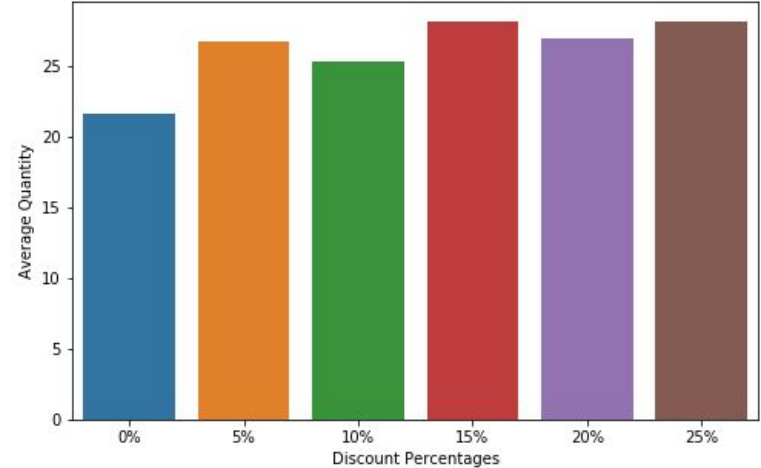
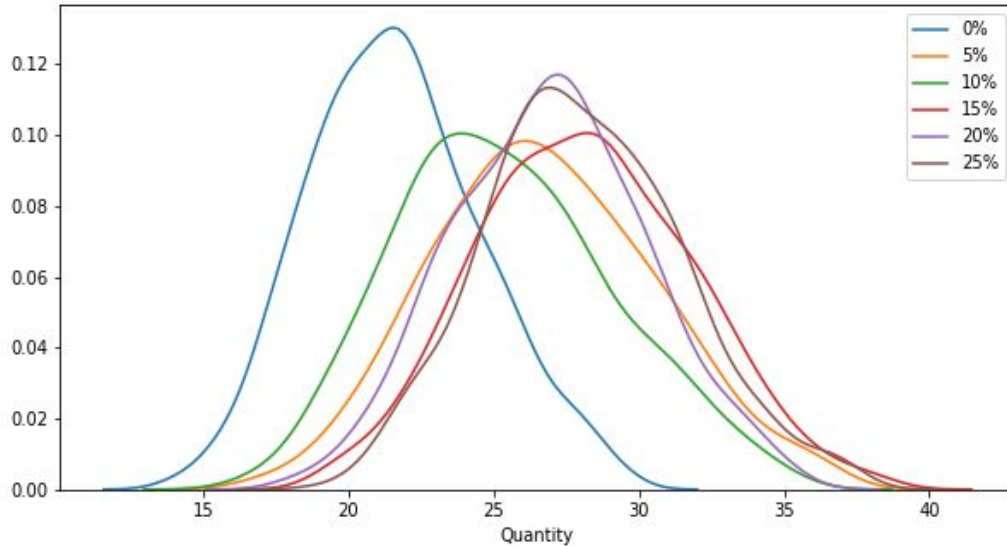
Finding Strengths and Weaknesses through Hypothesis Testing

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Objectives of the Project

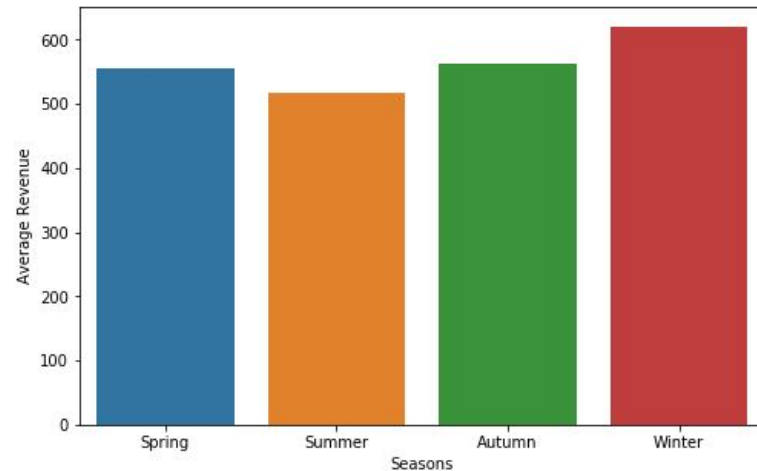
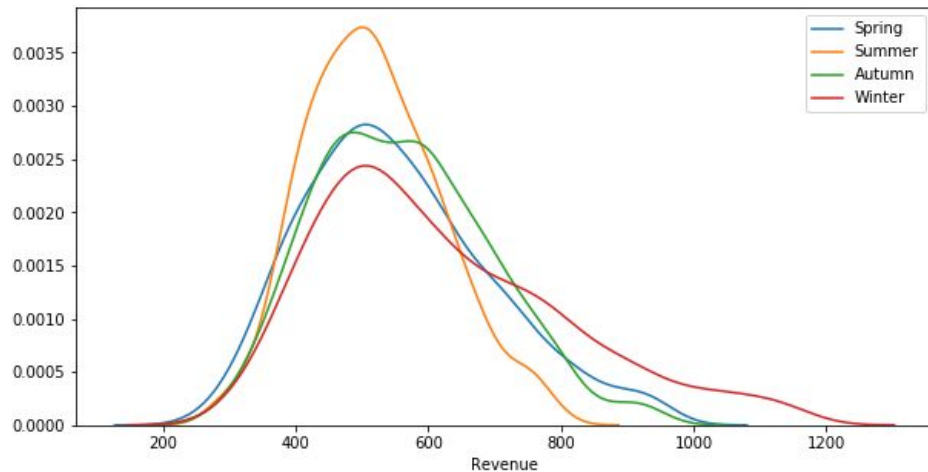
- Analyze various business components via hypothesis testing
 - Pricing
 - Seasonality
 - Business Regions
 - Business Partners
- Generate insights that can be of value to Northwind
- Detect areas of weakness and correct them
- Identify areas of strength and reinforce them
- Develop recommendations

The Effect of Discount on Quantity Ordered



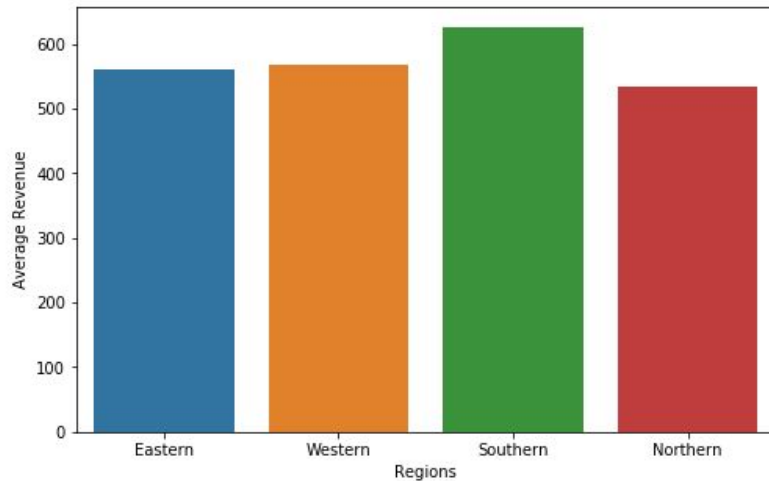
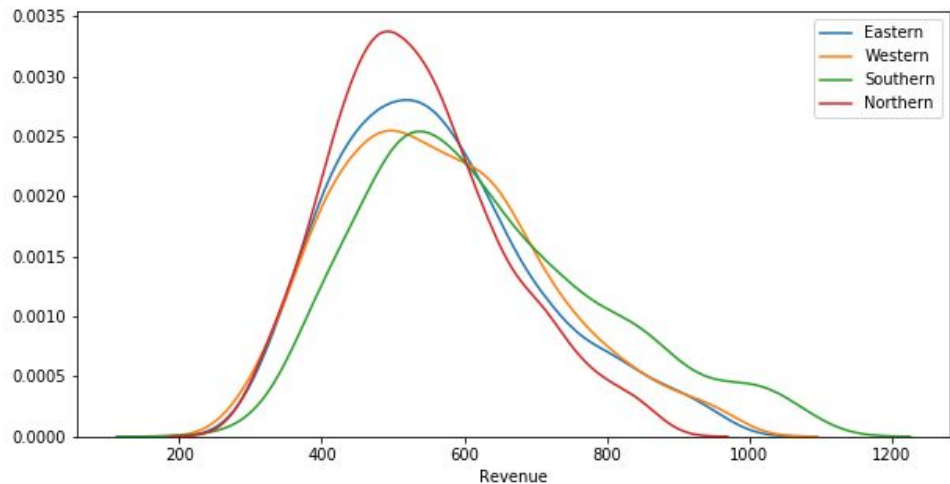
- 5%, 15% and 25% can increase the quantity of products ordered
- 10% and 25% are not effective

The Effect of Seasonality on Revenue



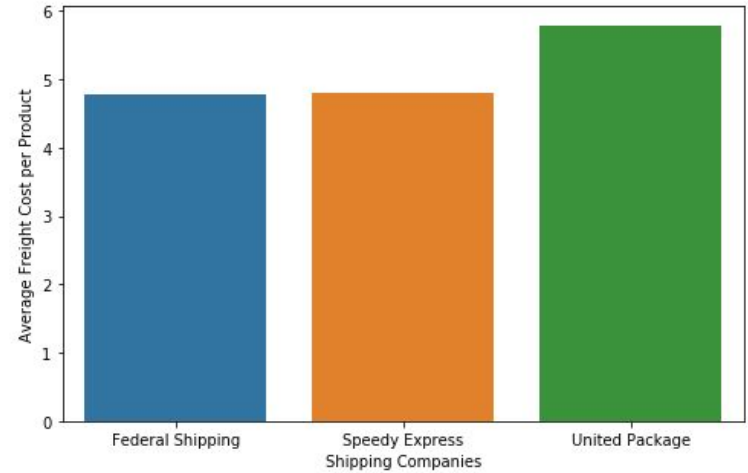
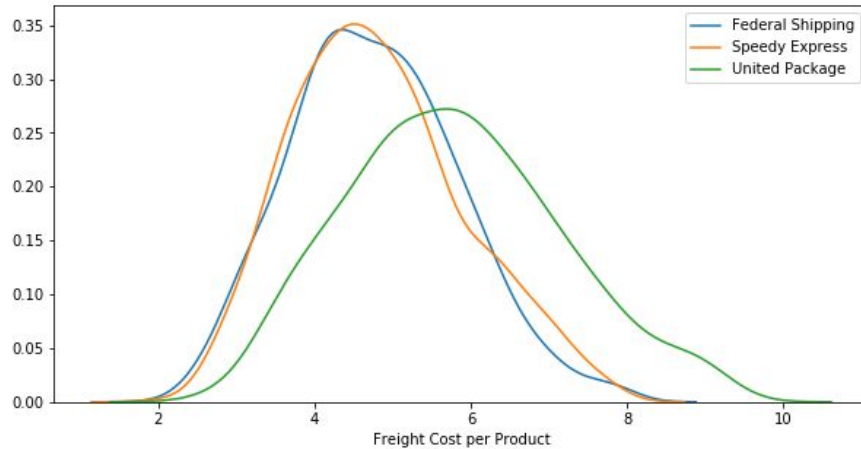
- Northwind's revenue fluctuates based on seasonality
- Sales are the highest in Winter
- Sales are the lowest in Summer

The Effect of Business Region on Revenue



- Northwind's revenue is dependent upon the region of business
- The revenue is the highest in the Southern part of US
- The revenue is the lowest in the Northern part of US

The Effect of Shipping Company Choice on Expense



- Northwind's shipping expense is determined by its choice of shipping company
- United Package has the highest freight cost per quantity
- Federal Shipping and Speedy Express charges approximately the same

Recommendations

- Discounts
 - Apply the effective discount percentages to the pricing strategy
 - Switch from the ineffective discount percentages to the effective percentages
- Seasonality
 - Investigate why sales in Summer are low and develop strategies to improve it
 - Invest more in Winter sales effort in order to further increase the revenue
- Business Region
 - Focus on the Northern region and find out ways to improve the sales in those regions
 - Analyze why sales are the highest in the Southern region and apply its strategies to other regions
- Shipping Company
 - Negotiate with United Package for lower shipping cost
 - Use Federal Shipping and Speedy Express more if United Package doesn't lower its prices

The End

Thank you