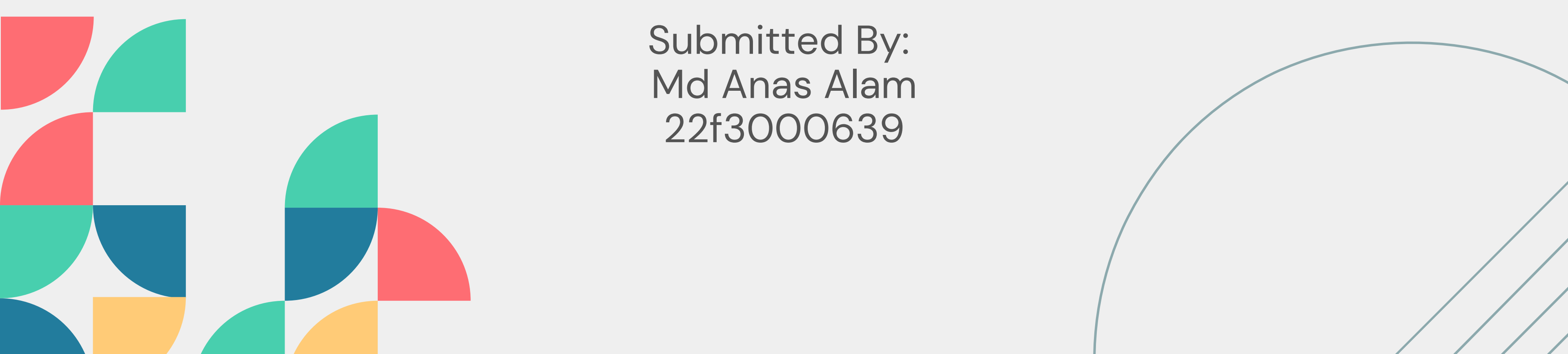# DETAILED ANALYSIS ON NN TRADERS

BDM Capstone project
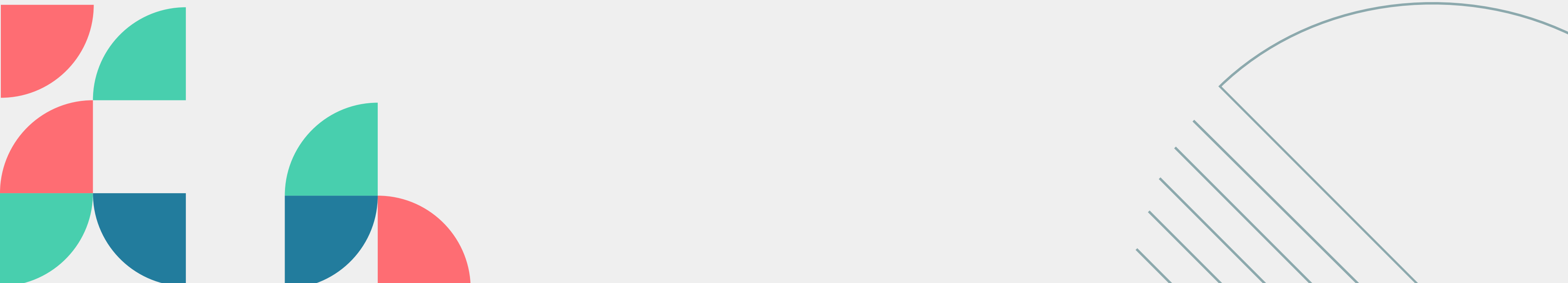
Submitted By:
Md Anas Alam
22f3000639

PROJECT INTRODUCTION

Overview of NN Traders:

- B2B home textile business (bedsheets, curtains, etc.)
- Strong local presence in Rourkela, impacted by COVID-19.
- Founded by Mr. Noorain Shahid; later split with co-founder
- Facing challenges in customer acquisition, cash flow, and inventory management.

KEY CHALLENGES

- Customer acquisition difficulties..
- Inventory management issues (deadstock and stockouts).
- Resourse Intrusive transportation.

GOALS OF THE ANALYSIS

- Enhance profitability through data-driven strategies.
- Reduce the chances of deadstock and stockouts.

DATA AND METHODOLOGY

Data Overview:

- **Period Covered**: April 2022 to April 2024.
- **Data Includes**: Sales trends and inventory levels.
- **Purpose:** Analyze business performance and seasonal patterns.
- **Use:** Optimize inventory strategies and manage stock effectively

Methodology:

- Data cleaning, merging, and analysis using MS Excel.
- Analytical techniques like Reorder Point Calculations and Sales Trends Analysis.

SALES TRENDS ANALYSIS:

- 27% sales increase from April to May 2022.

- Lowest sales in February 2024 (~3.74 lakhs), highest in March 2023 (~12.5 lakhs).

- 70% drop from the peak in March 2023 to the lowest in February 2024.

- Average sales: 7.6 lakhs in FY 2022-23; 8.07 lakhs in FY 2023-24.

- Increase in average sales in FY 2023-24 compared to FY 2022-23.


SUM OF TOTAL SALES
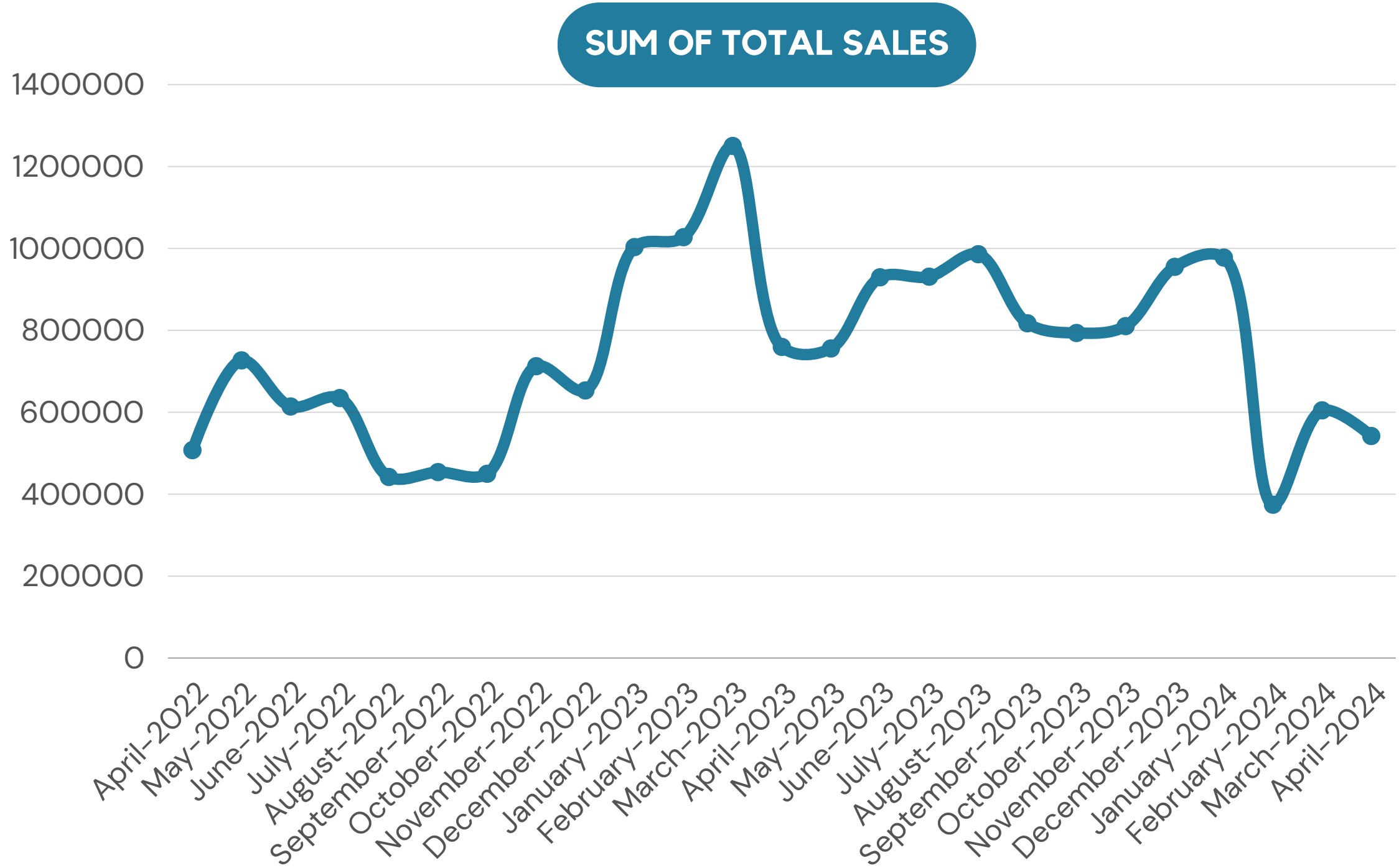
PURCHASE TRENDS ANALYSIS:

● **Purchase Spikes:** Significant in September 2022 and December 2023, with a sharp drop in February 2024.

● **Inventory Strategy:** No purchases in March 2023 and Jan 2023 existing stock used during peak sales.

● **Post-Peak Stability:** Sales and purchases stabilized mid-2023 but declined towards April 2024.

REORDER POINT CALCULATION

Reorder Point (ROP) Calculation ensures optimal inventory levels, using the formula:

ROP = (Average Daily Sales × Lead Time) + Safety Stock.
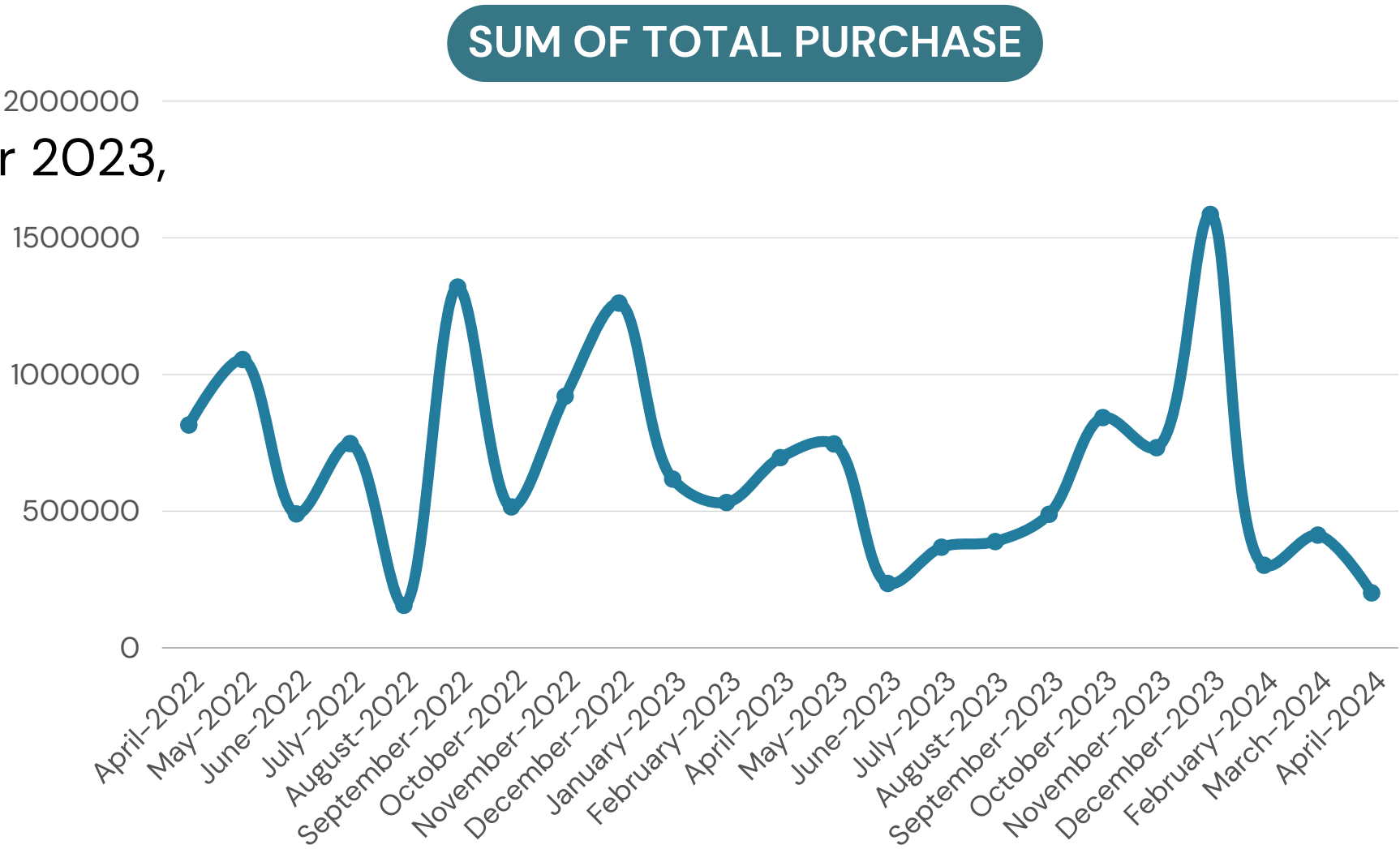
CATEGORICAL ANALYSIS

HSN 6304

This category holds the largest share, contributing 38.86% to the total sales. It is the most significant and valuable segment, showing strong demand in the market.

HSN 6301

Contributing 8.24% of the sales, this category is one of the smaller segments but still plays a role in the overall product mix, catering to specific customer needs.

HSN 6005

Following closely, this category makes up 32.29% of the sales. Raw curtains are a substantial part of the sales, indicating a high demand for unfinished or unprocessed curtain materials.
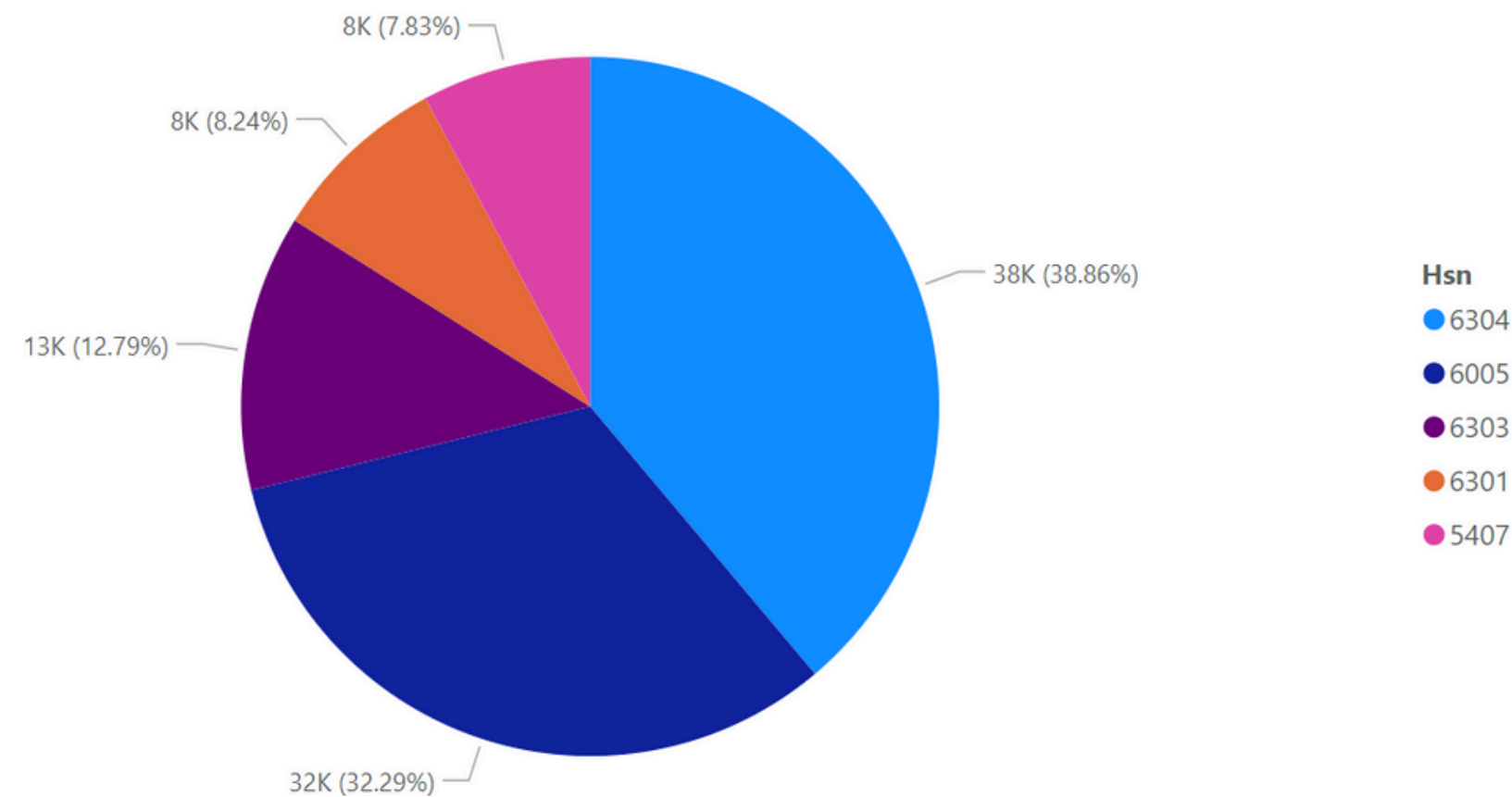
HSN 6303

This segment represents 12.79% of the total sales. While smaller than the top two categories, readymade curtains still hold a significant position, appealing to customers looking for ready-to-use products.

HSN 5407

Similar to HSN 6301, blankets account for 7.83% of the total sales. This category, while not as dominant, is essential for addressing the seasonal and specific comfort needs of customers.

Pie chart segments:
- 38K (38.86%)
- 32K (32.29%)
- 13K (12.79%)
- 8K (8.24%)
- 8K (7.83%)

Hsn
- 6304
- 6005
- 6303
- 6301
- 5407

RECOMMENDATION TO THE BUSINESS:

✦ Focus on promotional campaigns during weaker months..

✦ Replicate successful strategies from high-performing months.

✦ Emphasize the importance of tracking sales data to avoid stockouts and overstock, Implementation of Reorder Points (ROP) and smaller godowns for cost savings.

✦ Suggest expanding the range of high-performing products like bedsheets and pillow covers.

✦ Highlight the need for local-language sales staff and Introduce a lenient credit scoring system to attract customers and regain lost market share.
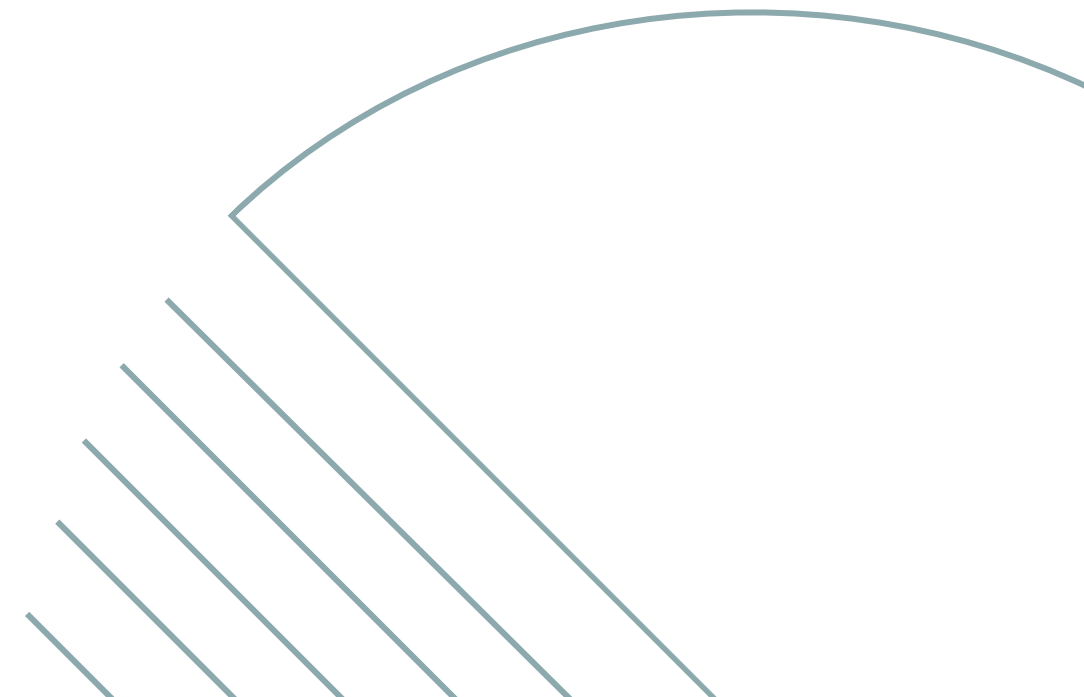
THANK YOU

Thanks to the instructors for their guidance and to NN Traders for their cooperation.