

# Great Cereal

Aiwei Meng  
Nikhil Marri  
Vivek Trivedi  
Xianqin Zeng



# Performance

- Highest gross margin: Highest gross margin was kept in the market for a long time, and the overall gross margin was around 60%.
- Higher sales: Total revenues were up to \$19,273,310.05, almost the same as our big competitor.
- Lower costs: Relatively lower costs in both cost of goods sold and other costs. The overall costs was \$11,983,420.55.
- Highest net profits: Net income was \$7,289,899.50 and the highest in the market.
- Our adaptability to the market and execution of business strategy helped us in reaching the number 1 spot from last position in quarter 1

# Business Strategy

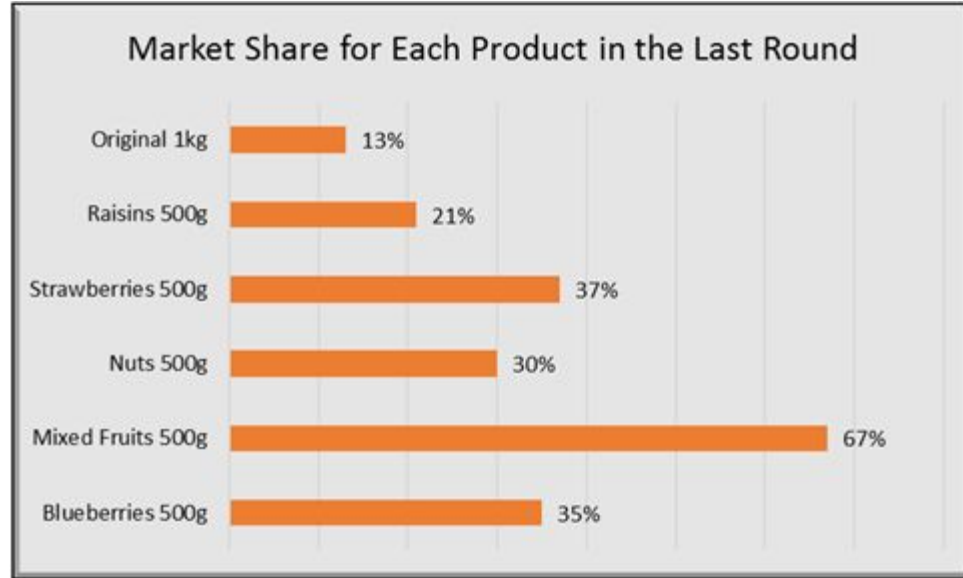
- 'Operational Excellence' and 'Product Innovation' are our key business strategies
- Never run out of inventory by having constant production throughout the round
- Study the consumers purchasing habits and periodically experiment with various recipes
- Invest more on long term assets
- Identify the products with high demand in market and the most profitable products
- Constantly learn and adapt to changing market trends

# Strategy-Production

1. We produced our products in 3-4days run depending on the real-time situation of the products.
2. In between the quarters, we forecast raw materials which were sufficient for 20 days and during the quarter,based on market demand we forecast the products respectively
3. The cost of products we produced are relatively low. The unit margin of products must be higher than \$1.3.

# Products Sold

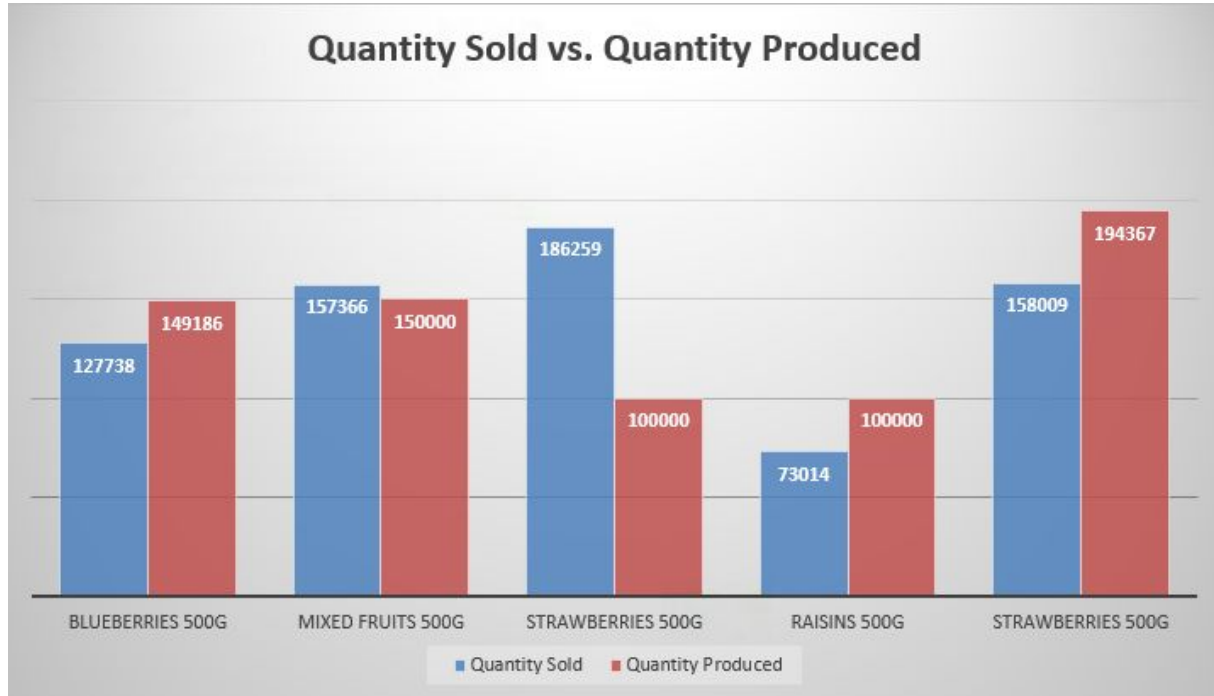
- Nuts 500g
- Strawberries 500g
- Mixed Fruits 500g
- Blueberries 500g
- Original 1kg
- Raisins 500g



# Production Efficiency

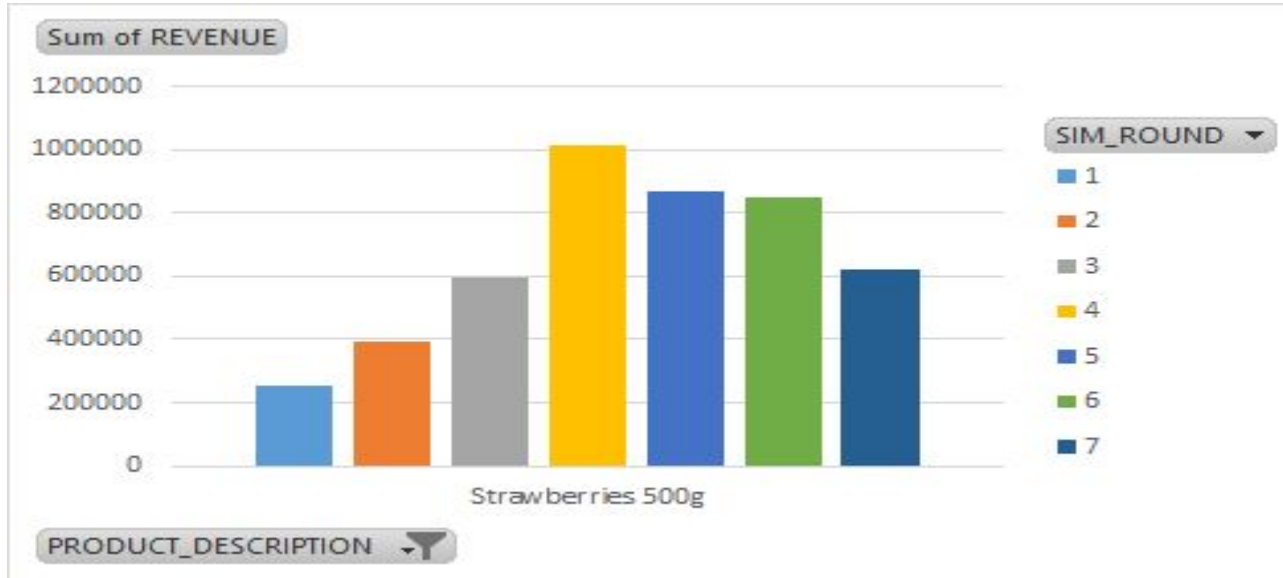


# Forecast vs. Sales



# Most Profitable Product

## Strawberry 500g





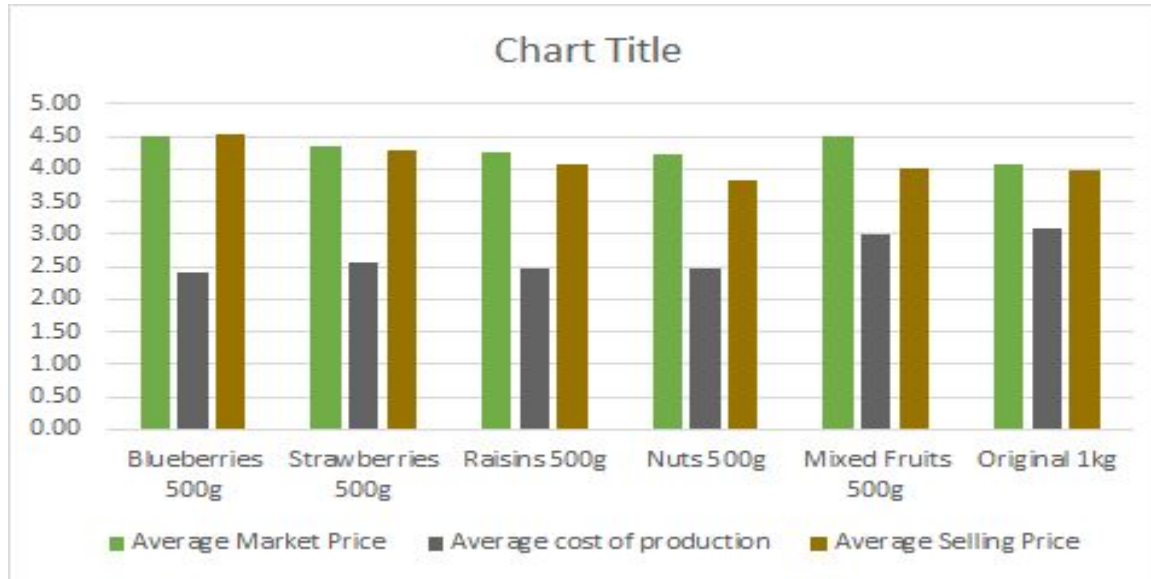
# Strategy-Pricing

- Pricing was one of the key factors to maintain our high sales numbers.
- Wanted to keep margins high, however for some products the price had to be lowered due to the trends in the market.
- Lower price on high abundance products-sell out faster,more inventory space,less storage costs
- Aggressive pricing continuously adapting to live market trends.
- Higher margins due to higher prices for our unique products like Blueberry 500g and Strawberry 500g.
- Due to lowered costs we were able to more competitively price our products.

# Profitability



# Price comparison



# Strategy-Marketing

- Marketing has been one of our key successes.
- Only advertise 500g products because only 500g products are sensitive to marketing.
- Update the amount of money we put into the marketing according to the change of the inventory level.
- Marketing more helped us in selling our unique products at higher prices

# Marketing Expenses per round



# Strategy-Investing

- Invested \$375,000 for reducing the setup time to 6 hours
- Continuous investment was made on capacity improvement in every round; at the end of quarter 7 our capacity was 30,000 products/day. This helped in achieving higher production efficiency.

# Others

- Used custom created tools to analyze our performance continuously. Were able to identify where competition was doing better and why.
- One of our tool helps us to find the key difference in recipe between our product and the market leaders in the product
- Made full use of cash to increase our production and gained high returns on assets. Ending cash balance was \$3,613,744.40 at the end of last day.
- Kept loan at the same level from beginning by keeping enough cash in our hands to purchase raw materials and relevant costs. The ending loan balance was \$12,000,000.00, same as before.

# Next Step for Continuing Business

1. Part of cash will be used for paying bank loan to decrease the interest expenses or payments.
2. We will find the maximum number for quantity sold by products in each quarters increase our productivity to the same level.
3. Never selling out our products in inventory. Keep balance between quantity sold and quantity produced by products.



# Final Inventory

