IMT 577
Final Presentation

Group 2

Our Team

Cory Cook

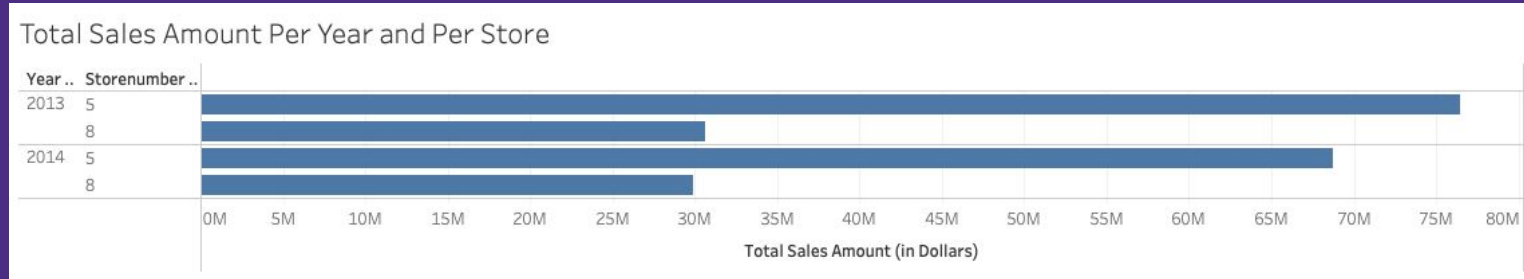Nikhil Nandigam

Rachel Perry

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Introduction

Key Findings:

> Store 5 is performing better than Store 8, but both are performing well
> Both stores are on track to meet 2014 sales targets
> Opportunity to increase profit on specific items
> Efforts should be made to increase weekday sales, while maintaining and growing weekend spikes
> Geographic distribution does not significantly affect sales

Overall Performance

Overall Performance: Store 5 and Store 8

Storenumb..	YEAR (OVE..	Total Quantity of Items Sold	Total Profit Earned (in Dollars)
5	2013	1,620,182	50,248,914
	2014	1,425,649	45,093,870
8	2013	669,815	20,132,442
	2014	631,518	19,559,734

No need to close either store. Both are profitable and performing consistently across the two-year period.
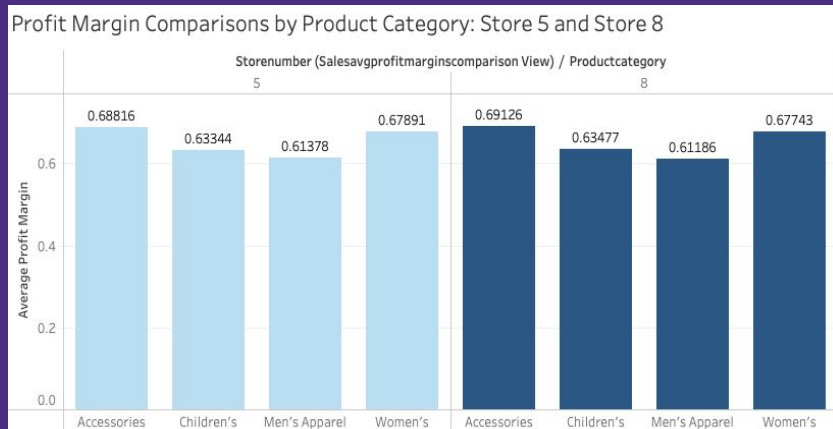
Performance Against Target

Total Sales Amount Per Year and Per Store

Year ..	Storenumber ..	Total Sales Amount (in Dollars)
2013	5	~77M
	8	~31M
2014	5	~69M
	8	~30M

Sales Targets

	Store 5	Store 8
2013	$72.8M	$40.2M
2014	$82M	$33.2M

In 2013, Store 5 exceeded its sales target, while Store 8 fell short by almost $10M.

With 2014 data until mid-October, considering average monthly sales, we project both stores will meet their targets.

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Profit Maximization

Proposed Strategy:

Profit Margin Comparisons by Product Category: Store 5 and Store 8
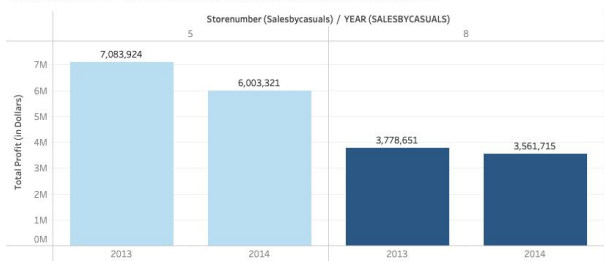
- Prioritize sales and marketing efforts to sell products with highest profit margins
- Focus higher targets, incentives, and store space optimization to sell accessories and women's apparel

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Bonus Allocation

Distribution of Profit Earned from Casuals: Store 5 and Store 8

Profit Contributing to Bonus Assignment

| Producttype ..	YEAR (..	Storenumber (Salesbycasuals)	
		5	8
Men's Casual	2013	1,507,296	820,892
	2014	1,385,718	819,697
Women's Casual	2013	5,576,628	2,957,759
	2014	4,617,603	2,742,018

- Assumptions: Each store has a similar number of employees. There are no minimums to be allocated and 2014 sales will continue as seen for the first 9.5 months.
- Bonus allocation based on total profit earned from sale of Casuals:
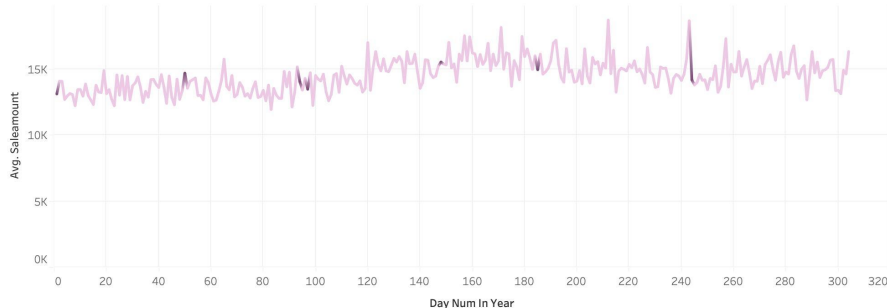
	Store 5	Store 8
2013 ($500,000 pool)	65% ($325,000)	35% ($175,000)
2014 ($400,000 pool)	63% ($252,000)	37% ($148,000)

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Weekly Sales Trends

Sales by Day of Week/Store
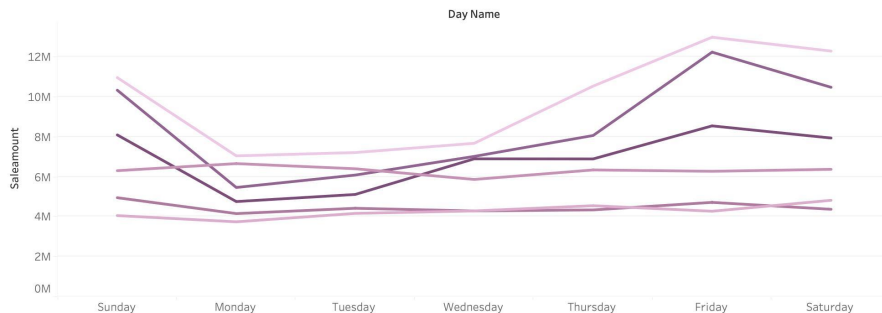
Sales by Day of Year/Holidays

Observations

- Slump Monday to Wednesday
- Spike beginning on Thursday and sustained Friday to Sunday
- Average increase beginning in May

Recommendations

- Boost Weekday sales with promotions
  - ex. flash sale, accessories & women's apparel
- Increase Weekend spike
  - ex. impulse purchases, store design

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Weekly Sales Trends

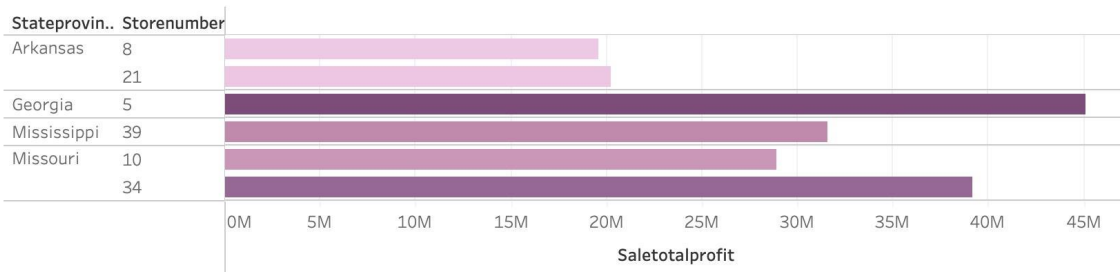Average Profit by Product Types and Days of Week: Store 5 and Store 8
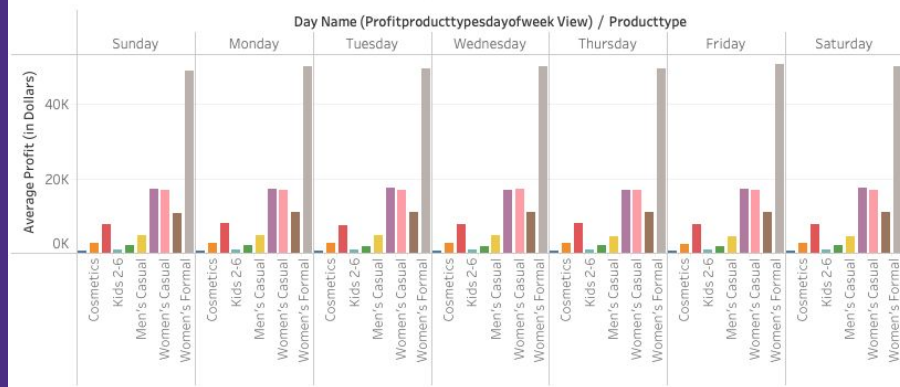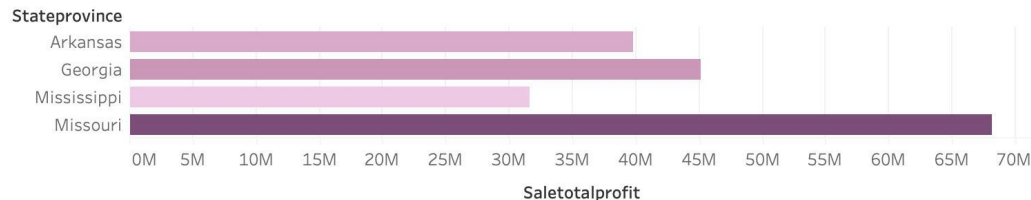
Observations

- No significant trends for product category based on day of the week, so KPIs will focus on an overall sales target
- Sales incentives focused on specific high-profit items versus categories

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Effect of Geographic Store Distribution on Sales

Sales by Store/State

Stateprovin..	Storenumber		
Arkansas	8		
	21		
Georgia	5		
Mississippi	39		
Missouri	10		
	34		

Saletotalprofit (0M, 5M, 10M, 15M, 20M, 25M, 30M, 35M, 40M, 45M)

Sales by State

Stateprovince		
Arkansas		
Georgia		
Mississippi		
Missouri		

Saletotalprofit (0M, 5M, 10M, 15M, 20M, 25M, 30M, 35M, 40M, 45M, 50M, 55M, 60M, 65M, 70M)
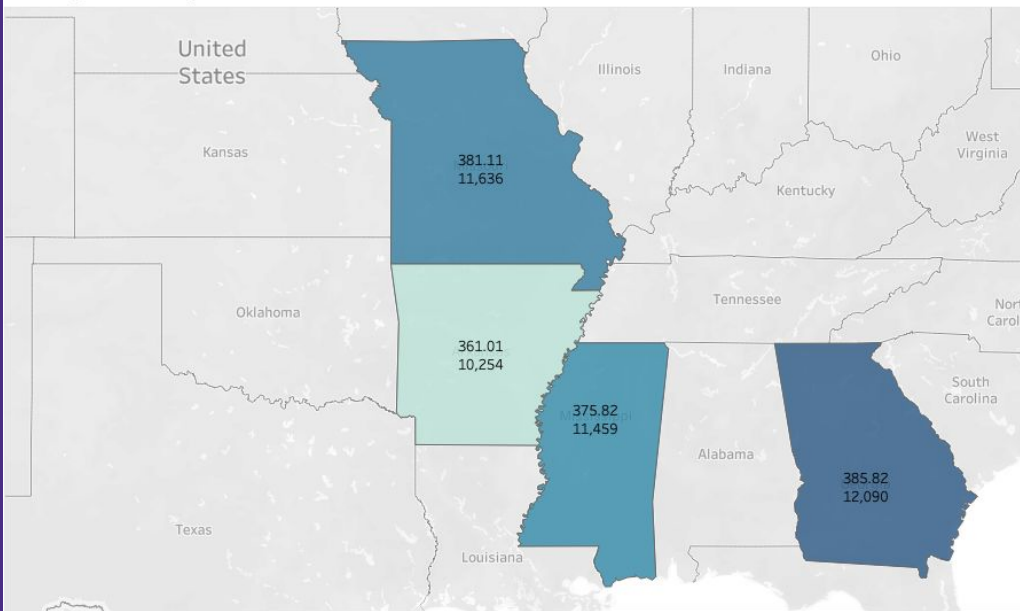
Observations

- Both Missouri stores performing well, on par with other stores
- Both Arkansas stores performing below average, so collective sales are on par with other stores

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Conclusion

Recommendations

1. Continue to operate both stores, and focus on opportunities to increase sales
2. Drive specialized marketing strategies for weekend and weekday sales trends
3. Focus strategies on high profit margin products (accessories and women's apparel)

Thank you!