

EXECUTIVE SUMMARY REPORT:

1. Key Performance Highlights

Overall, the business is showing **good sales growth**, especially during the second half of the year. Customers are buying more during major seasonal periods, which helps boost total revenue.

However, even though sales look strong, **profit is not growing at the same rate**. The main reason is high discounts and certain categories, like Furniture, which continue to reduce overall profit.

2. High-Profit Categories & Segments

The categories and customer segments that bring the most profit are clear:

High-Profit Categories

- **Office Supplies** – Steady sales, low cost, and fewer returns make this the most consistently profitable category.
- **Technology** – Brings high sales value and strong profits from items like phones, accessories, and office machines.

High-Profit Segments

- **Corporate customers** – They place bigger orders and return fewer items, which leads to better margins.
 - **Consumer segment** – Contributes the largest share of total sales, helping the company maintain stable revenue across the year.
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3. Regions Performing Poorly

Not all regions are contributing equally. The **Central region** is struggling the most, showing poor profit performance even when sales are decent.

This is mainly due to:

- higher shipping costs,
- large numbers of discounted orders, and
- losses in Furniture sales.

Parts of the **South region** also show weak profits due to similar operational issues.

4. Discount Effect on Profit

Discounts are one of the biggest reasons for the company's profit issues.

Orders with **higher discounts (above 20%) mostly result in losses**. This is especially seen in Furniture and some Technology products.

Most of the company's profit actually comes from **orders with little or no discount**.

This shows that the current discount strategy needs a complete review.

5. Risks & Improvement Opportunities

Risks:

- Heavy discounting continues to reduce profit.
- Furniture items are causing losses because of their size, return rate, and delivery cost.
- Some regions are consistently underperforming.
- Home Office customers show unpredictable buying behavior.

Opportunities:

- Technology category has strong future growth potential.
 - Office Supplies continue to provide reliable profit and can be scaled further.
 - South and West regions are showing customer growth and can be developed further.
 - Corporate customers can provide long-term repeat business if given the right offers.
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6. Recommended Business Actions

Optimize Discounts:

- Reduce high discounts on low-profit categories.
- Use smarter discount rules based on product profitability and customer segment.

Improve Operations:

- Work with suppliers and logistics partners to reduce shipping cost for bulky Furniture items.
- Improve product quality checks to reduce returns.
- Stock more profitable items during high-demand seasons.

Regional Focus:

- Strengthen delivery operations in Central region to reduce loss.
- Invest in marketing and promotions in South and West regions where demand is rising.

Customer Strategy:

- Create loyalty programs for Consumer segment.
 - Give special bulk-order benefits to Corporate clients.
 - Offer personalized promotions for Home Office customers depending on their buying pattern.
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Conclusion

The business is on a good path in terms of sales, but profitability can be improved by controlling discounts, focusing on the right categories, and improving efficiency in underperforming regions.

With the recommended actions, the company can improve profit margins, reduce losses, and build stronger customer relationships going forward.