

# ValueFrenzy Business Analysis Project

Presented by: Nitin Kunigal

## Agenda



- ➤ Introduction & Business Challenge
- ➤ Project Scope, Timeline & Key Stakeholders
- ➤ Key Performance Indicators (KPIs)
- ➤ Business Analysis Techniques & Key Activities
- Key Insights & Business Impact
- ➤ Refining Recommendations Through Stakeholder Collaboration
- > Finalized Recommendations for Strategic Growth

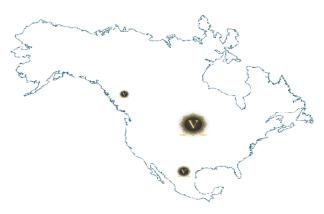
## ValueFrenzy Supermarket Chain Overview



- ➤ Founded in 2006, specializing in Retail and Consumer Goods.
- > Operations: **USA**, **Mexico**, and **Canada** with a growing footprint of 200+ stores.
- Product range:
  - low-tier: Groceries
  - > medium-tier: Household Goods
  - high-tier: Electronics.

### > Strategic Pillars:

- Strong focus on private label brands to boost affordability and loyalty.
- Omnichannel strategy: Seamless integration of physical stores and online platforms to enhance customer experience.
- Committed to operational efficiency and sustainable growth initiatives.



## **Business Challenge**



- ➤ The Challenge: Revenue and profit have declined from 2021 to 2023, with the USA showing the most significant downturn.
- > Stakeholder Involvement: Sarah Jamieson, COO, initiated the analysis to understand underlying issues.

### Key Focus Areas:

- Assessing critical KPIs—Revenue, Profit, Quantity Sold, Transactions, and Average Transaction Value (ATV) segmented by regions and product-tiers.
- Analyzing customer purchase patterns and regional trends.
- > Business Objective: Identify root causes, uncover actionable insights, and recommend strategies for revenue recovery and sustainable growth.

## **Project Scope: What This Project Covers**



- Objective: Leverage 2021–2023 sales data to drive strategic decision-making.
- Key Focus Areas
- > Business Case Validation: Analyze revenue declines, profitability gaps & regional trends.
- Data-Driven Insights:
  - > Sales & financial performance (Total Revenue, Gross Profit, ATV, etc.)
  - Customer purchasing behaviors & regional demand patterns
  - Product segmentation & trend analysis (seasonality, declines)
- > Stakeholder Collaboration: Align insights with business goals through iterative feedback.
- > Strategic Recommendations:
  - Pricing & Product Strategies to improve profitability
  - ➤ Marketing Campaigns & Promotions for customer engagement
  - Operational Efficiency Enhancements for sustainable growth

## Out-of-Scope:

Customer survey data, supply chain optimization & HR-related analysis.

## **Project Timeline: A Structured Four-Phase Approach**



- m Duration: January 27 February 21, 2025
- Yey BA Techniques Used: Stakeholder Interviews, SWOT Analysis, Competitor Benchmarking, Process Mapping, Data-Driven Gap Analysis
- Phase 1: Business Understanding & Planning (Jan 27 Jan 31)
- Stakeholder Interviews: Identified challenges & objectives with COO & key leaders
- SWOT Analysis & Preliminary Business Assessment: Assessed leadership perspectives on revenue trends & profitability concerns
- KPI Finalization: Defined key metrics for performance evaluation
- Project Charter Sign-Off: Approved by COO
- ☑ Data Collection & Initial Review: Gathered & validated historical sales data to establish a baseline for analysis
- Phase 2: Data Preparation & Validation (Feb 03 Feb 07)
- Data Cleaning & Transformation: Ensured accuracy & consistency using Power Query
- Data Validation: Confirmed insights with stakeholders
- Benchmarking Analysis: Compared preliminary performance with industry trends
- Process Mapping: Identified inefficiencies affecting revenue & ATV

## **Project Timeline (Contd..)**



- Phase 3: Analysis & Insights Development (Feb 10 Feb 14)
- Comprehensive KPI Analysis: Assessed Revenue trends, ATV fluctuations & regional insights
- ✓ Data-Driven Gap Analysis: Identified actual performance gaps & root causes
- Trend Identification: Uncovered seasonal patterns & their business impact
- Stakeholder Feedback: Iteratively refined insights for strategic alignment
- Phase 4: Final Deliverables & Presentation (Feb 17 Feb 21)
- Final Report & Dashboard: Delivered insights & recommendations
- Business Case Justification: Linked findings to strategic decision-making
- Handover & Follow-Up: Ensured implementation & value realization

## The People Behind the Project



## Executive Leadership

- Sarah Jamieson (COO) − Project Sponsor
- frives strategic direction & ensures business alignment
- David Lee (CFO) Financial Oversight
- *Evaluates financial impact & approves budget considerations*
- Amanda Cole (Head of Sales & Marketing) Sales & Marketing Alignment
- for Ensures insights align with sales & marketing strategies

## The People Behind the Project



### Regional Operations

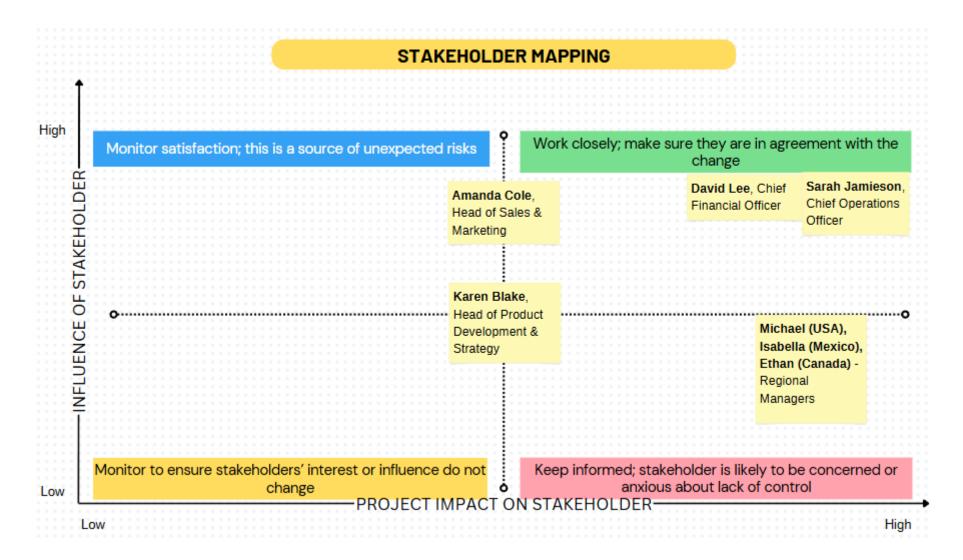
- Michael Rogers (Regional Manager USA) Performance Evaluation
- Isabella Martinez (Regional Manager Mexico) Performance Evaluation
- Ethan Carter (Regional Manager Canada) Performance Evaluation
- Oversee sales trends & regional business performance

### Strategy & Execution

- ▲ Karen Blake (Head of Product & Strategy) Product Strategy & Innovation
- Drives product and pricing decisions based on analysis
- Nitin Kunigal (Business Analyst) Business Analyst & Liaison
- franslates business needs into analytical insights & recommendations

## **Stakeholder Matrix**





## **Key Performance Indicators**



### 1. Total Revenue

 Measures overall income across all regions and product tiers. Helps track revenue trends and regional contributions.

### 2. Gross Profit

Revenue minus COGS. Evaluates profitability across regions and supports margin optimization.

### 3. Quantity Sold

Total units sold. Assesses product demand and sales performance.

### 4. Total Transactions

Number of customer transactions. Helps analyze customer activity and engagement.

### 5. Average Transaction Value (ATV)

 Revenue per transaction (Total Revenue ÷ Total Transactions). Tracks customer spending behavior and pricing strategy effectiveness.

## **Rationale behind Selected KPIs**



Supports Analysis Goals: Assessed strengths, weaknesses, opportunities, and threats to refine business priorities.

Reliable Data: Prioritized complete, high-quality data. Metrics like Return Rate were excluded due to data limitations.

Actionable & Clear: Focused on five core KPIs to avoid unnecessary complexity.

Economic & Industry Relevance: Addresses ValueFrenzy's declining revenue and profitability while aligning with retail best practices.

Future Considerations: Metrics like Return Rate, Customer Retention, and Inventory Turnover could be explored for deeper insights.

## **Business Analysis Techniques Used**





### **III** SWOT Analysis

Assessed strengths, weaknesses, opportunities, and threats to refine business priorities.

### Gap Analysis

Identified the differences between the current (As-Is) and desired (To-Be) states of ValueFrenzy's operations.



### Competitor Benchmarking

Evaluated industry trends and competitive positioning for strategic insights.

### Process Mapping

Visualized business processes to identify inefficiencies affecting revenue and ATV.

### Stakeholder Interviews

Gathered insights from key stakeholders to align the analysis with business goals.



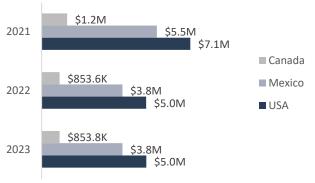
# **Key Insights**

## **Total Revenue (2021-2023)**

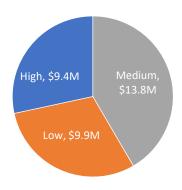


Revenue (Across all Regions): \$33.1M – USA (51%), Mexico (40%), Canada (9%)





Low and High-Tier contribute SIMILAR
Revenue and need Granular Attention



REVENUE DECLINED From \$13.8M in 2021 to \$9.7M in 2022 & 2023, impacted by ATV DROP. Specifically, REVENUE DECLINED from \$1.4M to \$793.6K between Dec-2021 & Jan-2022

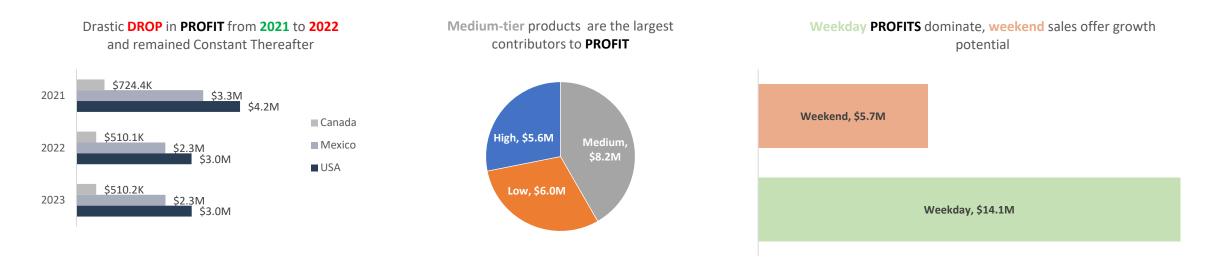


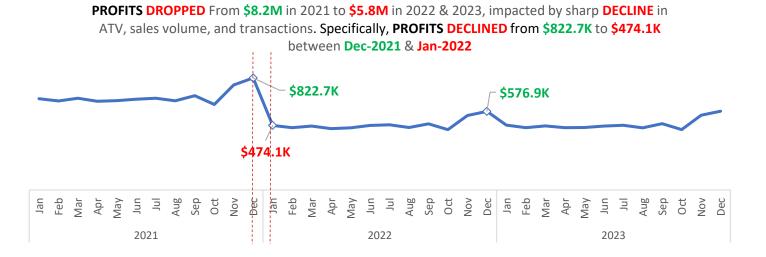
Jan Peb Mar Apr May Jun Jul Aug Sep Oct Nov	Jan Mar Apr May Jul Aug Sep Oct Nov	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov
2021	2022	2023

## **Gross Profit (2021-2023)**



Profit (Across all Regions): \$19.8M – USA (51%), Mexico (40%), Canada (9%)



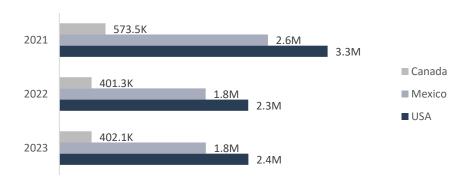


## **Quantity Sold (2021-2023)**



### Total Quantity Sold (Across all Regions): 15.7M – USA (51%), Mexico (40%), Canada (9%)

Drastic **DECLINE** in **QTY SOLD** from **2021** to **2022** and remained Constant Thereafter

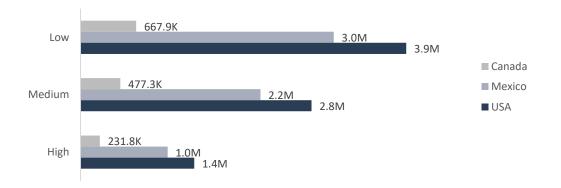


High Tier Products contribute towards LOWEST QTY SOLD. A significant DROP in the Overall QTY SOLD (especially, in low-tier products) from Dec-2021 to Jan-2022

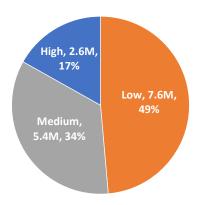


Mexico (40%) has Great Potential Competing with the USA (51%).

Medium-Tier (34%) show Great potential while High-Tier Needs Attention



**17%** of **High-Tier** units sold, despite having the highest ATV, Needs Granular Attention

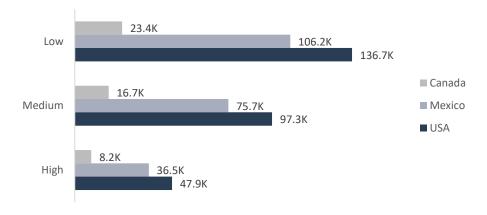


## **Total Transactions (2021-2023)**

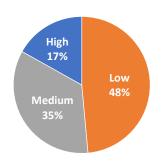


### Total Transactions: 548,649 – No Change in YoY Transaction Volume across regions and product tiers

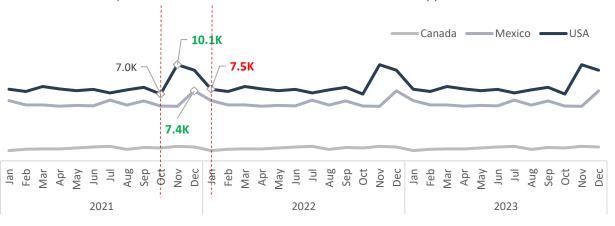
Strong Customer Engagement in Mexico (40%) despite its Market Size. Medium-Tier (35%) shows Great potential While High-Tier Needs Attention



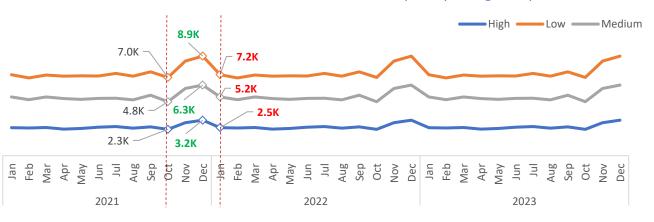
Low-tier (48%) dominate, medium-tier (35%) stable, high-tier (17%) low volume but high value and needs attention



Sharp **DECLINE** in transaction volume from late 2021 to early 2022 (mainly, in the USA). Mexico showed SEASONAL PEAKS in Nov-Dec as Opposed to the USA



**DROP** in transaction volume from late 2021 into 2022, especially for high-tier products



## Average Transaction Value/ ATV (2021-2023)



ATV (Across Regions): Canada (\$60.45), USA (\$60.40), Mexico (\$60.33)

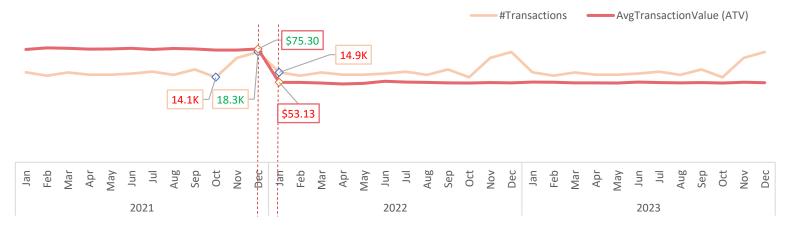




Low-tier products have the LOWEST ATV, high-tier products the HIGHEST, but with FEWER Transactions



Sharp ATV DROP from \$75.30 to \$53.13 between Q4-2021 to Q1-2022. ATV remained consistent across regions and product tiers due to STABLE PURCHASING PATTERNS. Despite a TRANSACTION INCREASE in late 2021, ATV remained steady, driven by FREQUENT low-tier purc



## **Business Impact Summary**



### Revenue Decline & Profitability Challenges

Revenue and gross profit declined post-2021, revealing pricing and promotional gaps.

### Regional Performance Variances

- The USA leads in revenue but faces profitability issues, while Mexico maintains steady sales with lower margins.
- Canada has a higher ATV (despite lower sales) with potential for premium product strategies.

### ■ Shifting Customer Behavior

• Stable ATV amid rising transactions suggests more frequent but smaller purchases, reflecting economic strain or changing habits.

### Product Tier Influence

 High-tier products drive revenue, but low and mid-tier products fuel transaction volumes, emphasizing the need for a balanced pricing and inventory strategy.

### Strategic Implications

 Insights call for regional strategies, dynamic pricing, and optimized product positioning to improve revenue and profitability.

## **Refining Recommendations Through Stakeholder Collaboration**



- Initial Insights & Hypotheses
- Early recommendations were based on raw data trends (e.g., declining revenue → price adjustments).
- Stakeholder Feedback & Business Context
- Key stakeholders (COO, CFO, Sales, Product Strategy) provided insights on feasibility, costs
   & market dynamics.
- Adjustments made to align with regional demand & financial constraints.
- Refinement & Finalization
- Data-driven discussions led to targeted strategies (e.g., region-specific promotions instead of broad price cuts).
- Ensured alignment with business goals, leading to practical, high-impact solutions.

## \* Key Takeaway:

 Collaborative, data-driven refinement ensured recommendations were both realistic and actionable.

## **Finalized Recommendations for Strategic Growth**



- Enhance Pricing Strategies: Adjust pricing based on regional spending patterns and product-tier performance to drive revenue growth.
- Optimize Product Mix: Focus on high-performing product tiers and realign inventory to match regional preferences and demand trends.
- Boost Transaction Value: Implement targeted promotions and upselling strategies to increase Average Transaction Value (ATV) across all regions.
- Leverage Customer Insights: Use transactional data to personalize marketing efforts, improve customer engagement, and enhance retention.
- Operational Efficiency & Cost Control: Streamline supply chain operations and control COGS to sustain profitability while maintaining competitive pricing.