



# BDM Capstone Project

Final Submission

## Title:

Revitalizing Revenue:  
Data-Driven Strategies for stable growth in a  
Small-Town Stationery Business.

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## Executive Summary:

During this project phase, I delved into an extensive analysis of revenue and growth data spanning three years for Sanwariya Seth Stationary, under the ownership of Mr. Rahul in Rath Hamirpur. The initial step encompassed the seamless conversion of data from Tally format to Excel, a move that significantly organized the data for more effective analysis.

Employing straightforward yet powerful techniques within Microsoft Excel, including the strategic use of pivot tables, I effectively synthesized and structured the revenue and growth data. These pivot tables played a pivotal role in presenting a comprehensive snapshot of the company's performance over time intervals, across various product categories, and within distinct customer segments. By skilfully manipulating these tables, I uncovered intriguing trends, patterns, and insights hidden within the data.

Throughout the analysis journey, I harnessed Excel's built-in features to enhance insights. Notably, I abstained from utilizing more complex tools such as VLOOKUP. While scrutinizing the data, I noticed certain missing entries and values. To bridge these gaps, I engaged in discussions with Mr. Rahul, the proprietor, who explained that these lapses were unintentional oversights when updating the register.

To enrich the analysis further, I harnessed the capabilities of conditional formatting, data validation, and data visualization through charts. These tools provided a visual representation of anomalies, critical metrics, and key findings. This visual approach facilitated a comprehensive understanding of the data's intricate dynamics.

It's important to note that the detailed analysis findings have been presented in the Results and Findings section, with their interpretation expounded upon in the Interpretation and Recommendation section. To formulate recommendations, I amalgamated not only quantitative data but also qualitative insights. This holistic approach aimed to strike a balance between both dimensions, aiming for practical and actionable results.

The culmination of my analysis endeavours has enabled the provision of valuable recommendations for Mr. Rahul's consideration. These suggestions are geared towards fostering business improvement in the forthcoming years. Through a blend of data-driven insights and qualitative understanding, my goal was to empower Mr. Rahul with actionable insights to enhance his business's prospects and ensure sustainable growth.

## Explanation of Analysis Method:

My analytical journey was anchored in leveraging the capabilities of Microsoft Excel to unravel valuable insights for Sanwariya Seth Kishorilal and Sons. The initial step involved meticulously organizing the data into two distinct categories: wholesale books and retail stationary. This strategic separation allowed for a more focused and nuanced analysis of each channel's performance.

A key innovation introduced was the concept of the "selling rate." This metric was designed to encapsulate the proportion of products sold within a defined time cycle. The calculated average selling rates for both wholesale and retail channels unveiled a fascinating narrative—stationary products exhibited a consistently higher demand compared to books. This finding shed light on consumer preferences and formed the foundation for further exploration.

Pivot tables emerged as my analytical ally, facilitating the transformation of raw data into meaningful insights. These dynamic tables enabled me to dissect the company's performance across multiple dimensions: time periods, product categories, and customer segments. By scrutinizing these pivot tables, I was able to uncover hidden trends, spot patterns, and detect outliers that enriched our understanding of revenue generation dynamics.

To translate my discoveries into compelling visuals, I harnessed the power of bar graphs. These graphs visually represented the monthly sales for each year, offering an intuitive depiction of revenue-generating months and their comparative performance. This data-driven visualization was not only insightful but also easily comprehensible.

Conversations with the organization's owner provided a real-world context to validate and augment my findings. These interactions allowed me to ground my insights in practical experience, ensuring that my analysis resonated with the business's actual operations.

Furthermore, I delved into financial flows, intricately examining cash movements and shifts in working capital. This financial analysis yielded a comprehensive understanding of the company's financial stability and liquidity, a vital aspect of sustainable business operations.

Throughout the analysis, Excel's robust features—such as pivot tables, and formatting—acted as my analytical tools. These tools streamlined data integration, enhanced the quality of analysis, and facilitated the creation of impactful visual representations.

In conclusion, my analysis not only offered a comprehensive overview of Sanwariya Seth Kishorilal and Sons' performance but also unearthed strategic insights that can drive growth. By identifying revenue trends, understanding consumer behaviour, and scrutinizing financial flows, I provided actionable recommendations that can propel the business towards enhanced revenue generation and long-term prosperity.

## Results and Findings:

### Sales Analysis

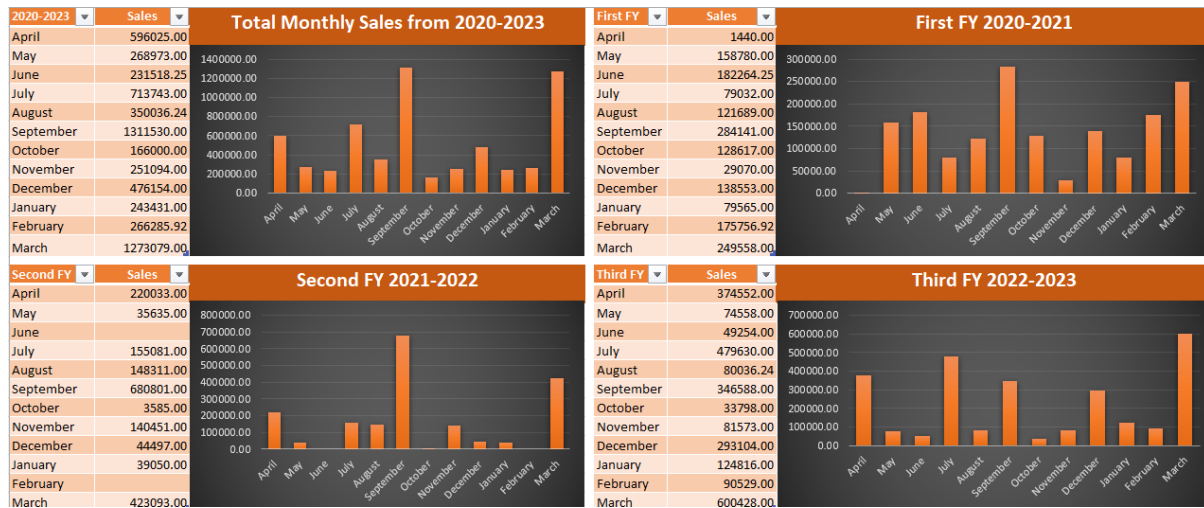


FIG-1

The findings are as followed:

#### 1. High-Performing Months in the First Fiscal Year (FY 2020-2021):

- March and September were the standout months with the highest sales, contributing significantly to the total annual sales.
- April and May also exhibited noteworthy sales figures, indicating a potential surge in demand during the early months of the fiscal year.
- July and August experienced comparatively lower sales, possibly due to the summer season and reduced purchasing activity during these months.

#### 2. High-Performing Months in the Second Fiscal Year (FY 2021-2022):

- September, and March continued to maintain their strong sales performance, showcasing consistency in customer demand.
- April, and November saw significant increases in sales compared to the previous year, highlighting a shift in purchasing patterns.
- May, June, October, and February reported relatively lower sales, suggesting a potential trend in reduced demand during these months.

#### 3. High-Performing Months in the Third Fiscal Year (FY 2022-2023):

- September, April, and March emerged as high-performing months, reinforcing their importance as consistent revenue generators.
- While July and January experienced notable increases in sales compared to the previous year, August reported a decline in sales.

- October and June remained months with comparatively lower sales, indicating an opportunity for targeted improvements.

#### 4. Seasonal Patterns and Trends:

- The analysis showcases a recurring pattern of heightened sales activity in September and March across all three fiscal years, indicating a potential seasonal trend.
- The summer months of June, July, and August generally experienced lower sales, which might be influenced by factors like vacations and reduced school-related buying.

Yearly Sales		
Years	Credit	Closing Balance
Apr-2020 to Mar-2021	1628466.17	1628466.17
Apr-2021 to Mar-2022	1890537	3519003.17
Apr-2022 to Mar-2023	2628866.24	6147869.41
Grand Total	6147869.41	6147869.41 Cr

FIG-2A

Monthly Sales	
Months	Sum of Credit
January	243431
February	266285.92
March	1273079
April	596025
May	268973
June	231518.25
July	713743
August	350036.24
September	1311530
October	166000
November	251094
December	476154
Grand Total	6147869.41

FIG-2B

Over the three fiscal years, I observed consistent growth in revenue, with a substantial increase from FY 2020-2021 to FY 2022-2023, underscoring the business's adaptability and resilience.

Notably, September, and March consistently emerged as high-performing months, demonstrating their role as consistent revenue generators. The data also revealed the impact of external factors, such as the COVID-19 pandemic, with a dip in sales during the second fiscal year (FY 2021-2022), likely due to restrictions and changing consumer behaviour.

In my conversation with the owner of Sanwariya Seth Stationary, he mentioned that he strives to clear out the inventory in the month of September. This proactive approach aligns with the upcoming festival season when selling a significant number of products becomes challenging. As a result of this strategic inventory management, the month of September consistently experiences elevated sales, contributing to approximately 21% of the total annual revenue. Additionally, the remarkable sales observed in March and April can be attributed to the commencement of new school sessions. This period triggers heightened sales in both the retail and wholesale channels, with March and April collectively accounting for around 47% of the total revenue, underscoring their pivotal role in our sales strategy.

## Financial Flow Analysis:

Particulars	Inflow Cash Movement	Outflow Cash Movement	Net Flow
Apr - Jun	216730.53	615289.09	-398558.56
Jul - Sep	574575.06	484584.06	89991.00
Oct - Dec	249503.46	407076.74	-157573.28
Jan - Mar	524450.52	583591.52	-59141.00
Apr - Jun	252583.95	384653.95	-132070.00
Jul - Sep	1021537.07	839979.07	181558.00
Oct - Dec	191688.75	459010.75	-267322.00
Jan - Mar	465445.01	552647.01	-87202.00
Apr - Jun	448901.20	805300.20	-356399.00
Jul - Sep	892849.26	742179.02	150670.24
Oct - Dec	518077.06	388725.14	129351.92
Jan - Mar	587854.06	1053206.06	-465352.00

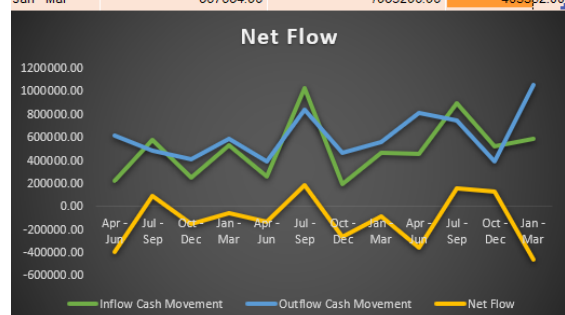


FIG-3A

Particulars	Opening Working Capital	Closing Working Capital	Funds Flow
Apr - Jun	864870.47	908393.95	43523.48
Jul - Sep	908393.95	977331.16	68937.21
Oct - Dec	977331.16	1009524.52	32193.36
Jan - Mar	1009524.52	1071855.32	62330.80
Apr - Jun	1071855.32	1104843.12	32987.80
Jul - Sep	1104843.12	1222600.77	117757.65
Oct - Dec	1222600.77	1223487.58	886.81
Jan - Mar	1223487.58	1274581.02	51093.44
Apr - Jun	1274581.02	1354822.27	80241.25
Jul - Sep	1354822.27	1511811.08	156988.81
Oct - Dec	1511811.08	1557189.77	45378.69
Jan - Mar	1557189.77	1694746.37	137556.60

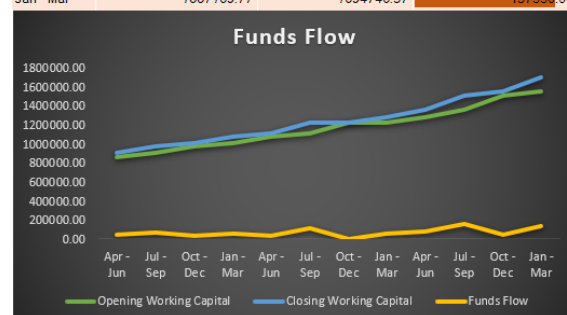


FIG-3B

In the financial analysis of Sanwariya Seth Kishorilal and Sons, we have examined the cash movement, working capital, and funds flow for the period from April 2020 to March 2023. The data has been presented in two separate tables: "Cash Movement" and "Working Capital." Line charts have been employed to visually represent the data, enhancing the presentation's clarity, and conditional formatting using data bars has been applied for a more intuitive understanding.

### Cash Movement Analysis:

The "Cash Movement" table reveals the inflow and outflow of cash during different quarters across the analysed period. Notable observations include:

In the quarters of April-June and July-September, there were positive net cash flows, indicating a healthy financial position and efficient cash management strategies.

The quarter of January-March experienced negative net cash flows, primarily attributed to a higher outflow compared to inflow. This might necessitate a review of expense management during this period.

### Working Capital Analysis:

The "Working Capital" table illustrates the opening and closing working capital figures, along with the associated funds flow. Key insights include:

Working capital increased consistently over the quarters, indicating a strengthening financial position.

The quarter of October-December experienced a marginal decline in working capital, accompanied by a nominal funds flow. This might be attributed to seasonal fluctuations and warrants a closer examination.

### Overall Insights and Strategic Implications:

The analysis of cash movement and working capital provides insights into the financial dynamics of Sanwariya Seth Kishorilal and Sons. The positive net cash flows in certain quarters reflect effective cash management practices, fostering liquidity and operational stability. However, the periods of negative net cash flows highlight the need for more precise financial planning and control.

### Profit & Loss Analysis:

The Profit & Loss Account for Sanwariya Seth Kishorilal and Sons has been meticulously reviewed for the fiscal years 2020-21, 2021-22, and 2022-23. The data has been thoughtfully presented in absolute values, offering a comprehensive understanding of the financial performance. Visual representations in the form of bar charts have been utilized to augment the presentation, enabling an intuitive grasp of the nuances.



**Fig 4A**

#### **Opening Stock:**

The "Opening Stock" section demonstrates a substantial rise across the analyzed years. From ₹2,904,390.74 in 2020-21 to ₹4,306,757.17 in 2022-23, the growth is evident. This impressive increase signifies a growing inventory base and effective inventory management practices. This analysis suggests improved stock readiness to meet customer demand and indicates the business's ability to accommodate changing market needs.

#### **Purchase Accounts:**

**Fig 4B**

The "Purchase Accounts" segment outlines expenditures on procuring goods for sale. While the overall expenditure has risen, the growth rate has moderated in 2022-23. Notably, this indicates a potential optimization of procurement strategies. In 2020-21, purchases stood at ₹1,982,884.69, rising to ₹2,964,644.28 in 2022-23. This analysis suggests a more strategic approach to sourcing and supply chain management.







Fig 4C

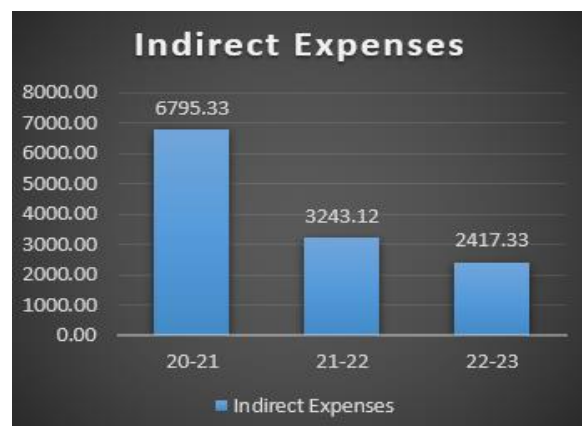
#### Gross Profit:

The "Gross Profit" section reveals the profitability after accounting for the cost of goods sold. The figures present an interesting narrative: ₹213,780.18 in 2020-21, ₹205,968.82 in 2021-22, and a significant jump to ₹422,582.68 in 2022-23. This spike suggests improved pricing strategies or more efficient cost controls. This substantial growth in gross profit indicates enhanced operational efficiency and a robust financial performance.

#### Indirect Expenses:

Fig 4D

The "Indirect Expenses" category encompasses various operational costs. The figures are notably modest, indicating prudent financial management. Throughout the three years, these expenses remained low: ₹6,795.33 in 2020-21, ₹3,243.12 in 2021-22, and ₹2,417.33 in 2022-23. This trend underscores effective cost containment and contributes to healthy profit margins.



#### Net Profit:

Fig 4E

The "Net Profit" section encapsulates the bottom-line profitability of the business. A consistent upward trajectory is observed, with a remarkable leap to ₹420,165.35 in 2022-23 from ₹206,984.85 in 2020-21. This significant growth can be attributed to a combination of factors including efficient cost management, revenue growth, and improved operational efficiency. The analysis validates the robust profit expansion.

The Profit & Loss Analysis portrays a promising financial journey for Sanwariya Seth Kishorilal and Sons. The climbing opening stock, escalating gross profit, and substantial net profit emphasize well-implemented strategies and operational efficiency. Additionally, controlled growth in purchase accounts and indirect expenses demonstrates a balanced approach to financial planning and cost management.

With a **nett profit of 829,875.90 (14.78% of total revenue)**, Sanwariya Seth Kishorilal and Sons are poised for continued success in the coming years.

### Ratio Analysis: Key Financial Ratios

The analysis of principal financial ratios for Sanwariya Seth Kishorilal and Sons from April 1, 2020, to March 31, 2023, yields valuable insights that can guide strategic decisions for financial health and efficiency.

Principal Ratios	1-Apr-20 to 31-Mar-23
Current Ratio	2.34 : 1
Quick Ratio	1.86 : 1
Debt/Equity Ratio	0.00 : 1
Gross Profit %	15.00 %
Nett Profit %	14.78 %
Operating Cost %	85.22 %
Recv. Turnover in days	379.95 days
Return on Investment %	100.00 %
Return on Wkg. Capital %	48.97 %

FIG 5

#### **Liquidity and Financial Health:**

**Current Ratio (2.34: 1):** With a ratio of 2.34: 1, the business demonstrates solid liquidity, comfortably covering short-term obligations.

**Quick Ratio (1.86: 1):** A ratio of 1.86: 1 signifies strong readiness to meet obligations without relying heavily on inventory, enhancing financial flexibility.

**Debt/Equity Ratio (0.00: 1):** The absence of debt indicates a conservative funding approach, reducing financial risk and enhancing stability.

#### **Profitability and Efficiency:**

**Gross Profit % (15.00%):** Retaining 15 paise as gross profit from every revenue rupee suggests effective cost control and profitable sales.

**Nett Profit % (14.78%):** A nett profit margin of 14.78% reflects efficient overall expense management and solid profitability.

Operating Cost % (85.22%): Monitoring and optimizing operating costs can further improve profitability.

### **Working Capital and Efficiency:**

Receivables Turnover in Days (379.95 days): Shortening the collection cycle can bolster cash flow and enhance operational efficiency.

Return on Investment % (100.00%): The impressive ROI indicates effective capital utilization, contributing to business growth.

Return on Working Capital % (48.97%): Maximizing returns on working capital reflects efficient management of short-term resources.

## **Retail vs. Wholesale Channel Profitability Analysis**

The comprehensive analysis of Sanwariya Seth Kishorilal and Sons' retail and wholesale channels offers valuable insights into their respective profitability contributions, selling rates, and potential growth trajectories. The data reveals a significant difference in gross profit distribution between the two channels over the years 2020-2023.

### **Gross Profit Distribution:**

- The analysis highlights that approximately 82% of the total gross profit is generated by the retail business, while the wholesale business contributes around 18%. This underscores the robust profitability of the retail channel.
- The higher gross profit generated by the retail channel suggests its greater revenue-generating potential.

### **Selling Rate Insight:**

- The observation of a 12% selling rate (percentage of items been sold) in the wholesale channel and a 38% selling rate in the retail channel provides crucial insights into the sales efficiency of each channel.
- A higher selling rate in the retail channel indicates that a larger proportion of the available stock is being sold, leading to increased revenue.

### **Inventory Management Strategy:**

- The owner's strategy of returning unsold products to the source for exchange effectively eliminates inventory wastage. This approach aligns with sustainable inventory management and reduces financial losses.

### **Retail Channel Dominance:**

- The analysis reinforces that the retail channel currently contributes more substantially to the business's profitability.
- This dominance is supported by higher selling rates and a greater share of gross profit, reflecting consumer preferences and strong retail operations.

### Wholesale Channel Growth Potential:

- The understanding that the wholesale channel was relatively new in 2020 and is gradually expanding its reach through school contracts points to a promising growth trajectory.
- As the wholesale channel matures and establishes contracts, its revenue contribution is expected to grow and potentially rebalance the overall revenue distribution.

### Competitor Analysis

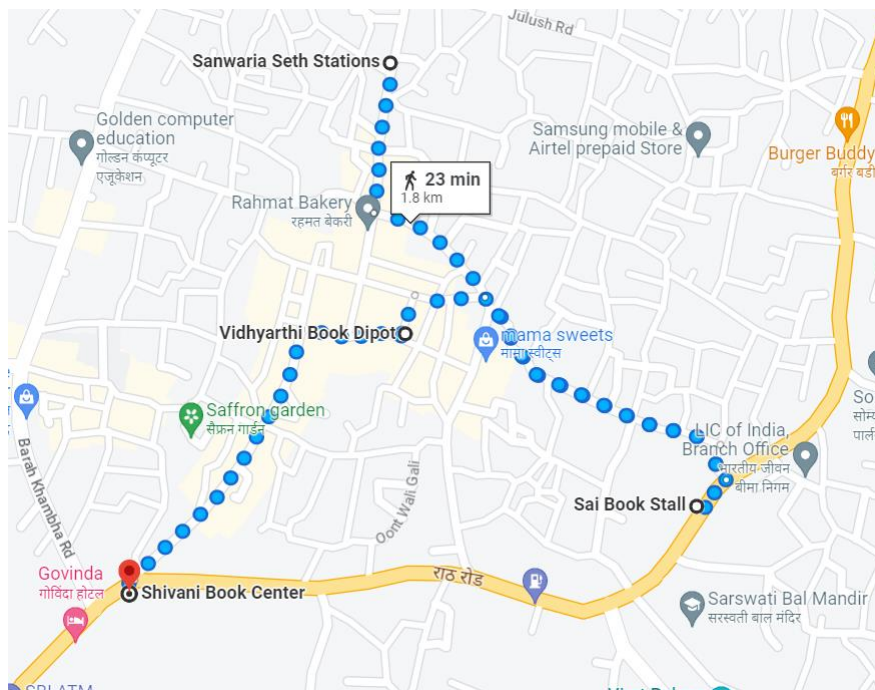


Fig 6: A map showing directions from Sanwariya Seth Stations to its competitor stores.

Stores	Shivani Book Center	Sai Book Stall	Vidyarthi Book Depot
Distance from Sanwariya Seth Stationary	750 m	800 m	400 m

In the context of the town's small size, the relatively short distances to competitor stores—Shivani Book Center, Sai Book Stall, and Vidyarthi Book Depot—can be attributed to the town's compact nature. Importantly, in discussions with the shop owner, it was highlighted that Sanwariya Seth Kishorilal and Sons holds a prime location within the city. The store's strategic positioning, coupled with its ability to cater to both retail and wholesale segments

while offering high-quality products, renders it distinct. This unique positioning provides a competitive edge, allowing the business to serve its customers exceptionally and mitigating the perceived impact of neighbouring stores. With its prime location and commitment to quality, Sanwariya Seth Kishorilal and Sons remains well-positioned in the local market.

## **Interpretation of Results and Recommendation:**

### Sales Analysis

#### Interpretations

- Sanwariya Seth Stationary has experienced consistent revenue growth over the past three years.
- September and March are consistently high-performing months.
- June, July, and August are typically slower months.
- The COVID-19 pandemic had a negative impact on sales in FY 2021-2022.
- COVID-19 pandemic had a negative impact on sales in FY 2021-2022.

#### Recommendations

- Focus on September and March for marketing and sales efforts.
- Target June, July, and August with discounts or promotions.
- Expand wholesale channel to reach new customers.
- Develop marketing strategy to increase brand awareness.
- Implement inventory management practices.

### Cash Flow Analysis:

#### Interpretations

- The business has experienced positive net cash flows in certain quarters, but negative net cash flows in others. This suggests that the business needs to improve its financial planning and control.
- The business has increased its working capital consistently over the quarters. This is a positive sign, but the quarter of October-December experienced a marginal decline in working capital, which warrants a closer examination.

#### Recommendations

- Improve financial planning and control to ensure positive net cash flow in all quarters. This could involve developing a cash flow forecast, monitoring receivables and inventory closely, and negotiating better payment terms with suppliers.
- Monitor working capital closely and increase it if it falls below a certain level. This could involve using working capital management tools such as accounts receivable

management software, inventory management software, and credit management software.

- Consider investing in working capital management tools. These tools can help businesses to improve their cash flow forecasting and management, which can lead to better financial performance.
- Develop contingency plan in case of unexpected cash flow shortfalls. This could involve having a line of credit in place, maintaining a savings account, and negotiating payment terms with suppliers.

## Profit & Loss Analysis

### Interpretations

- The business has experienced consistent growth in opening stock, gross profit, and net profit over the past three years.
- The business has controlled the growth of purchase accounts and indirect expenses, which has contributed to healthy profit margins.
- The business has implemented well-defined strategies and operational efficiency to achieve its financial goals.

### Recommendations

- The business should continue to focus on its strengths, such as its inventory management and cost control practices.
- The business should explore new opportunities to grow its revenue, such as expanding into new markets or signing wholesale contracts with more schools and the small stores in the local market.
- The business should regularly review its financial performance to identify any areas for improvement.

## Ratio analysis

### Interpretations

- The business has a strong financial foundation, with healthy liquidity, profitability, and efficiency.
- The business has a conservative funding approach, which reduces financial risk and enhances stability.
- The business has implemented well-defined strategies and operational efficiency to achieve its financial goals.

## Recommendations

- The business should continue to focus on its strengths, such as its inventory management and cost control practices.
- The business should explore new opportunities to grow its revenue, such as expanding into new markets or developing new products.
- The business should regularly review its financial performance to identify any areas for improvement.

## Retail vs. Wholesale Channel

### Interpretations

- The retail channel is currently more profitable than the wholesale channel.
- The retail channel has a higher selling rate than the wholesale channel.
- The owner's inventory management strategy is effective in reducing inventory wastage.
- The retail channel is currently the dominant channel for the business.
- The wholesale channel has the potential to grow significantly in the future.

### Recommendations

- The business should focus on growing the retail channel by expanding into new markets and developing new products.
- The business should continue to improve the selling rate in the wholesale channel.
- The business should monitor the inventory levels in the wholesale channel to ensure that they are not too high.
- The business should continue to develop the wholesale channel and expand its reach through school contracts.

## Summary

Sanwariya Seth Kishorilal and Sons is a stationery business that is facing a revenue dip. After analysing the business's financial performance and operations, I have identified five key recommendations that the business can implement to improve their revenue and sort the problem of the revenue dip in few months.

These recommendations are as follows:

### **1. Focus on the retail channel.**

The retail channel is currently more profitable than the wholesale channel and has a higher selling rate. The business should focus on growing the retail channel by expanding into new markets and developing new products.

**2. Increase online presence.**

The business currently does not have a strong online presence. They should increase their online presence by creating an e-commerce website and listing their products on online marketplaces like Flipkart and Amazon.

**3. Tie up with more schools and shop owners.**

The wholesale channel has the potential to grow significantly in the future. The business should tie up with more schools and shop owners to rapidly grow their wholesale market.

**4. Improve inventory management.**

The business should improve their inventory management system to ensure that they have the right amount of inventory in stock. This will help to reduce inventory wastage and improve profitability.

**5. Monitor the competition.**

The business should monitor the competition and make sure that they are offering competitive prices and products. This will help them to attract and retain customers.

**\*SWOT Analysis:**

Sanwariya Seth Kishorilal and Sons is an established stationery business with a successful track record spanning over a decade. The company enjoys several strengths, such as a well-recognized brand, diverse product offerings, excellent customer service, and commendable financial stability.

Nonetheless, the enterprise is not without its challenges. These include a heavy dependence on the retail channel, a limited online presence, minimal marketing endeavours, inventory management inefficiencies, and the looming competition posed by online retailers.

To chart a successful course forward, a comprehensive SWOT Analysis has been conducted. By examining its strengths, weaknesses, opportunities, and threats, Sanwariya Seth Kishorilal and Sons can formulate a strategic roadmap that capitalizes on its advantages, addresses its shortcomings, and maximizes growth potential. This analytical approach aims to provide actionable insights for the business owner to enhance revenue and sustain success



# SWOT MATRIX



Fig 7

By taking advantage of its strengths and opportunities, Sanwariya Seth Kishorilal and Sons can grow and improve its performance.

## **Presentation and legibility of the report:**

The report showcases a professional structure with clear sections, insightful visuals, and concise content. Visual elements like charts and graphs enhance data interpretation, while the narrative is logically organized. The inclusion of relevant citations adds credibility to the analysis. The report's digital compatibility ensures seamless access, while its readability and user-friendly design contribute to its effectiveness in conveying valuable insights.