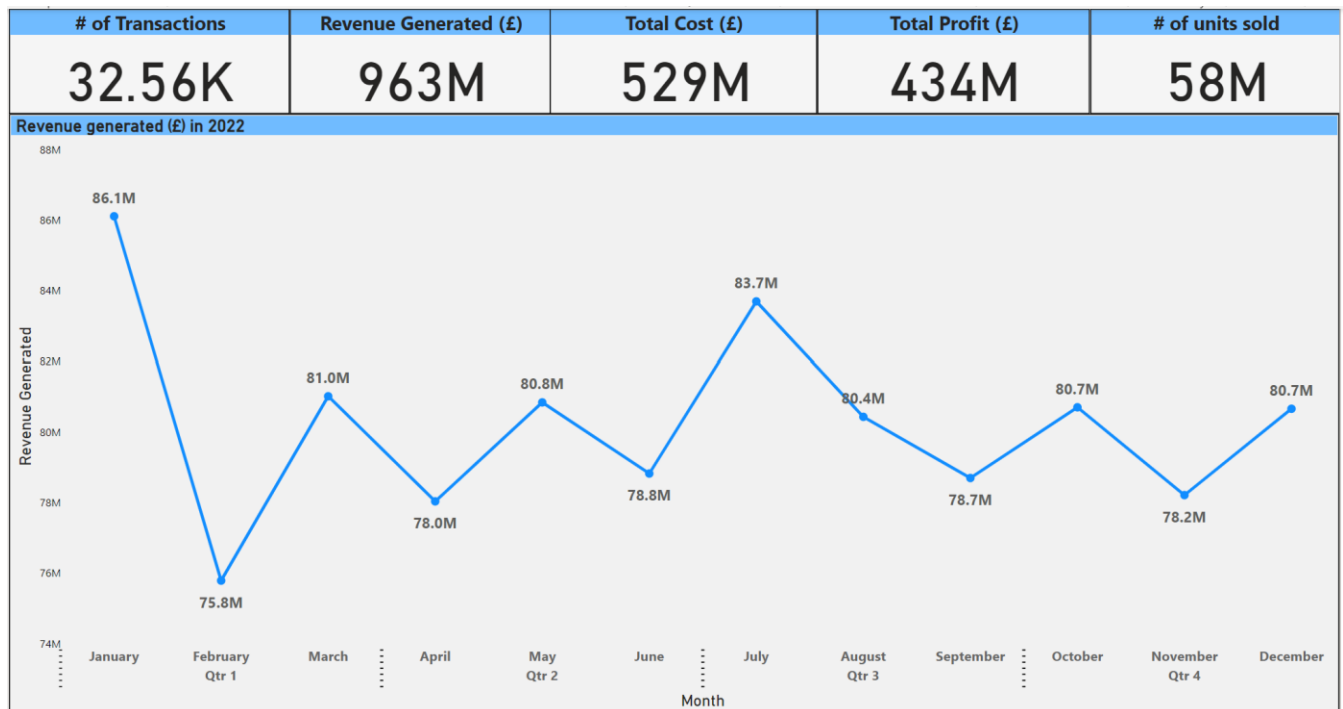# External Shareholder's Report

Universal Exports manufactures and supplies garments like Hoodies, T-Shirts, Polo Shirts, Jackets, Cardigans and Sweatshirts to wholesalers and retailers in and around Europe on a mass scale. We are a U.K based company from Southampton and are known for our quality & variety.

1. Overview of Revenue & Sales trend over the year 2022

# of Transactions	Revenue Generated (£)	Total Cost (£)	Total Profit (£)	# of units sold
32.56K	963M	529M	434M	58M

Revenue generated (£) in 2022

Year 2022 has been a highly profitable year delivering a **strong profit percentage** of **45.1%** on average. The sales revenue posted a consistent trend over the year giving us an overall average of **£80.25M** per month over the year. The winter (December, January) and summer seasons (June, July, August) showed a slight increase in sales compared to other seasons and there was also a deep fall in sales in the month of February which was because of the holiday season ending but both these fluctuations were not significant enough to cause huge variations in the trend.

2. Profit & Quantity Sold

Profit (£) and Quantity (#) of Products sold in 2022
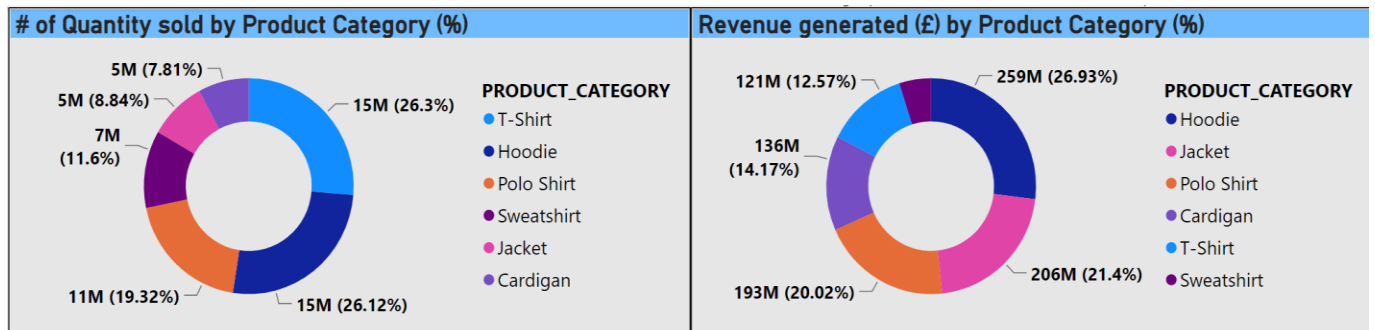
● Profit ● Quantity Sold
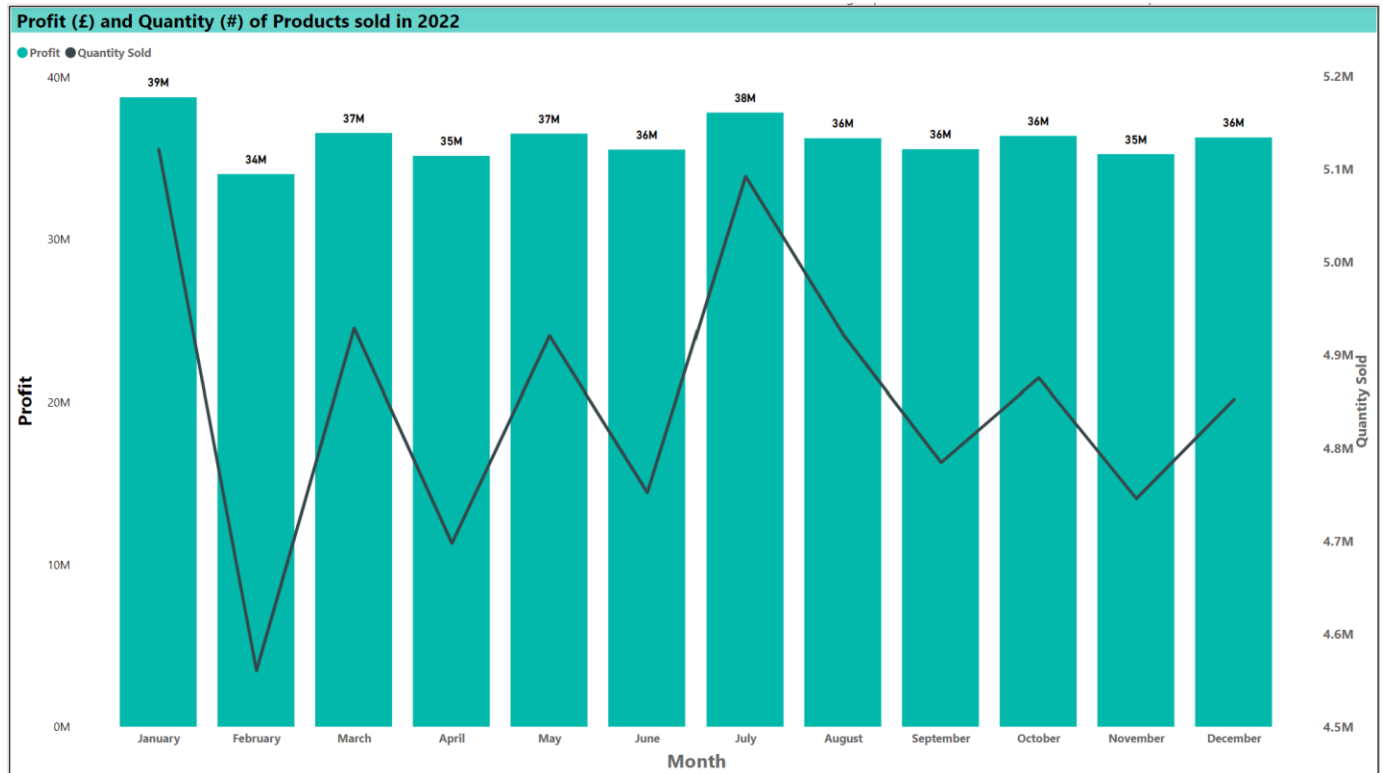
The **profit trend follows a similar pattern to the revenue** and as expected was consistent throughout the year, giving us an average of **£36.16M per month**. The **profit variation is proportionate to the variation in the units sold** over the period, which accounts for an average of **4.8M** units per month.
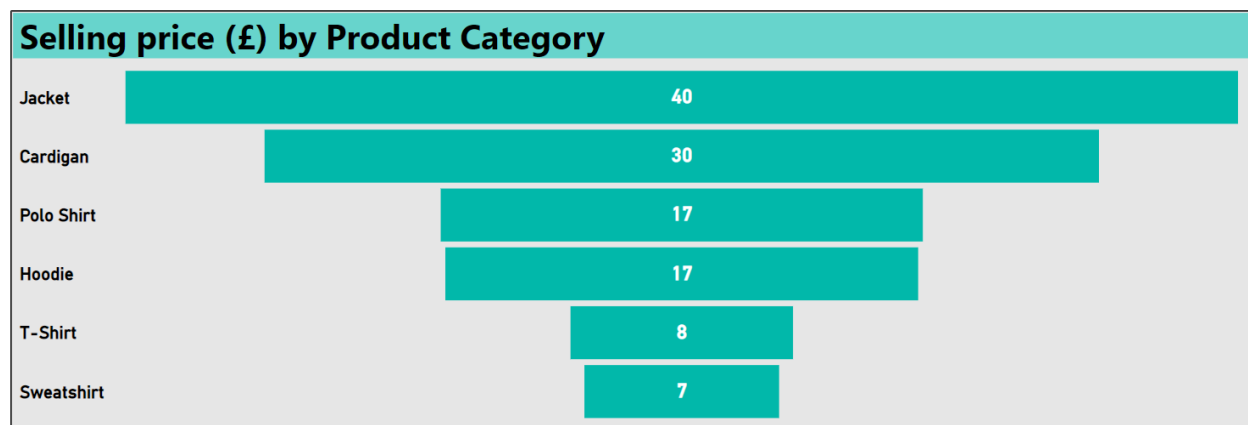
This consistent trend over the period can be attributed to the fact that we manufacture a wide range of garments that suits the needs of the people in all the seasons of a year, below is the analysis of strength, weakness, and performances of each product category.

3. Sales Performance of each Product Categories

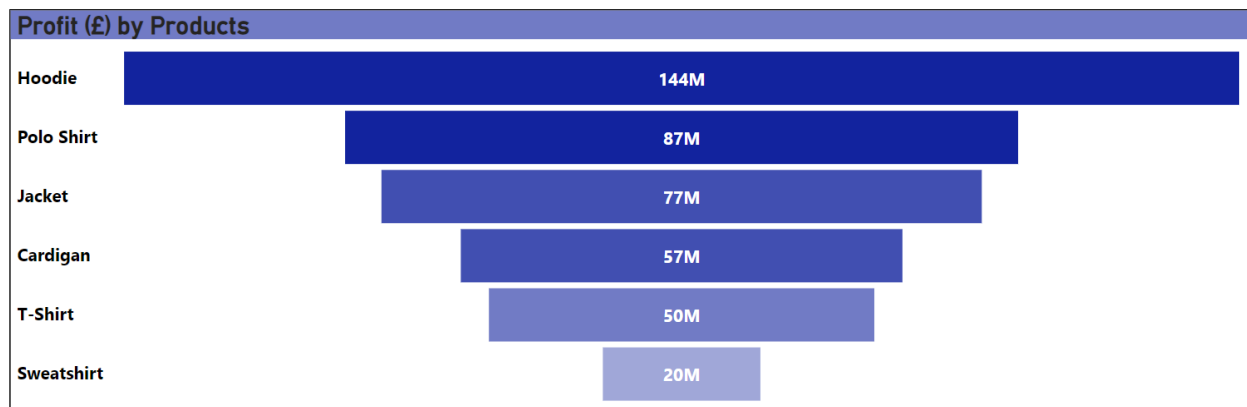From the below visualization it is evident that T-shirts have sold the highest number of units, while Hoodies have generated the highest revenue, on the other hand Jackets are second least in quantities sold while the same is second highest in revenue generation, similarly there are variations in the proportion of units sold and revenue generated among other products like Cardigan and Sweatshirt also.

# of Quantity sold by Product Category (%)

5M (7.81%)
5M (8.84%)
7M (11.6%)
15M (26.3%)
11M (19.32%)
15M (26.12%)

PRODUCT_CATEGORY
- T-Shirt
- Hoodie
- Polo Shirt
- Sweatshirt
- Jacket
- Cardigan

Revenue generated (£) by Product Category (%)

121M (12.57%)
259M (26.93%)
136M (14.17%)
193M (20.02%)
206M (21.4%)

PRODUCT_CATEGORY
- Hoodie
- Jacket
- Polo Shirt
- Cardigan
- T-Shirt
- Sweatshirt

This inconsistent variation in proportion can be because of the significant **difference in the selling price of each product** as shown.

Selling price (£) by Product Category

Category	Price
Jacket	40
Cardigan	30
Polo Shirt	17
Hoodie	17
T-Shirt	8
Sweatshirt	7

Jackets and **Cardigans** are the **most expensive products in our lineup**, and this is the reason behind **producing good revenue figures despite the lower number of units being sold**. **Hoodies and Polo shirts occupy the mid-range in terms of the selling price, but the same duo perform just well enough in quantity to deliver huge figures in revenue generation**. On the other hand, T-shirts and Sweatshirts are the cheapest products in our lineup resulting in very low revenue generation. Since the **quantity sold and revenue of each product is very disproportionate**, analyzing the profit generated by each product will give us a brief idea about the performance of each product category.

Profit (£) by Products

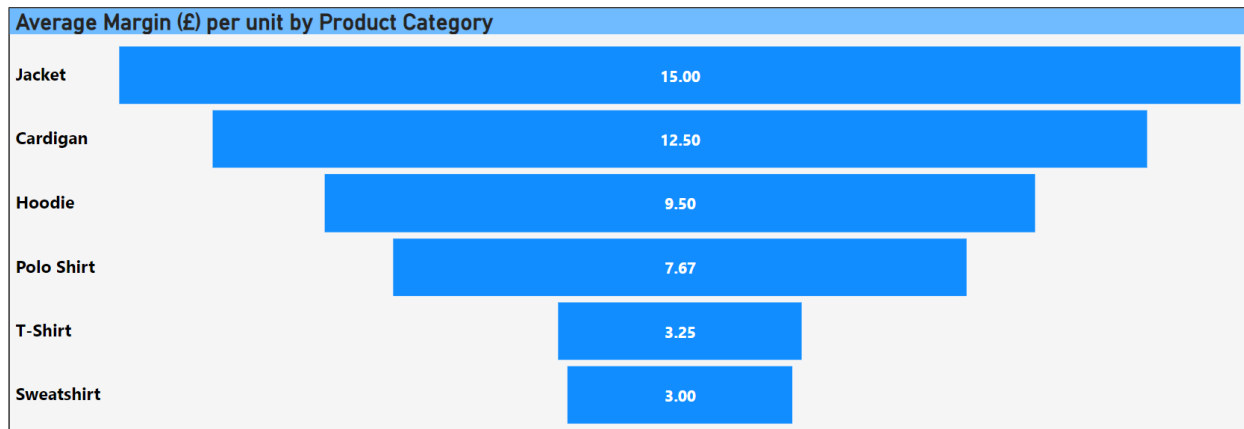| Product	Profit
Hoodie	144M
Polo Shirt	87M
Jacket	77M
Cardigan	57M
T-Shirt	50M
Sweatshirt	20M

Hoodie is the best performing product generating significantly higher profit levels followed by Polo shirts and Jackets while, T-shirt and Sweatshirt are the least performing products. To gain a deeper perspective, the below visualization compares the quantity of items sold to the profit generated in each category.

Profit (£) and Quantity (#) Sold by PRODUCT_CATEGORY
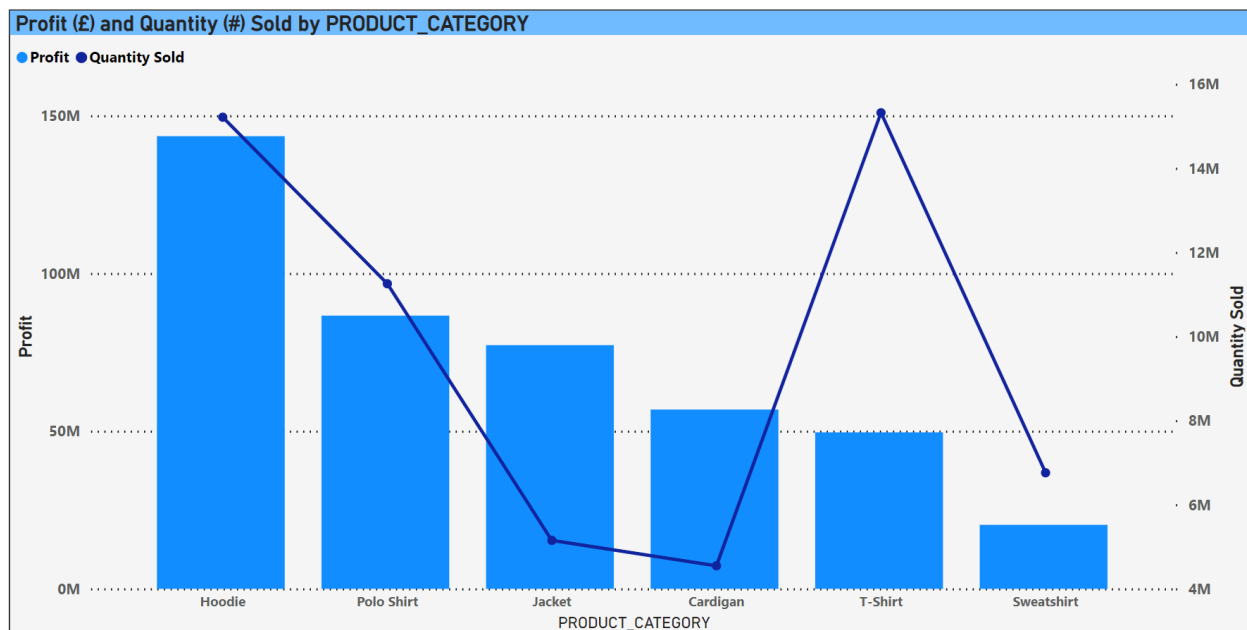
From the above visualization we can note that both the top performing products **Hoodie and Polo shirts post comparatively higher number in units attributing to higher profits**, while products such as **Jackets, Cardigans and T-shirts** show a **contrasting character** where Jackets and Cardigans

earn higher profits with least quantity sold comparatively, while **T-shirts** with the **highest number of units sold ranks second least in profit generation.**

This contrasting character can be explained by the **average margin of each product category** as shown below.

Average Margin (£) per unit by Product Category

| Category	Margin
Jacket	15.00
Cardigan	12.50
Hoodie	9.50
Polo Shirt	7.67
T-Shirt	3.25
Sweatshirt	3.00

With close observation, it can be identified that products **Hoodie and Polo shirts** performing comparatively well enough in every parameter such as **Units sold and Margin per unit** is the reason behind these products occupying the **top two spots in overall profit generation**. Thus, **Hoodie** is our **top performing product**, responsible for about **33% of our overall profits** followed by **Polo Shirts**.

Products such as **Jackets, Cardigans and T-shirts** exhibit **contrasting & extreme characteristics** i.e., jacket and cardigan obtain the **top spot in margin per unit generating higher profit figures despite selling lesser number of units comparatively**, on the other hand **T-shirts has very low margin per unit resulting in second least profit generation despite having the highest number of units sold**. _**The extreme characteristics of these products substantiates its own weakness thus, gaining the middle spot in overall amount of profit generated in the order of Jacket, Cardigan & T-shirts.**_

Sweatshirt is the least performing product as it is the least profit generating product with the lowest margin and revenue generated.

With a deeper understanding of our product line-up's performances, we can now move on to visualize our geographical footprints.
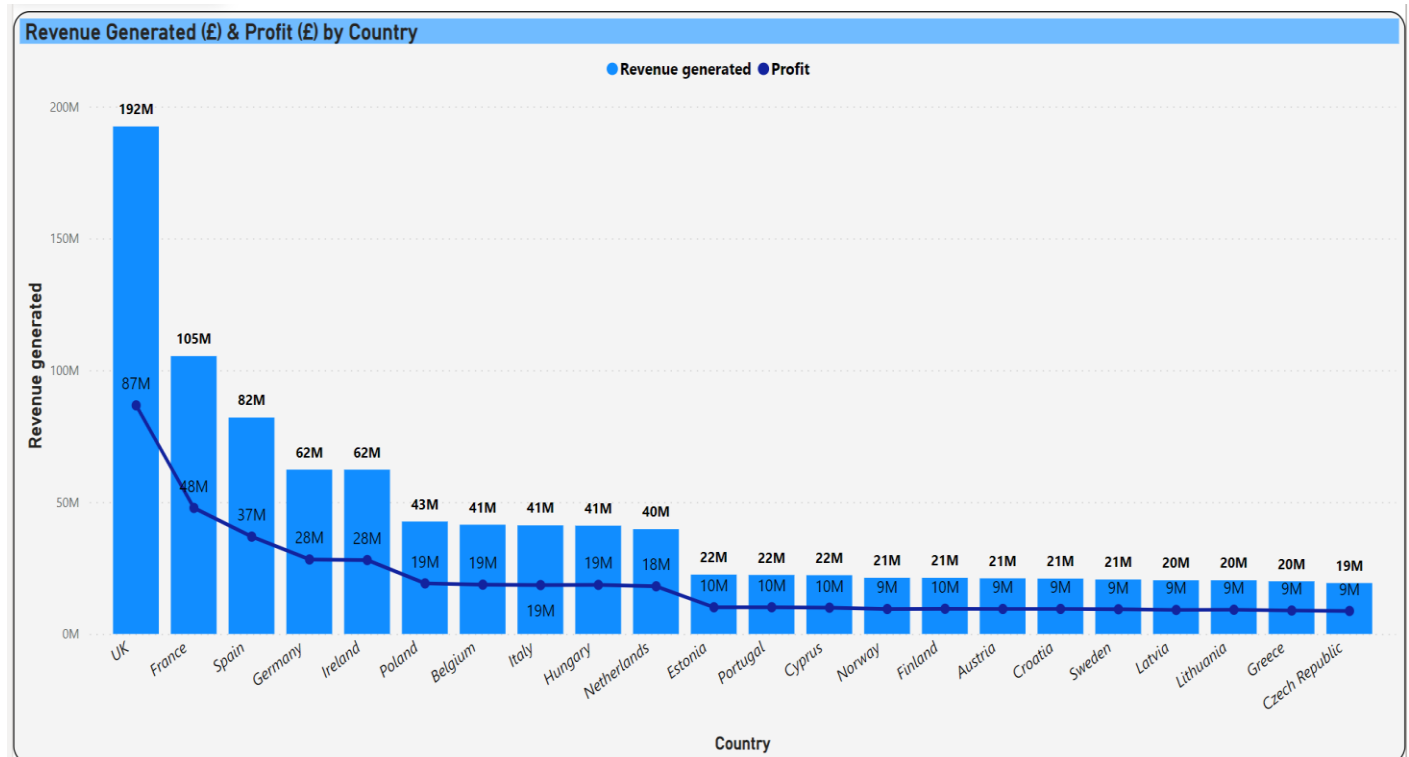
4. Sales Statistics by Geography
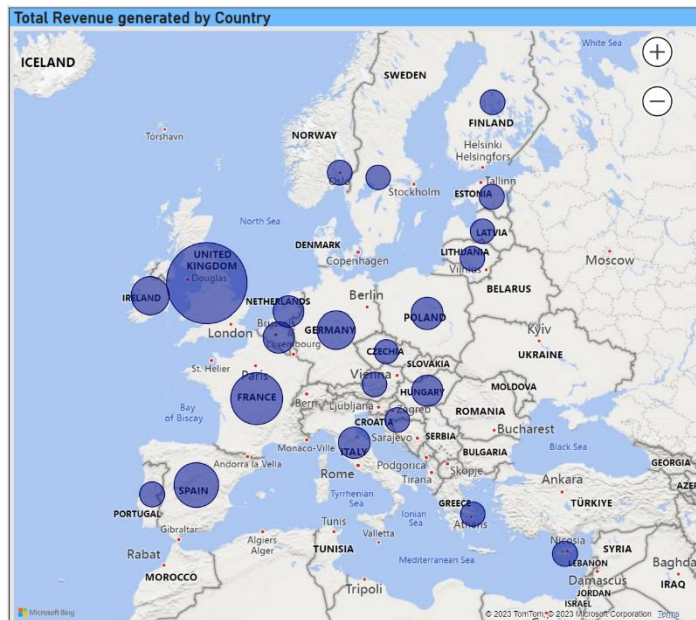
Top 10 Countries with Highest Profit, Sales & No of Customers.

- *United Kingdom*
- *France*
- *Spain*
- *Germany*
- *Ireland*
- *Poland*
- *Belgium*
- *Italy*
- *Hungary*
- *Netherlands*

Revenue Generated £503M (52% *of Total Revenue)*


We have established our market in **22 European countries** including **the U.K**, with the U.K being our strongest market, contributing **19.99%** of our **total revenue**.
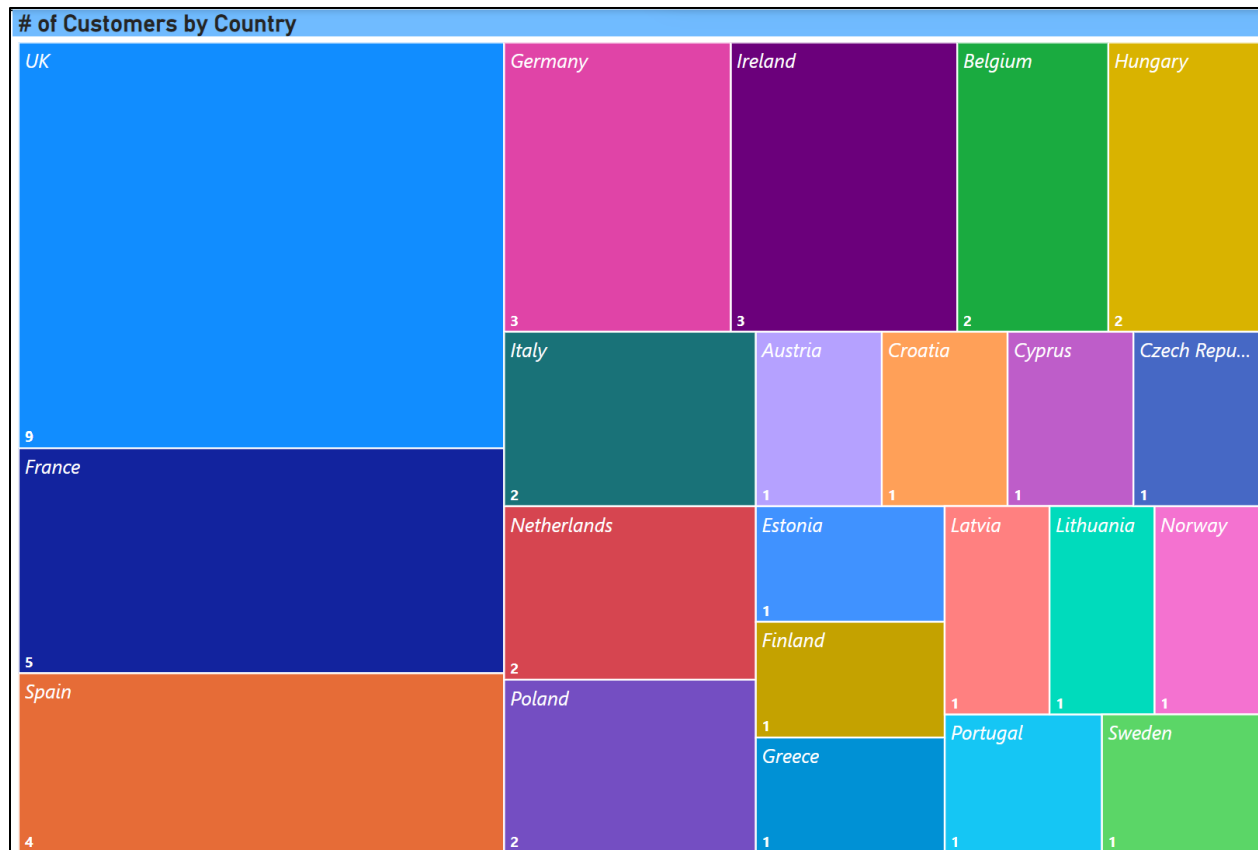
It can be interpreted that the amount of **profit** has a **direct relationship with** the **total revenue** generated in each country and with deeper observation we can note that the ***Profit-Revenue***

ratio is very consistent in all the countries which _**indirectly means that the consumer buying trends are similar in all the countries**_, to gain a deeper perspective let's have a look at the sales distribution of our product categories in all the countries.
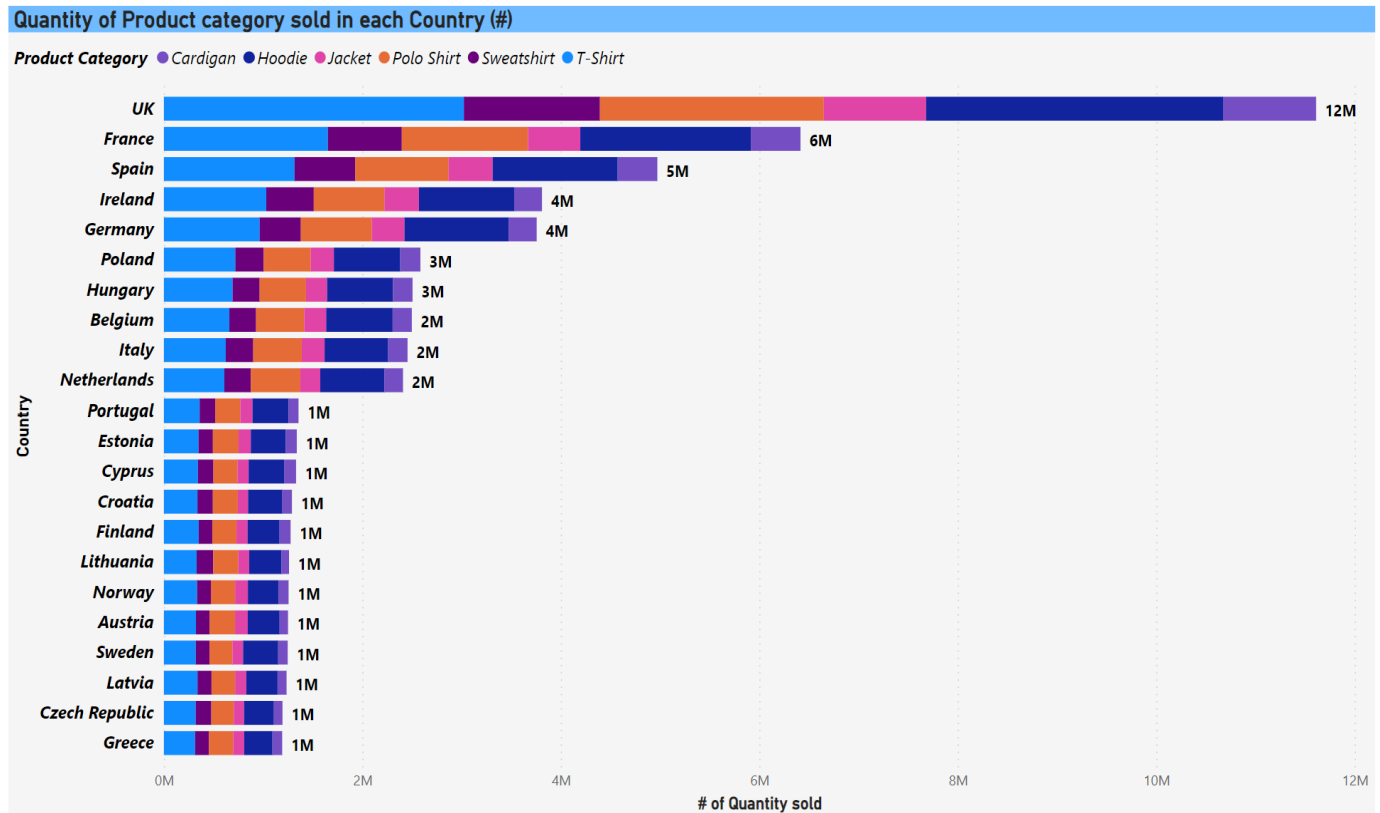
**The proportion of product categories sold in every country is very similar to each other** despite the huge difference in the units sold, this similarity is the reason behind a **very straight forward statistics** where the _**profit gained & revenue generated is solely dependent on the quantity of units sold**_ in each country.

As we have gained a deeper understanding of our product sales in every geographic location, let's have a look at the customer distribution in these countries.

# of Customers by Country

Country	
UK	9
France	5
Spain	4
Germany	3
Ireland	3
Belgium	2
Hungary	2
Italy	2
Austria	1
Croatia	1
Cyprus	1
Czech Repu...	1
Netherlands	2
Poland	2
Estonia	1
Finland	1
Greece	1
Latvia	1
Lithuania	1
Norway	1
Portugal	1
Sweden	1

It can be noted that the top 10 countries mentioned earlier have the highest number of distinct customers in the same order. Thus, it can be concluded that the **number of units sold has a direct relationship with the number of active customers in that country.**

As we have gained a comprehensive perspective of our customer distribution, now let's have a look at our customer backgrounds.

5. Customer Background

Our customer base is divided into three different categories based on their model of business and they are as follows.

- *Retailers* ➔ *These are customers who own their own retail stores, they usually buy the garments and brand them with their logo before selling. Ex: H&M, Zara, Puma, Adidas.*
- *Bulk* ➔ *These are customers who purchase bulk number of garments at once and export them to other continents and places.*
- *Others* ➔ *The customers from these categories do not fall under the above two categories mentioned. Ex: Online Merchandises, Uniforms.*

Below is an overview of the number of customers that we currently have, and the distribution of these customers based on business category.

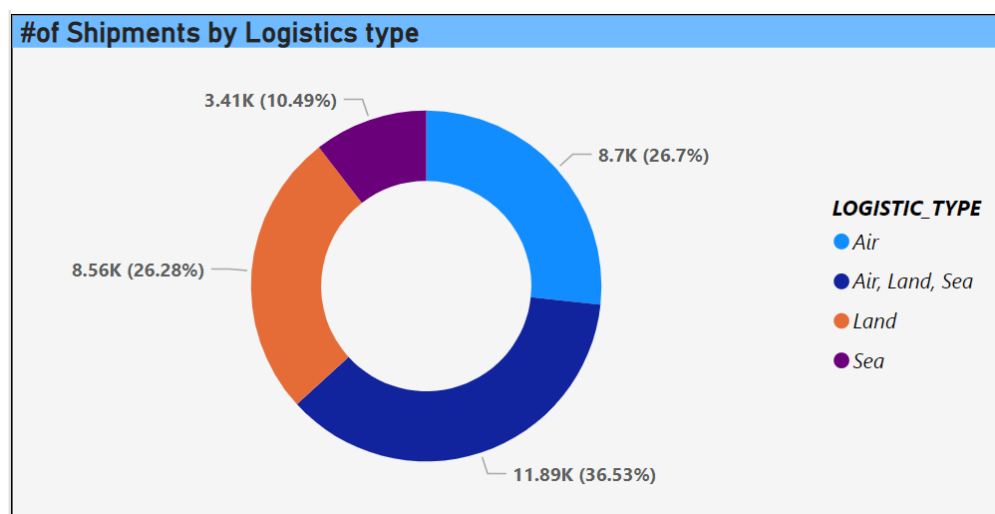| # of Customers	# of Customers active in 2022	# of Customers acquired in 2022
48	46	4

# of Quantity sold by Business Category

13M (21.72%)
23M (39.2%)
23M (39.08%)

Business Category
- Retail
- Bulk
- Others

% of New Customers in 2022

4 (8.33%)
44 (91.67%)

New in 2022
- False
- True
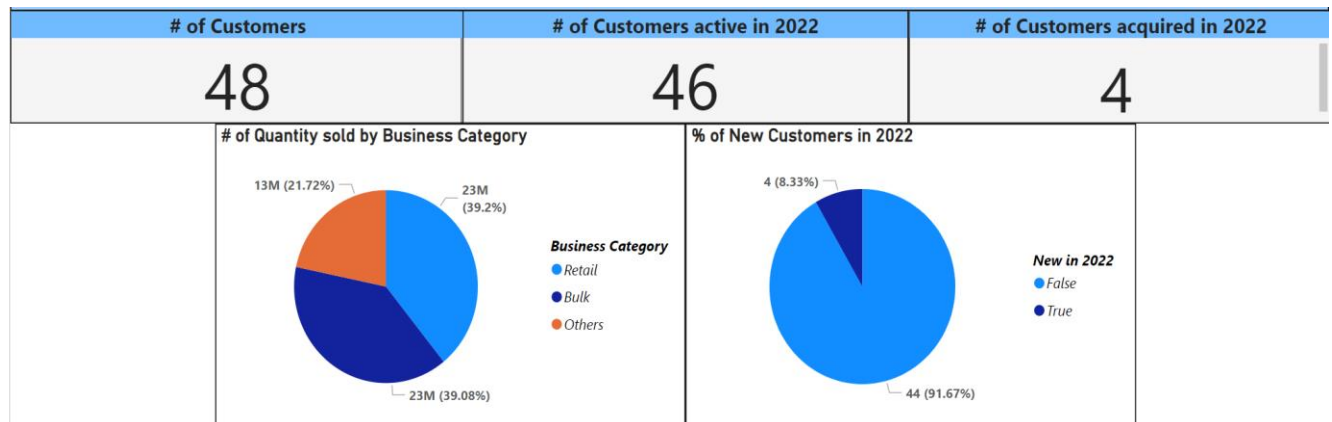
We have acquired **4** new customers in 2022. We can see that about **80%** of the customers fall under either **Bulk or Retail** categories, which are the **most reliable and consistent categories** where we **receive orders at regular intervals.**

In our business domain, **on-time delivery** is one of the **key factors** in **customer retention**, so let's have a look at our logistic processes and strategy that we have employed.

6. Logistic Services Trend in the year 2022

#of Shipments by Logistics type

3.41K (10.49%)
8.7K (26.7%)
8.56K (26.28%)
11.89K (36.53%)

LOGISTIC_TYPE
- Air
- Air, Land, Sea
- Land
- Sea

- Majority of our shipments use all the three means of logistic services (**Air, Land, Sea**) to deliver our products.

- Exclusive usage of **sea ways** for shipment is kept **minimal** as it **takes significantly longer time** to reach the delivery location.
- **Proportion** of both **Air** and **Land** means of logistic service usage is **very close to each other**, shipment through **land is prioritized** given the **customer's location is accessible** and we have **sufficient time**, whereas **Airways** are used to access countries that are located farther and when the situation is **time sensitive**.

Let's have a look at the variation in pattern of logistics through the year 2022.
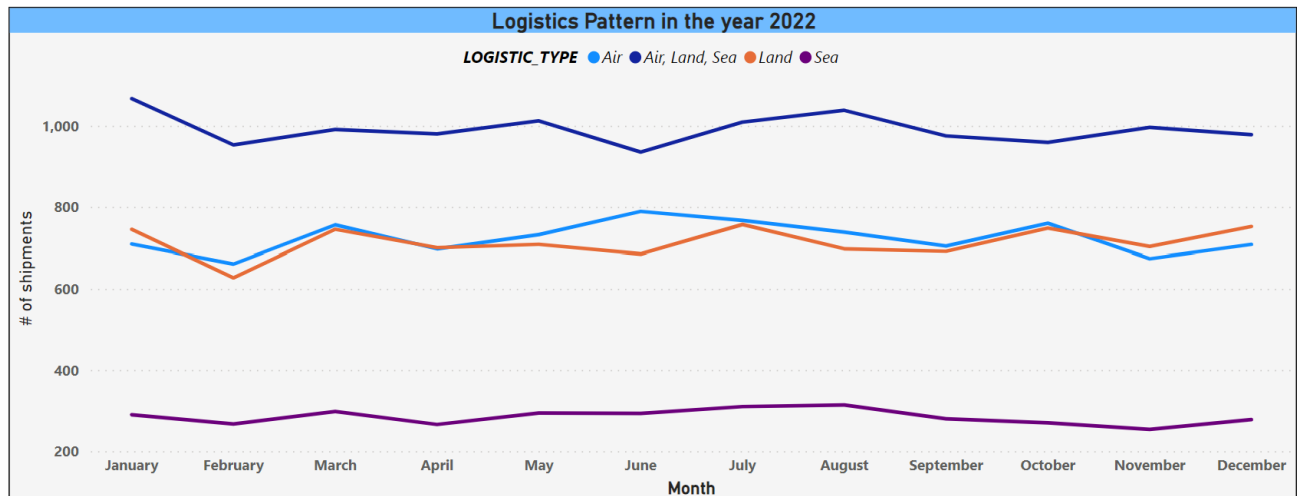
It can be noted that there is no significant variation in the pattern of logistics through the year 2022 and that the pattern is very similar to the sales pattern of the year.

At Universal Exports we are committed towards greener and sustainable environments and as part of our commitment we decided to reduce the carbon footprints by reducing exclusive usage of airways for our logistics from 1st of July 2022, but unfortunately due to **war in the European continent** there has been a **massive disruption in the supply chain network** making it impossible for us to deliver on that commitment, but we are working towards it and there will be a significant reduction in future.

Below is the trend of airways usage through the year 2022.

Logistic Pattern of Airways in the year 2022
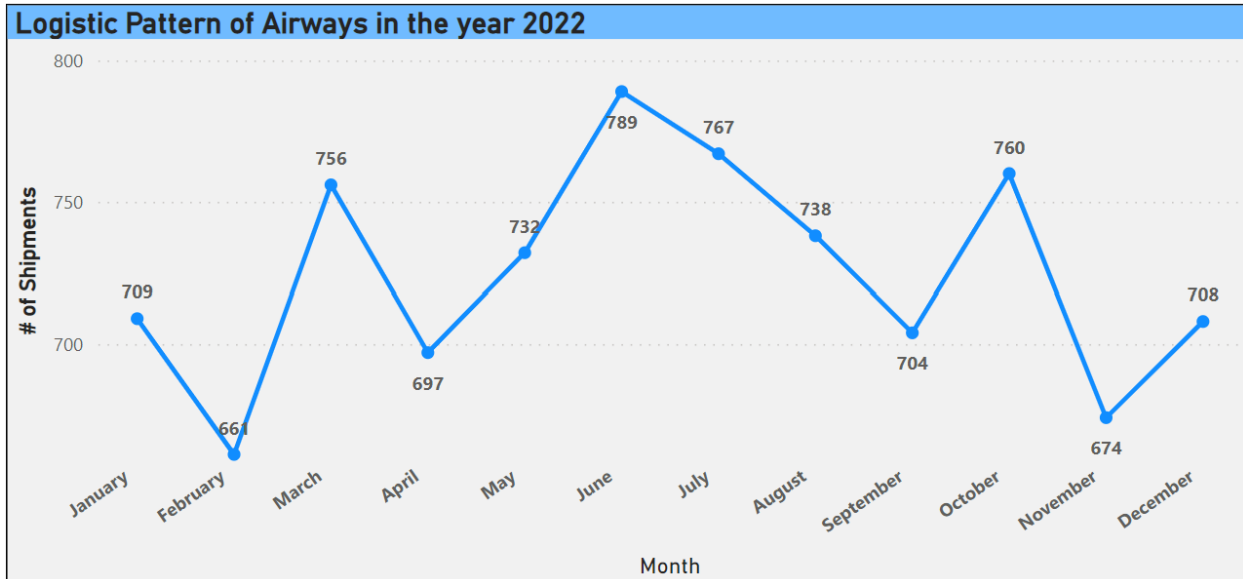
7. Conclusion & Future

- To sum up, 2022 was a strong year in terms of sales & Profit generating **revenue** close to **£1Bn with a very healthy profit percentage of 45.1%.**
- Our **product line-up** was so **optimized and sorted**, due to which the **sales trend** was **consistent** throughout the year with **minimal variations**.
- With huge amounts of profits in hand, we are working on **expanding our market to the reaming European countries.**

- **Investments** in budding manufacturing **technologies** have been planned, to **increase** the **efficiency** of our manufacturing process, which will **improve** the **margin percentage of our products and will make us more competitive in the market.**

Internal Report on Salespeople's Performance

"Sales performance in 2022 has been very strong for Universal Exports", the overall profit percentage at **45.1%** on average is the evidence supporting this statement, here is an overview of this year's sales trend, Revenue, Units sold and Profit.

# of Transactions	Revenue Generated (£)	Total Cost (£)	Total Profit (£)	# of units sold
32.56K	963M	529M	434M	58M

Quantity sold (#) & Revenue generated (£) in 2022

Profit (£) by Product Category

Category	Profit
Hoodie	144M
Polo Shirt	87M
Jacket	77M
Cardigan	57M
T-Shirt	50M
Sweatshirt	20M

Profit (£) and Quantity (#) of Products sold in 2022

# of Quantity sold by Product Category

PRODUCT_CATEGORY
- T-Shirt
- Hoodie
- Polo Shirt
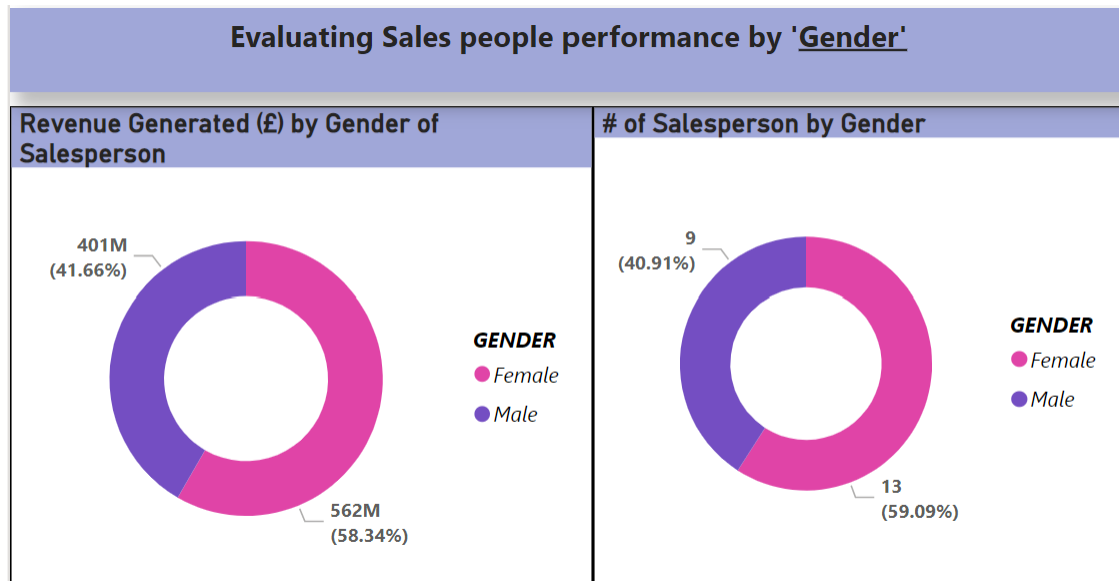- Sweatshirt
- Jacket
- Cardigan

From the above visualizations, it is no doubt that our sales team have performed well, producing a consistent and strong performance throughout the year.
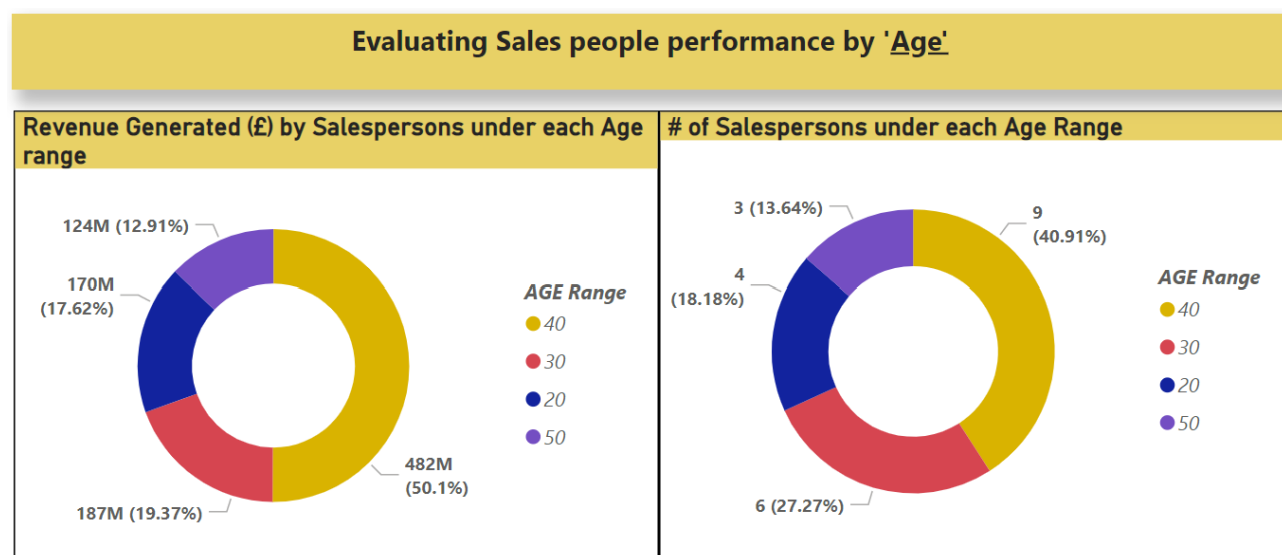
Before analyzing individual people's performances, gaining a deeper perspective about our sales team's background will help us to critically analyze the parameters discussed.

1. Background of Sales Team

Our sales team is very diverse in every aspect, here is an overview of the variation in performances in the context of backgrounds.

Evaluating Sales people performance by 'Gender'

Revenue Generated (£) by Gender of Salesperson

401M (41.66%)

562M (58.34%)

GENDER
- Female
- Male

# of Salesperson by Gender

9 (40.91%)

13 (59.09%)

GENDER
- Female
- Male

We have a total of **22 salespeople** in our team, out of which **13 are female and 9** are male employees. The stat here is straightforward as we can observe that the proportion of revenue generated by each gender is the same as the proportion of number of employees in each gender category, so in this case it is safe to conclude that both **male and female employees perform at the same level.**

Evaluating Sales people performance by 'Age'

Revenue Generated (£) by Salespersons under each Age range

124M (12.91%)

170M (17.62%)

187M (19.37%)

482M (50.1%)

AGE Range
- 40
- 30
- 20
- 50

# of Salespersons under each Age Range

3 (13.64%)

4 (18.18%)

6 (27.27%)

9 (40.91%)

AGE Range
- 40
- 30
- 20
- 50

Majority of our salespeople are from the experienced 40's age group followed by 20's, 30's and 50's, comparing this proportion with the proportion of revenue generated, it is evident that people from the _**40's are the best performers as 40% of people belonging to 40's age group are responsible for bringing in 50% of the overall revenue**_. This variation in performance may be attributed to the fact that people from this age group have the most **optimized level of experience and energy.**

Evaluating Sales people performance by 'Education'

Revenue generated (£) under Educational Categories of Salesperson

441M
(45.76%)

522M
(54.24%)

Education
- Undergraduate Degree
- Master Degree

# of Salesperson by Education

11 (50%)   11 (50%)

Education
- Master Degree
- Undergraduate Degree
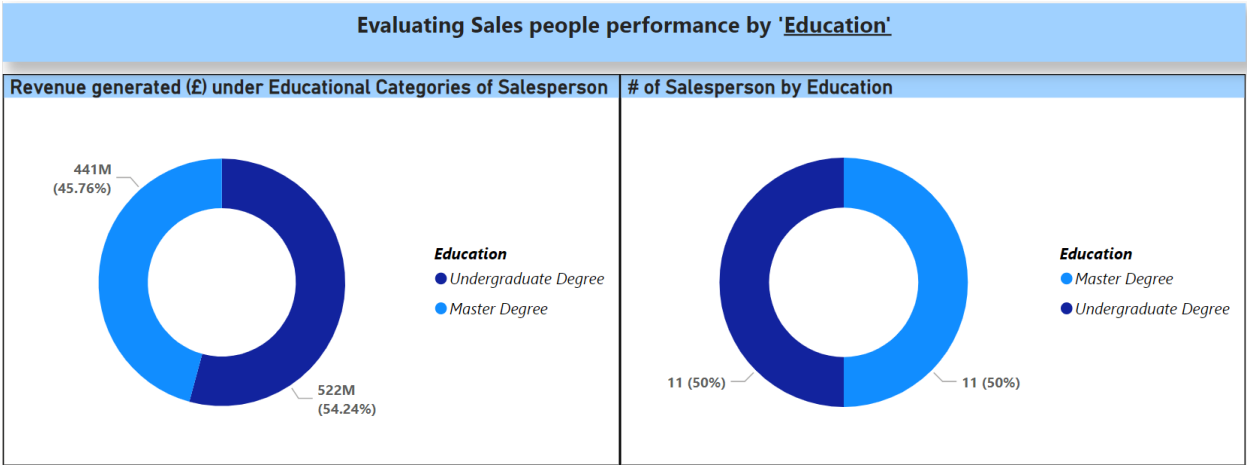
Our sales team is made up of **equal proportion** of people from **both Undergraduate & Master's degree**, and we can notice slightly better performance by Undergraduate people, but this is not strong enough to prove that Undergraduates are better, the visualization below will give you a deeper perspective.

# of Salesperson by Education & Age

AGE (bins) ● 20 ● 30 ● 40 ● 50

Master Degree: 3, 2, 4, 2
Undergraduate Degree: 1, 4, 5, 1

# of Salespeople

Education
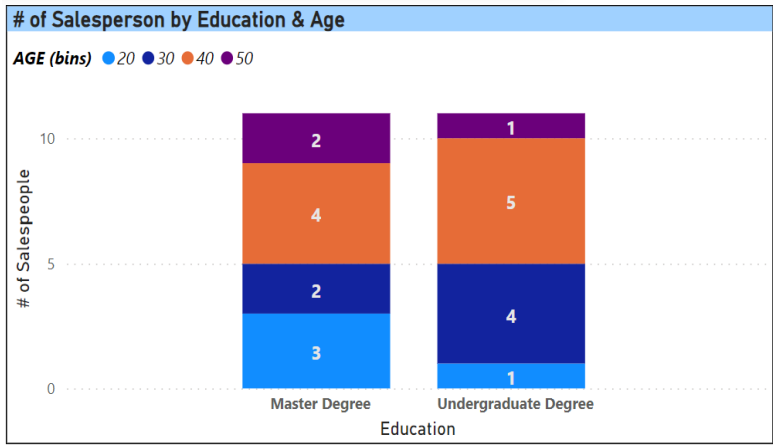
People from the age group of **40's and 30's who are responsible for 69% of total revenue** are mostly **Undergraduates**, while the **least performing 20's and 50's** age group of people are **mostly Master's degree graduates**. _Hence, it is the **age and experience** of the **salesperson** that plays a **major role in the performance of any individual**._

Our sales team is made up of people from very diverse nationalities, here is an overview.
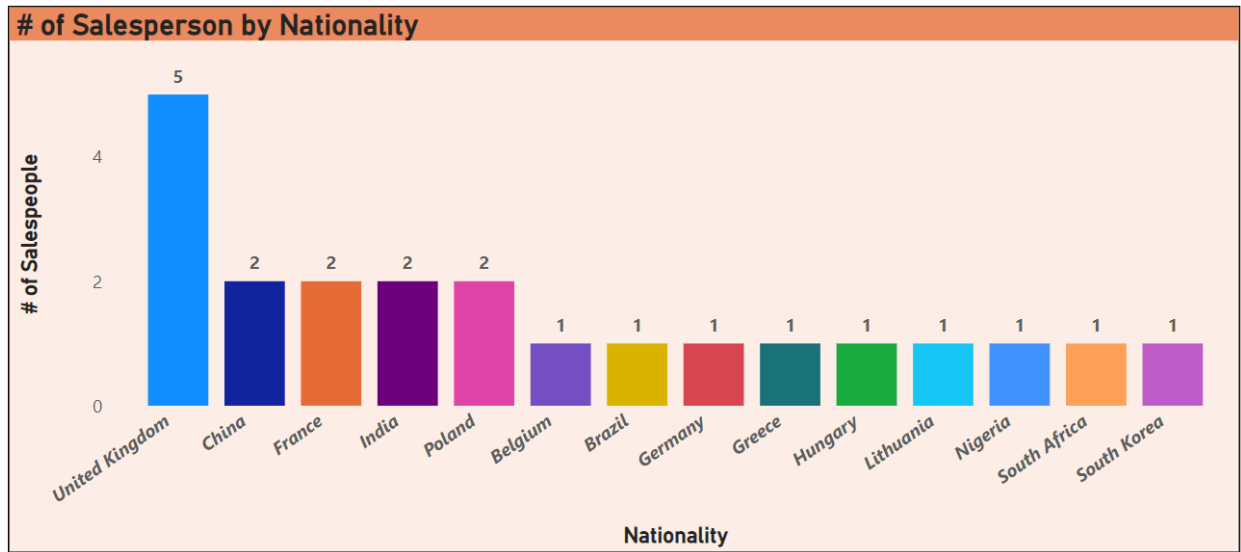
We have people from **14 different nations**, and most of them are from the European countries, let's try to understand if there is a relationship between salespeople's and customer's nationality, that each salespeople deal with.

# of Customers by Salespeople and Customer's country

Customer's country
- ● Austria
- ● Belgium
- ● Croatia
- ● Cyprus
- ● Czech Republic
- ● Estonia
- ● Finland
- ● France
- ● Germany
- ● Greece
- ● Hungary
- ● Ireland
- ● Italy
- ● Latvia
- ● Lithuania
- ● Netherlands
- ● Norway
- ● Poland
- ● Portugal
- ● Spain
- ● Sweden
- ● UK
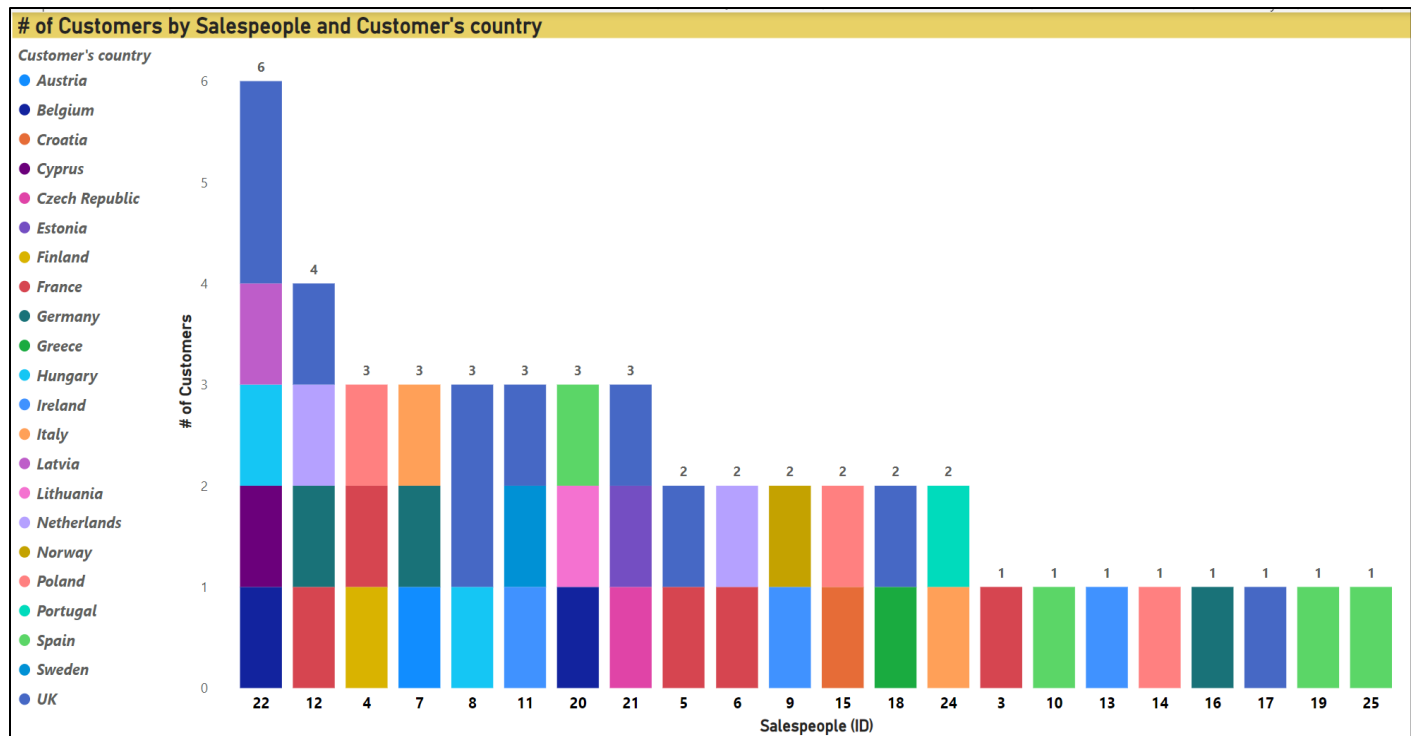
Salespeople (ID)	Nationality
3	Germany
4	Belgium
5	France
6	France
7	Brazil
8	Nigeria
9	South Africa
10	South Korea
11	Lithuania
12	Poland
13	Poland
14	India
15	India
16	United Kingdom
17	United Kingdom
18	United Kingdom
19	United Kingdom
20	United Kingdom
21	Greece
22	Hungary
24	China
25	China

With deep observation, we can note that people from different nationalities are handling multiple customers from various countries and there is no direct relationship between salespeople's and customer's nationalities.
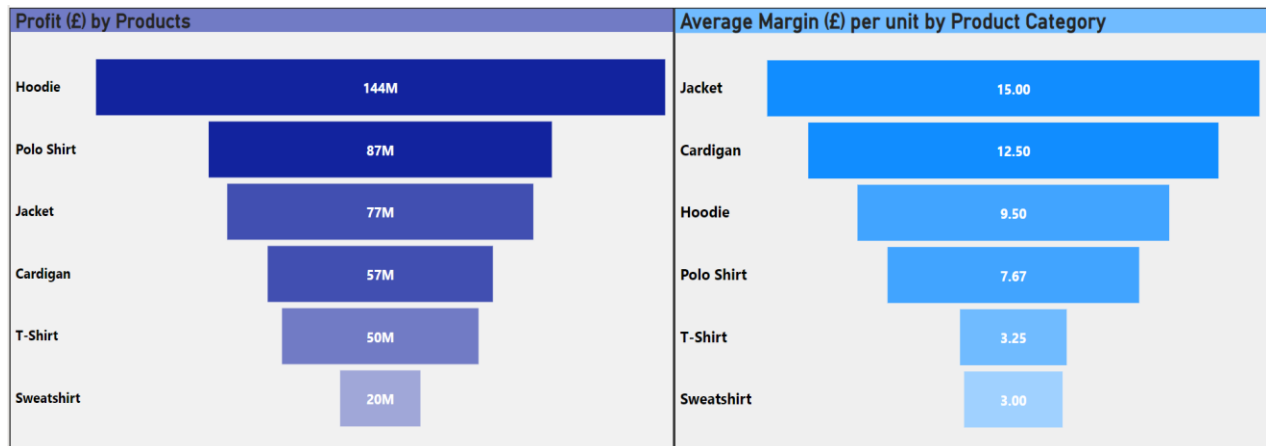
Since our sales performance was strong in 2022, this diversity in handling the customers cannot be negatively viewed.

As we are planning to expand our market to other European countries in the future and the fact that our diverse sales team has performed well in 2022, it might make sense to maintain this diversity in our future recruitment for the sales team.
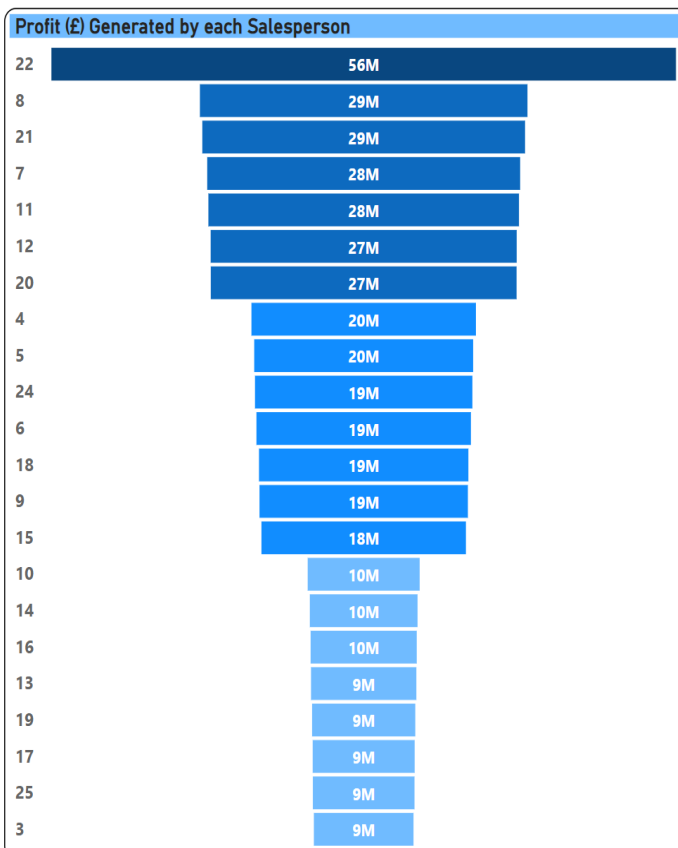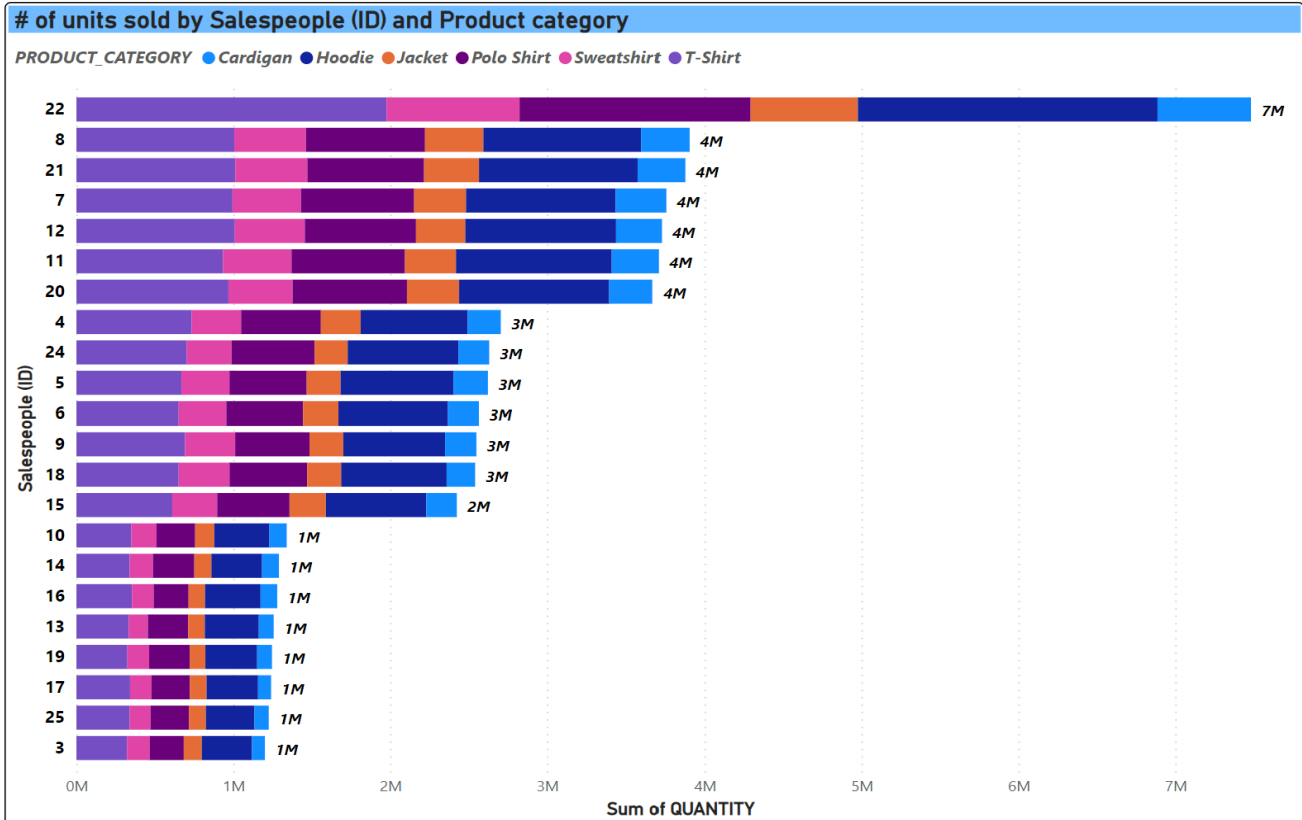
Analysis of Individual Salesperson's performance

Sales performance can be measured by evaluating the amount of profit generated by everyone, so let's look at our most profitable product and the product with the highest margin to gain a perspective on which product to be focused.

Profit (£) by Products		Average Margin (£) per unit by Product Category	
Hoodie	144M	Jacket	15.00
Polo Shirt	87M	Cardigan	12.50
Jacket	77M	Hoodie	9.50
Cardigan	57M	Polo Shirt	7.67
T-Shirt	50M	T-Shirt	3.25
Sweatshirt	20M	Sweatshirt	3.00

We can note that Hoodie has generated the highest profit and is the third highest in margin per unit, while Jacket & Cardigan have the highest margin per unit. Polo shirts have sold just enough quantity to occupy the second spot in the profit generation while sweatshirts and T-shirts are the poor performers in our product line -up.

So, **focusing on the products Jacket, Cardigan, Hoodie & Polo shirts will bring us huge number of profits**. With this understanding let's check how each salesperson has focused their sales on each of the products.

# of units sold by Salespeople (ID) and Product category

PRODUCT_CATEGORY ● Cardigan ● Hoodie ● Jacket ● Polo Shirt ● Sweatshirt ● T-Shirt

Salespeople (ID):

ID	Sum of QUANTITY
22	7M
8	4M
21	4M
7	4M
12	4M
11	4M
20	4M
4	3M
24	3M
5	3M
6	3M
9	3M
18	3M
15	2M
10	1M
14	1M
16	1M
13	1M
19	1M
17	1M
25	1M
3	1M

Sum of QUANTITY

Profit (£) Generated by each Salesperson

| ID	Profit
22	56M
8	29M
21	29M
7	28M
11	28M
12	27M
20	27M
4	20M
5	20M
24	19M
6	19M
18	19M
9	19M
15	18M
10	10M
14	10M
16	10M
13	9M
19	9M
17	9M
25	9M
3	9M

The performance of each of the individuals can be evaluated easily using both visualizations.

For all the salespeople, irrespective of number of units sold, **the proportion of units sold under each product category is similar between them.**

Thus, it is very clear that the number of units sold by each person is the only parameter that influences their generated profit.

Higher units and profits will eventually result in higher revenue, so let's dive deeper into finding the sole reason for generating higher revenue by everyone.

Top Performing Salesperson (ID)	# of Top performers	Revenue Generated by Top performers	ID of Top performers
22	7	501M (52% of Total Revenue)	22, 8, 21, 7, 11, 20, 12

Revenue (£) and # of Customers by Salespeople (ID)
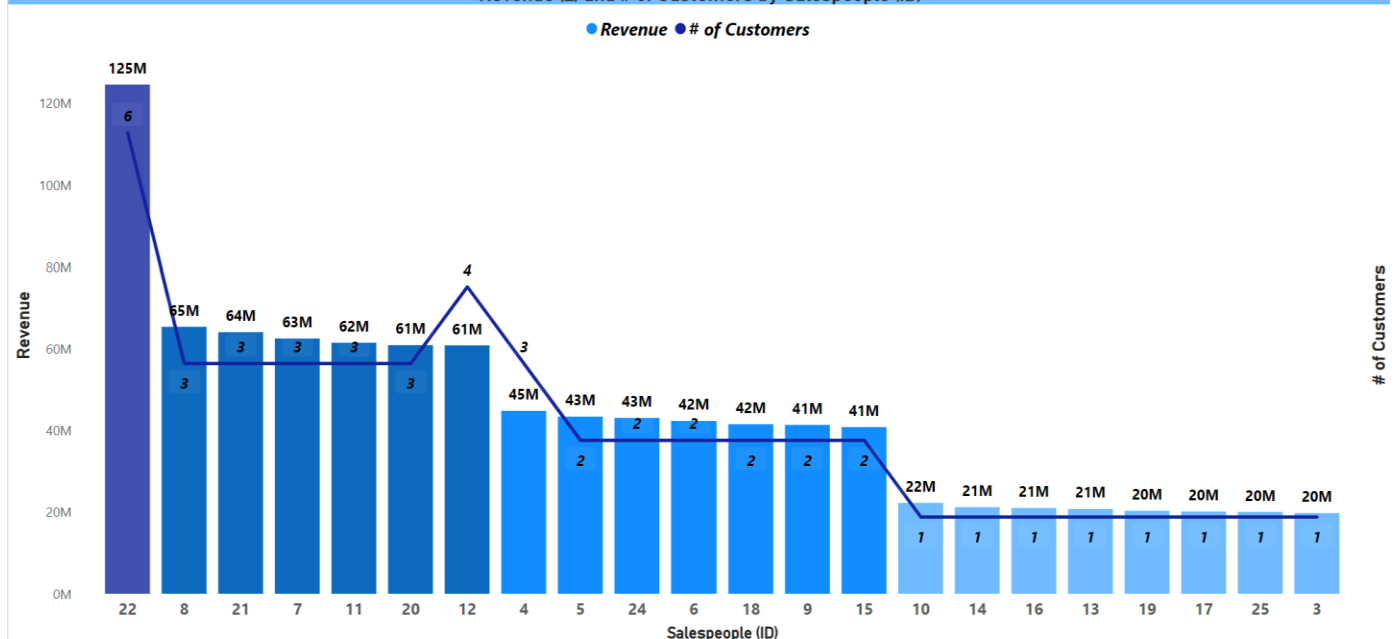
It can be clearly interpreted that **number of customers handled by each person has a direct relationship** with the total revenue generated so, the *number of customers handled* by each *person can be taken as a reliable parameter for evaluating each person's sales performance*.

Evaluation for the next potential Head of Sales Department

From the above conclusion it is without doubt that **salesperson (ID :22)** is the best performer amongst others, solely responsible for **13% of the total revenue** and is the one dealing **highest number of customers.**

SALES_ID	Age Range	Education	GENDER	Nationality
22	40	Undergraduate Degree	Male	Hungary

It is also worth noting that this person comes from the **age range of 40's** who are the **best performers** amongst our sales team as discussed earlier. With no one else to match his level of experience and performance, he could be considered as the only **potential candidate** for **Head of Sales Department position**.

Evaluation for the next potential Deputy Head of Sales Department

For this position we can evaluate the next set of high performers (**Sales ID: 8, 21, 7, 11, 20, 12**) who altogether are responsible for **40% of the overall revenue**. **Revenue generated and the number of customers handled** by these people **are similar to each other**, so analyzing their background might give us more insights.

Sales ID	Age Range	Education	Gender	Nationality
7	40	Undergraduate Degree	Female	Brazil
8	20	Master Degree	Male	Nigeria
11	40	Master Degree	Female	Lithuania
12	50	Master Degree	Female	Poland
20	30	Undergraduate Degree	Female	United Kingdom
21	40	Undergraduate Degree	Female	Greece

Sales ID 8 has generated the **highest revenue** here, but it is **not significantly higher than others**, besides he is in his **20's and is not as experienced as others**, which might be a **major drawback** in his profile. **Sales ID (7, 11, 21)** belongs to the age group in the **40s who are very experienced**. On the other hand, it is also important to **evaluate the person who has acquired new customers**.

Sales ID	Customer ID	Acquired in 2022
9	15	True
20	28	True
4	39	True
12	47	True

Sales ID (9, 4) could be **avoided** in this evaluation as they are significantly **low in revenue generation** compared to others. The reaming Sales ID (12, 20) have posted higher levels of revenue figures, but **Sales ID (12)** belong to the age group of **50's who are less efficient** and the **customer** this person acquired was **inactive in 2022**, so it could be considered as **win for sales ID 20 against ID 12** in this aspect.

To conclude, we have 4 potential candidates for this position **(Sales ID: 7, 11, 20, 21)** out of which *3 persons are from the age range of 40's but have not acquired any new customers, while the reaming person belongs to the 30's age group but have acquired an active customer in 2022*.

All these 4 candidates have very **slight variations of performance in every aspect discussed**, so **prioritizing some aspects** over **others** will help us in **narrowing down the options available**.

I would recommend ID: 20 for this position as she was active enough to acquire a new active customer whilst managing to bring in revenue figures that were competitive enough with other potential candidates.