



Financial Performance Evaluation at PT. XYZ

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BATCH : RMT-034



BACKGROUND



The company has collected financial data from various regions and products, including sales, COGS, margins, costs, and profits. This data is compared to the budget set to evaluate actual performance against the target. During fierce business competition, companies need to understand operational effectiveness and profitability to make better decisions and improve financial efficiency.

OBJECTIVE

This analysis aims to measure sales achievement, margins, and profit against budget, identify the best and worst performing regions or products, and evaluate cost efficiency. This analysis will also provide insights into improvement opportunities and strategies to improve the company's overall financial performance.

TARGET AUDIENCE

Executive Management, Finance Division, and Marketing Division

A. Financial Performance: Sales, COGS, Margin, Expense, Profit



Financial Performance: Sales, COGS, Margin, Expenses, and Profit ⓘ

819,811

Total Sales

358,672

Total COGS

443,038

Total Margin

229,662

Total Expense

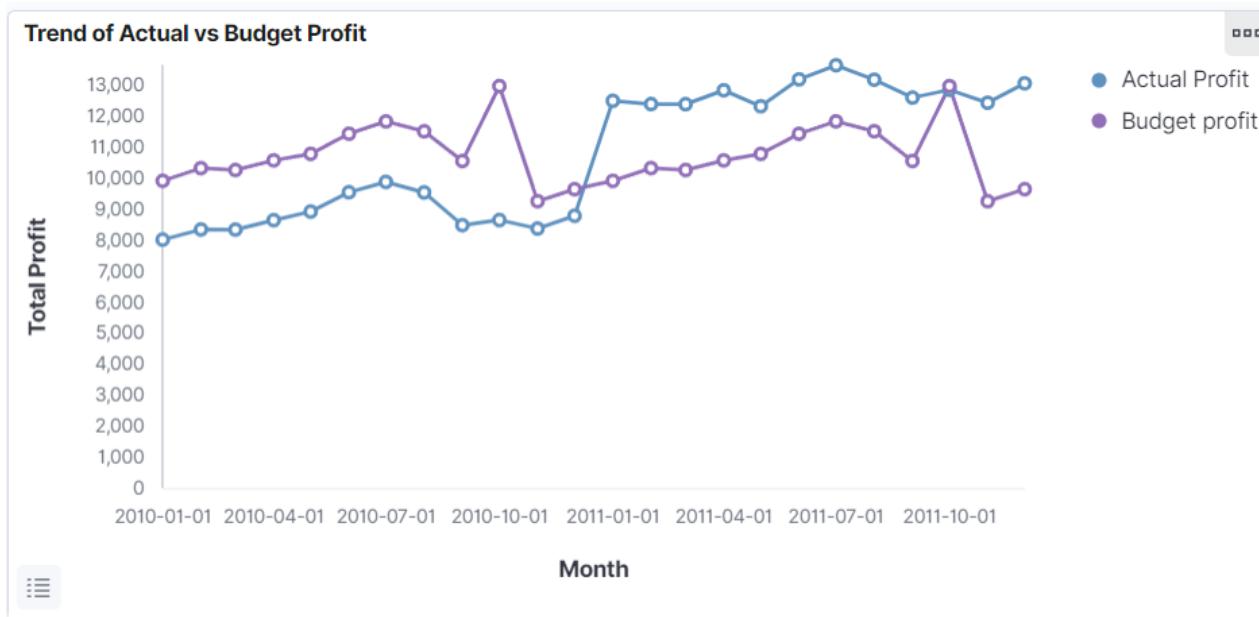
259,543

Total Profit

Insight:

1. COGS (358,672 US Dollars) accounted for about 43.8% of total sales, indicating that production costs were quite controlled, providing a large room for gross margins.
2. The company generated a total margin of 443,038 US dollars, or about 54.1% of total sales, which shows efficiency in both converting sales into gross profit after production costs.
3. Total expenses of 229,662 US Dollars absorbed approximately 51.8% of the total margin, which means that operating expenses are still well controlled and leave a large margin for net profit.
4. With a profit of 259,543 US Dollars, the company retained approximately 31.7% of total sales as net profit, indicating that despite the high operating costs, the company's profitability remained strong.
5. The company's profit of 259,543 US dollars is higher than the total operating expenses of 229,662 US dollars, indicating that the company managed to generate a profit of about 1.13x the operating expenses, indicating that the operational strategy is quite efficient and profitable.

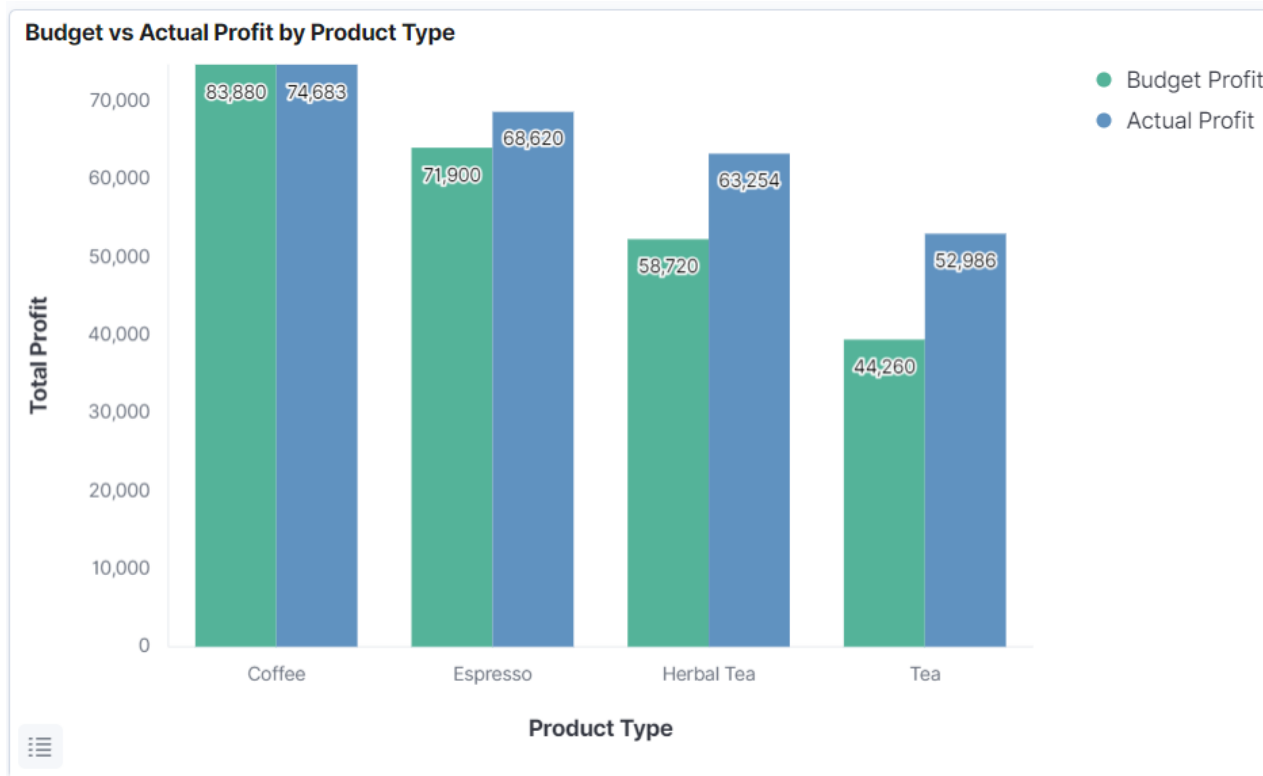
B. Trend of Actual vs Budget Profit



Insight:

- It can be seen that throughout 2010, the actual profit was lower than the budget profit. This shows that in 2010, the company has not fully achieved the target that has been set. The factors are likely to be marketing strategies or marketing that are not optimal, customers do not know the product, high prices, and so on.
- In 2011 there was an increase in actual profit which made it higher than the budget profit. This is a good sign, which means that the company has achieved the target that has been determined. This means that the marketing strategy carried out is optimal.

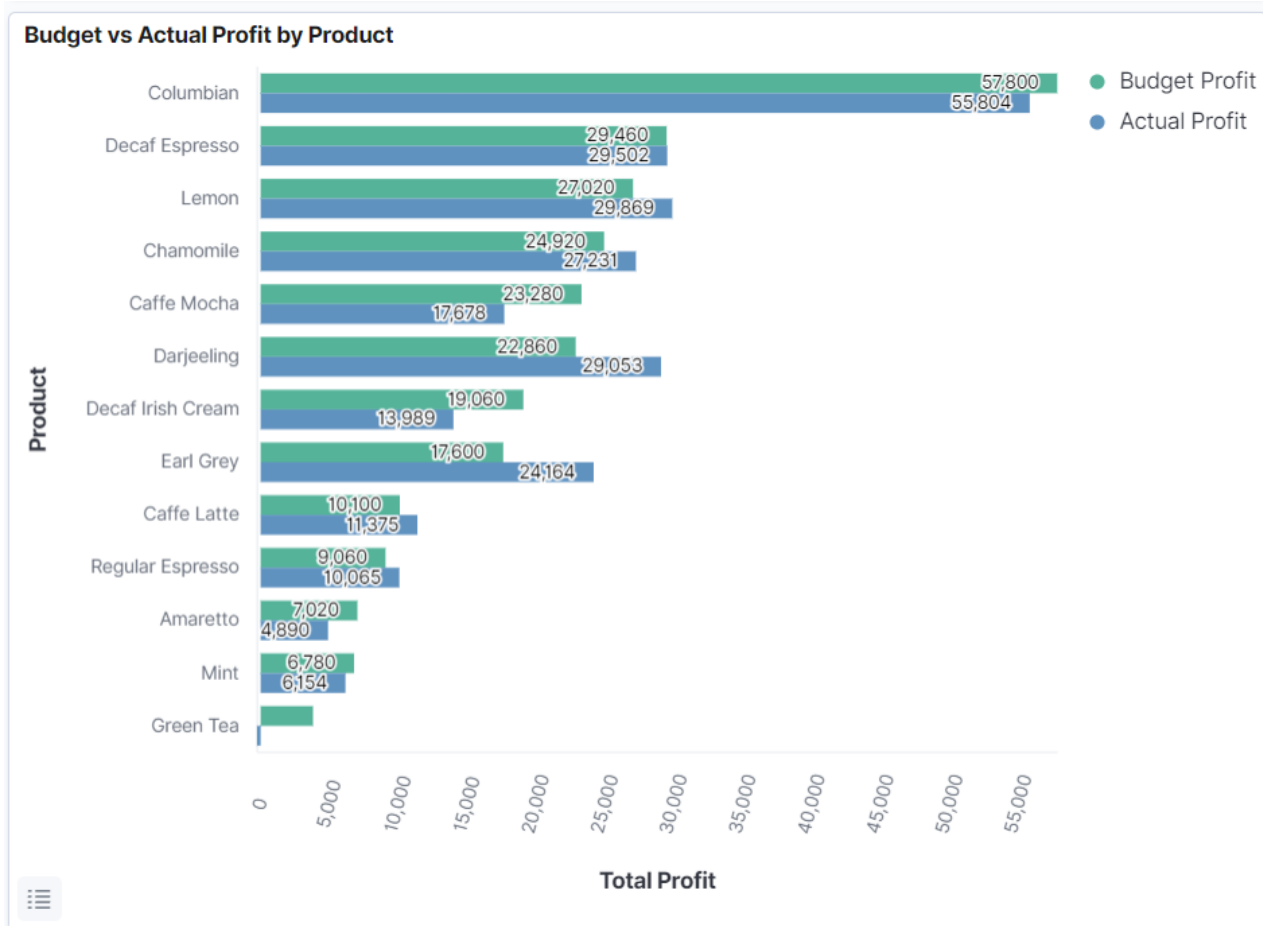
C. Budget vs Actual Profit by Product Type



Insight:

1. Coffee products produce actual profits that are lower than the budget profit. This shows that sales of coffee products do not reach the expected profit target.
2. Espresso, Herbal Tea, and Tea products generate actual profits higher than their budget profits. This shows that the sales performance of the three products is good and has reached the expected profit target.
3. From the two points obtained, it is possible that espresso, herbal tea, and tea products may have an optimal marketing strategy compared to coffee products, so further analysis is needed related to prices, marketing strategies, etc.

D. Budget vs Actual Profit by Product



Insight:

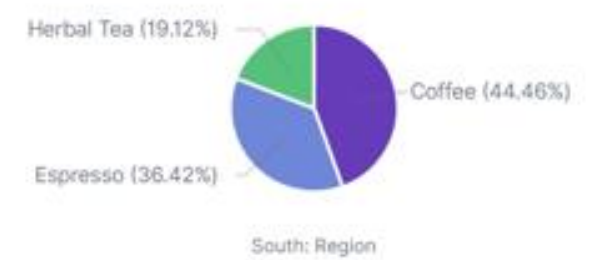
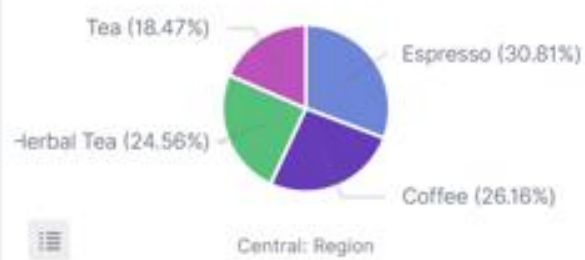
- Columbian, Caffe Mocha, Decaf Irish Cream, Amaretto, and Mint products have an actual profit value lower than their budget profit. This shows that the four products have not reached the company's expected profit target, so there needs to be an evaluation related to prices as well as marketing targets and strategies.
- Decaf Espresso, Lemon, Chamomile, Darjeeling, Earl Grey, Caffe Latte, and Regular Espresso products have an actual profit value higher than their budget profit. This shows that the seven products have reached the company's expected profit target so the possibilities in terms of price, targets, and marketing strategies that have been used are very optimal.
- Green Tea products actually suffered losses. This is an important concern so it is necessary to conduct an in-depth evaluation and be supported by strategic decisions so that later this product does not have a large loss impact on the company.

E. Budget Profit of Product Type by Market Region

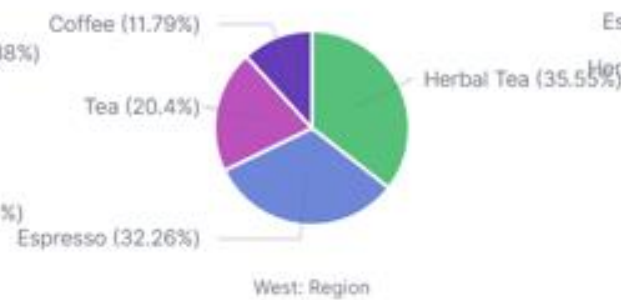
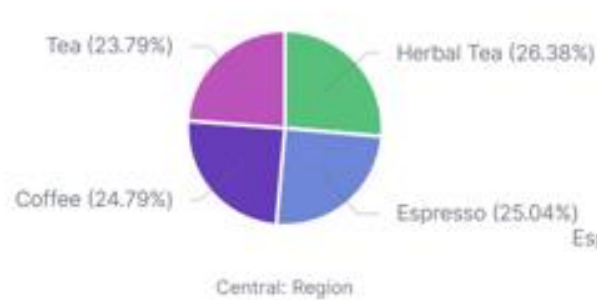


Budget Profit of Product Type by Market Region

Espresso Coffee Herbal Tea Tea



Actual Profit of Product Type by Market Region



E. Budget Profit of Product Type by Market Region



Insight:

a) Central Region

- Dominated by Herbal Tea products
- Herbal Tea and Tea products have an actual profit higher than the budget profit. This shows that the two products have reached the predetermined target.
- Coffee and Espresso products have an actual profit lower than their budget profit. This shows that the two products have not reached the target that has been determined.
- The population of the central region may tend to prefer tea to coffee, so the marketing strategy for tea is more optimally implemented.

b) West Region

- Dominated by Herbal Tea products
- Herbal Tea, Tea, and Espresso products have an actual profit higher than the budget profit. This shows that the three products have reached the target that has been determined.
- Coffee products have actual proficiency lower than the budget profit. This shows that the two products have not reached the target that has been determined.
- Likely, Coffee products are not as popular as other products such as Herbal Tea, Tea, or Espresso in the West Region.

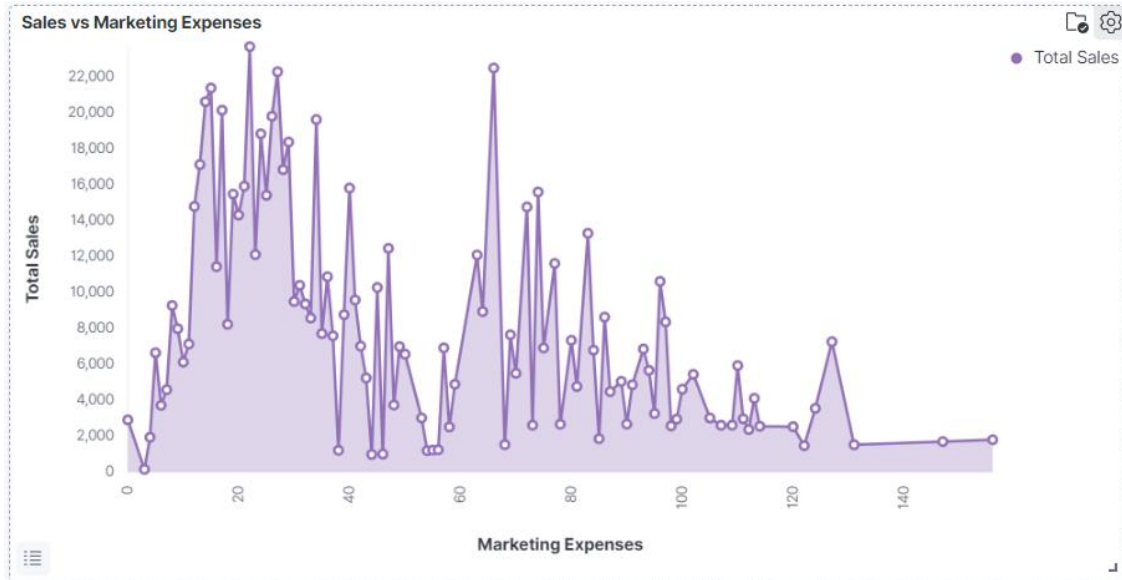
c) East Region

- Dominated by Coffee products
- All products have an actual profit higher than the budget profit. This shows that these products have reached the target that has been determined.
- In the Eastern region, all popular products indicate that the marketing strategy in this region is optimal overall.

d) South Region

- Dominated by Espresso products
- All products have an actual profit higher than the budget profit. This shows that these products have reached the target that has been determined.
- In the South Region, it does not sell tea products, even though herbal tea has met the company's target. This can be a consideration for introducing and selling tea products in the region.

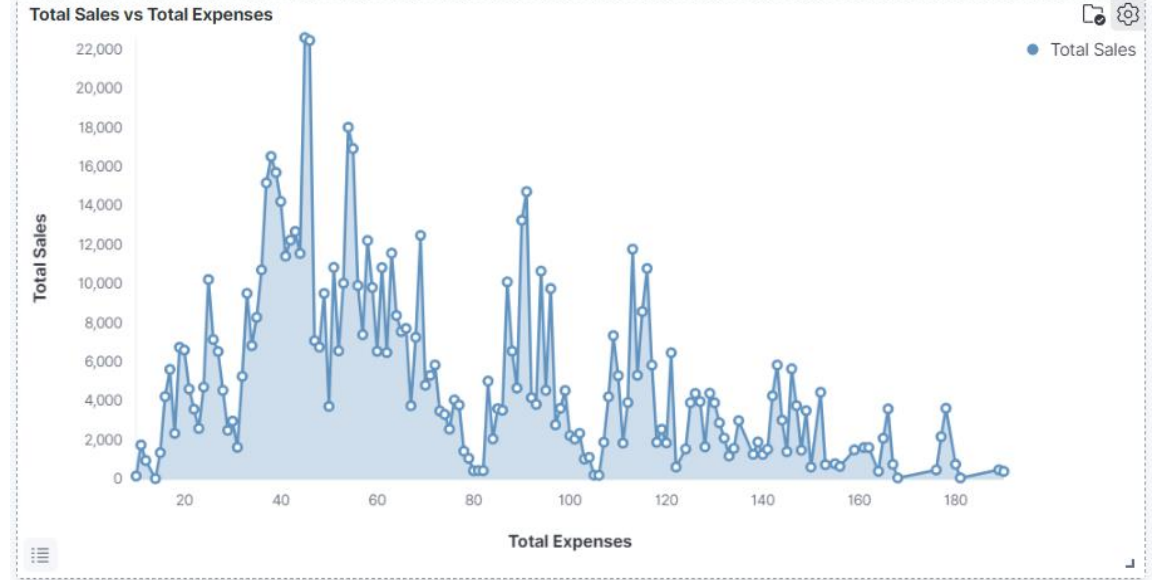
F. Sales vs Marketing Expenses



Insight:

Marketing spending in the range of 10 to 70 US Dollars is effective in increasing sales. More than this range, it looks ineffective because it continues to decline and tends to stagnate.

G. Total Sales vs Total Expenses



Insight:

Operational expenses in the range of 20 to 70 US Dollars are effective in increasing sales. More than this range actually looks ineffective because it continues to decline with an insignificant increase. Thus, there needs to be consideration related to the determination of optimal operational costs so that the profits generated are also optimal.



CONCLUSION

Based on the results of the analysis from the dashboard that has been made, the financial performance of PT. XYZ has good control. Overall, the trend of profits has exceeded the set target. However, if the details are carried out, there are 6 out of 13 products that still have not reached the target, 1 of which is actually a loss. In order to increase sales, profit distribution is carried out based on regions with the result that each region has different characteristics. This will be a reference in the preparation of marketing strategies. In addition, to increase profits, it is necessary to evaluate marketing expenses and total expenses because the data shows that the optimal range is around 10 to 70 US Dollars and the rest tends to be less optimal.

BUSINESS INSIGHT

a) By Product

- Coffee Type products, especially Columbian, Caffe Mocha, Decaf Irish Cream, and Amaretto, were evaluated regarding their marketing strategies. Given that tea and herbal tea products are more dominant, it may be one of the recommended steps, namely "Every purchase of tea or herbal tea products is free 1 sample of coffee products" so that people can recognize the product.
- Because Green Tea products suffer losses, it is necessary to conduct a deeper evaluation by the company's strategic decision-makers so as not to cause greater losses in the future.

b) Region Adjustment

Based on the different characteristics in each region, it is hoped that the marketing team can focus on their marketing strategy so that it will be segmented and the results will be more optimal.

c) Optimization of Marketing Expenses and Total Expenses

Marketing expenses tend to be optimal at 10 to 70 US Dollars while Total Expenses are at 20 to 70 US Dollars even though the expenses given by the company to both of them reach more than 140 US Dollars. Thus, it is recommended that there be a re-evaluation related to marketing strategies and operational costs so that the budget provided by the company is more optimal so that profits will also be optimal.



THANK YOU