

Chinook Database Individual Assignment

By Shruti Bajpai IESEG 2020

According to the global leader representing the record industry worldwide, IFPI, The music industry currently represents \$20.2 Billion with an 8.2% global growth. As a data-driven organization looking to compete in today's era, accessibility to data is key for growth and success within the industry. This report provides a concise overview of Chinook Company's four main areas of business: financials, customers, internal business processes, and employees in order to assess where to develop the organization's strategy.

| EmployeeID | FirstName | LastName | Employee_Age | Years_With_The_Company | Retirement_Eligibility |
|------------|-----------|----------|--------------|------------------------|------------------------|
| 4 | Margaret | Park | 73 | 17 | Eligible |
| 2 | Nancy | Edwards | 62 | 18 | Eligible |
| 1 | Andrew | Adams | 58 | 18 | Not Eligible |
| 5 | Steve | Johnson | 55 | 17 | Not Eligible |
| 8 | Laura | Callahan | 52 | 16 | Not Eligible |
| 7 | Robert | King | 50 | 16 | Not Eligible |
| 3 | Jane | Peacock | 47 | 18 | Not Eligible |
| 6 | Michael | Mitchell | 47 | 17 | Not Eligible |

Given the organization's incorporation in 2009, the financial overview typically provides an unclipped overview of how well a company performs and the degree of market success. The finances showcase approximately an 0.2% average growth from 2009 to 2013. While the company's performance displayed an incredible 7% growth from 2009 to 2010 with a revenue increase from \$449.46 (in Thousands) in 2009 to \$481.45 (in Thousands) in 2010, the table below showcases that the company was not very successful for the following years. The data also immediately indicates there to be 7 years' worth of missing or incomplete data as the latest invoice dates is seen in 2013. Therefore, a recommendation for a data-driven strategy cannot be provided based on finances alone.

| Year | Total_Sales |
|------|-------------|
| 2009 | 449.46 |
| 2010 | 481.45 |
| 2011 | 469.58 |
| 2012 | 477.53 |
| 2013 | 450.58 |

The backbone of any success of a company's finance is the planning and execution of each employee at an organization such as Chinook Company. The average sales per employee is \$5.6 (in Thousands) with the average age of each employee as approximately 55-56 years old. According to Deloitte, the average age per employee in the music industry within the USA is approximately 47.2; this signifies that there is at minimum a 9 year age gap between the median employee in the music industry, which could indicate a reason for the low financial performance. In reviewing the retirement eligibility criteria, Margaret and Nancy are two employees who exceed this requirement and as such should be encouraged to retire. While Margaret has provided 775.4 in revenue since the company's inception, the highest earning employee has been Steve Johnson who has provided 833.04 in total revenue and his age is below the average industry age. Given that Margaret, Steven, and Jane are the only three showcasing revenue generation, there should be an evaluation of incentivized early retirement for any employee above the average industry age; this includes Margaret Park, Nancy Edwards, and Andrew Adams. While having diversity in roles to support sales, finance, and IT is important, further evaluation should be made if there is a need for a general IT manager and IT manager role; the reduction in role in IT could be translated to adding support in sales and focusing on ensuring that each employee in sales, regardless of manager position provides revenue support.

These sales roles can then be focused towards the next primary area of business – focusing on customers. With a total of 59 customers ranging across from five different business regions, the US has been the highest revenue generating market with over 523.06 in sales and having Canada and the United Kingdom lead in second and third as large revenue markets. The table below shows each revenue market and highlighting the diversity in market reach. With a that being said, the current industry showcases that USA, Japan and the United Kingdom have the highest revenue, while Chinook’s data showcases no sales for Japan. Therefore, it is highly recommended that the sales focus maintain in the US and the United Kingdom, but also include focus in Japan.

| Country | Number_Of_Customers | number_of_invoices | Total_Sales | Avg_Sales | Avg_Cust_Sales |
|----------------|---------------------|--------------------|-------------|-----------|----------------|
| Chile | 1 | 7 | 46.62 | 6.66 | 46.62 |
| Hungary | 1 | 7 | 45.62 | 6.52 | 45.62 |
| Ireland | 1 | 7 | 45.62 | 6.52 | 45.62 |
| Czech Republic | 2 | 14 | 90.24 | 6.45 | 45.12 |
| Austria | 1 | 7 | 42.62 | 6.09 | 42.62 |
| Finland | 1 | 7 | 41.62 | 5.95 | 41.62 |
| Netherlands | 1 | 7 | 40.62 | 5.80 | 40.62 |
| USA | 13 | 91 | 523.06 | 5.75 | 40.24 |
| Norway | 1 | 7 | 39.62 | 5.66 | 39.62 |
| Germany | 4 | 28 | 156.48 | 5.59 | 39.12 |
| France | 5 | 35 | 195.1 | 5.57 | 39.02 |
| Sweden | 1 | 7 | 38.62 | 5.52 | 38.62 |
| Portugal | 2 | 14 | 77.24 | 5.52 | 38.62 |
| Brazil | 5 | 35 | 190.1 | 5.43 | 38.02 |
| Canada | 8 | 56 | 303.96 | 5.43 | 38.00 |
| India | 2 | 13 | 75.26 | 5.79 | 37.63 |
| Spain | 1 | 7 | 37.62 | 5.37 | 37.62 |
| Belgium | 1 | 7 | 37.62 | 5.37 | 37.62 |
| United Kingdom | 3 | 21 | 112.86 | 5.37 | 37.62 |
| Australia | 1 | 7 | 37.62 | 5.37 | 37.62 |
| Italy | 1 | 7 | 37.62 | 5.37 | 37.62 |
| Argentina | 1 | 7 | 37.62 | 5.37 | 37.62 |
| Denmark | 1 | 7 | 37.62 | 5.37 | 37.62 |
| Poland | 1 | 7 | 37.62 | 5.37 | 37.62 |

In reviewing the customer needs, it is important to also review the internal business processes, specifically the genres, the music types, and the tracks offered to customers. The Genres that sold the highest were among Rock, Latin and Metal. Contrastingly, it can easily be seen that there were several

genres in Rock, Metal, Jazz, and Alternative Punk Rock, Latin, etc. for which there were also no tracks sold, despite having such high sales. This could indicate that an evaluation on the album sales is needed; the highest selling album is within the Latin Genre – Minha Historia, which sold over 25 albums. As we further evaluate into the product type offered, we notate that the Highest Media Types were MPEG audio files and the Protected AAC audio files, while the least were Purchased AAC audio files and AAC audio file with only a combined sale of seven times. Having a focus on high revenue generating products is equally as important as low revenue generating products, therefore it is recommended to remove the were Purchased AAC audio files and AAC audio file from product offerings if it does not impact the high revenues of the top selling album.

Overall, the company has several issues to review which require more than a simple evaluation of the data. With missing data, it is hard to provide an impact of which direction the company should be pushed towards. Given the limited data, it was easily noticed that layoffs and incentivized retirement packages have been important. A targeted focus on the US, UK, and potentially Japan is also required when comparing Chinook Company's customer base to the US. Finally, removing the two product offerings from media type and evaluating the sales of tracks not sold will help steady the company's target towards being more financially stable. With that being said, further data is required as one of the primary key metrics that labels use is AES also known as album-equivalent sales where the success of the album project is noted through tracking the amount of times each album was downloaded; this data is then converted through an ETL tool that helps translate sales, success of streaming, and many other key consumer metrics. Such AES data was not available given the missing data and therefore should be further evaluated.

References

Buskirk, E. (2019, November 27). *How big data can influence your business strategy*. GetSmarter

Blog. <https://www.getsmarter.com/blog/market-trends/how-big-data-can-influence-your-business-strategy/>

Deloitte. (n.d.). *Musicians, singers, & related workers*. Data

USA. <https://datausa.io/profile/soc/musicians-singers-related-workers#:~:text=The%20median%20age%20of%20Musicians,than%20than%20their%20Female%20counterparts>

IFPI. (2020, September 22). *Industry data*. <https://www.ifpi.org/our-industry/industry-data/>

Young, V. (2015, January 16). *The product strategy fueling Spotify's growth to 60 million users*.

Medium. <https://medium.com/@victoriayoung/the-product-strategy-fueling-spotifys-growth-to-60-million-users-76061554a9a3>