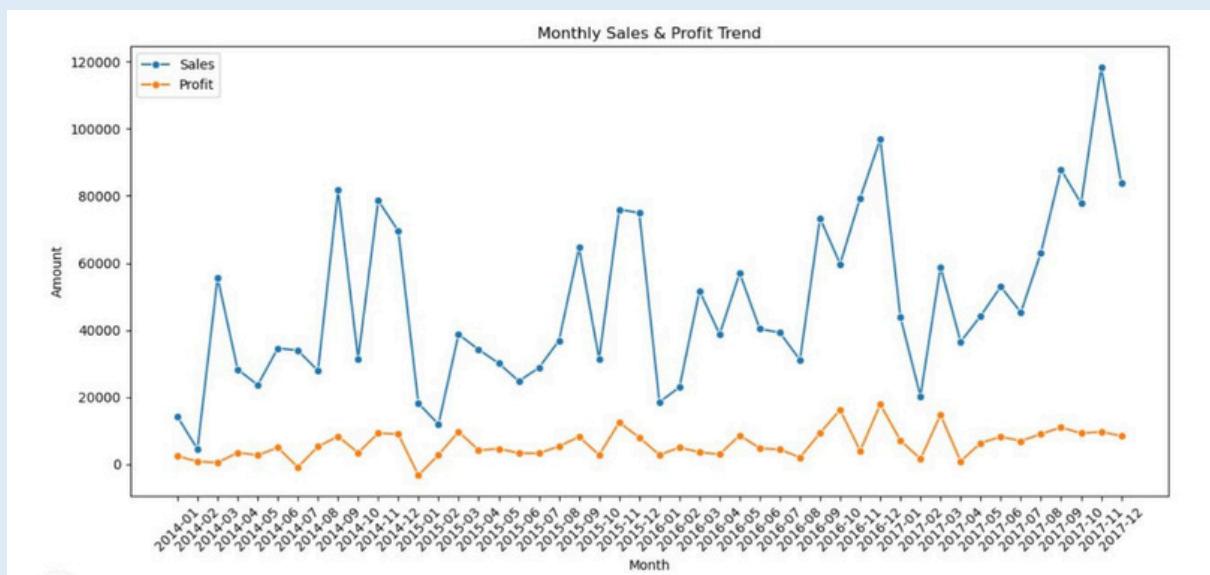


TASK 4 — ANALYTICAL INSIGHTS (MINIMUM 5 INSIGHTS)

1. Trend Analysis — Sales & Profit

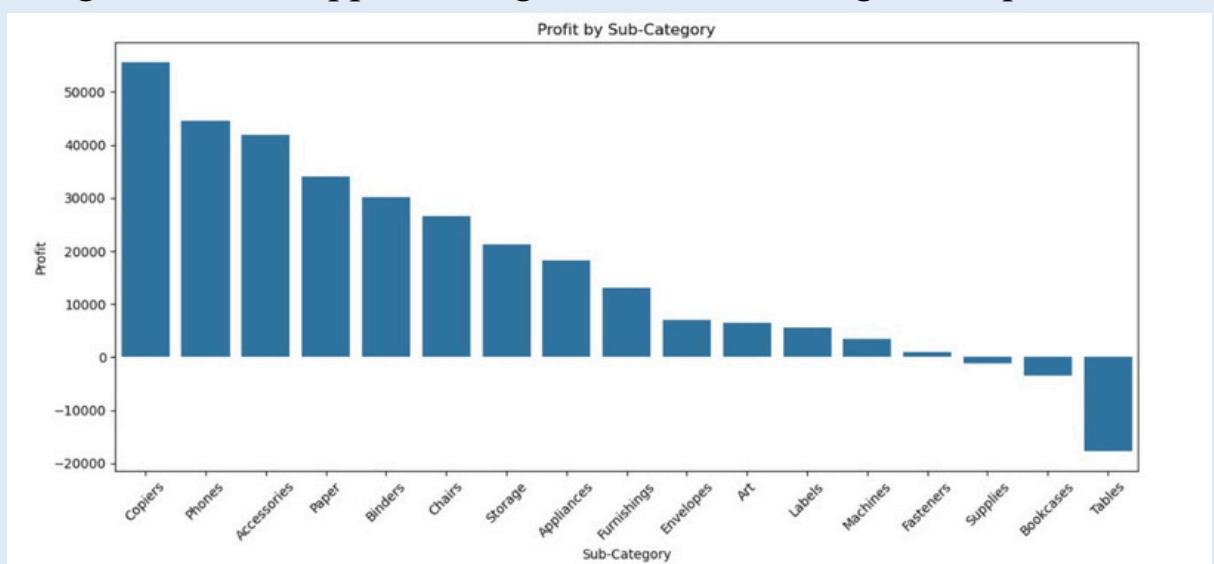
- **What:** Monthly sales and profits exhibit clear seasonality, with repeated peaks. A recent 12-month comparison suggests variability.
- **Why:** Promotional campaigns and seasonal demand cause surges. The timing of inventory and marketing influences profit realization.
- **Action:** Sync promotions with high-demand months, limit discounts on low-margin items, and align inventory with projected.



2. Profitability — Sub-Category Performance

- **What:** The top sub-categories include copiers, phones, accessories, paper, and binders. Bottom sub-categories include machines, fasteners, and Supplies.
- **Why?** High-performing subcategories mix volume and margin. Low performers suffer steep discounts or thin margins.
-

Action: Evaluate pricing and promotions for bottom sub-categories; seek supplier renegotiation or bundling techniques.



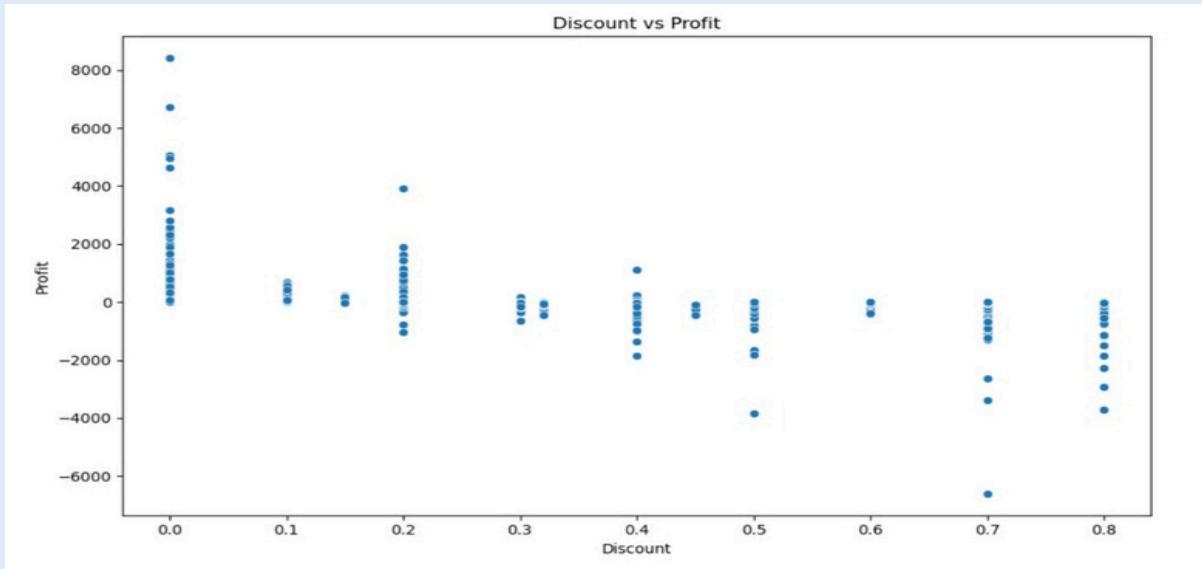
3. Customer/Segment Behaviour

- What:** Segment 'Consumer' generates the most profit and has a bigger profit margin.
- Why:** This demographic is likely to buy higher-margin items and is less responsive to reductions.
- Action:** Prioritize loyalty programs and targeted upsell campaigns for this audience.



4. Discount vs Profit — Pricing Risk

- **What:** Correlation of Discount and Profit: -0.219
- **Why?** Higher discounts frequently diminish per-order profitability, particularly for low-margin SKUs.
- **Action:** Implement discount caps on low-margin products and track promotion ROI by SKU.



5. Business Risks & Opportunities

- **What:** Binders, Tables, Machines, Bookcases, and Appliances are examples of sub-categories that frequently receive high-discount and negative-profit orders.
- **Why:** This could be attributed to aggressive promotions, returns, or poor cost allocation.
- **Action:** Look at negative-profit orders, tighten discount governance, and conduct targeted margin improvement pilots.

6. Customer-level Risk — Loss-making Customers

- **What:** Cindy Stewart, Grant Thornton, Luke Foster, Sharelle Roach, and Henry Goldwyn are the company's top loss-making customers.
- **Why:** High returns, deep discounts, or special pricing can result in losses.
- **Action:** Audit these client accounts and consider adjusting commercial terms.

