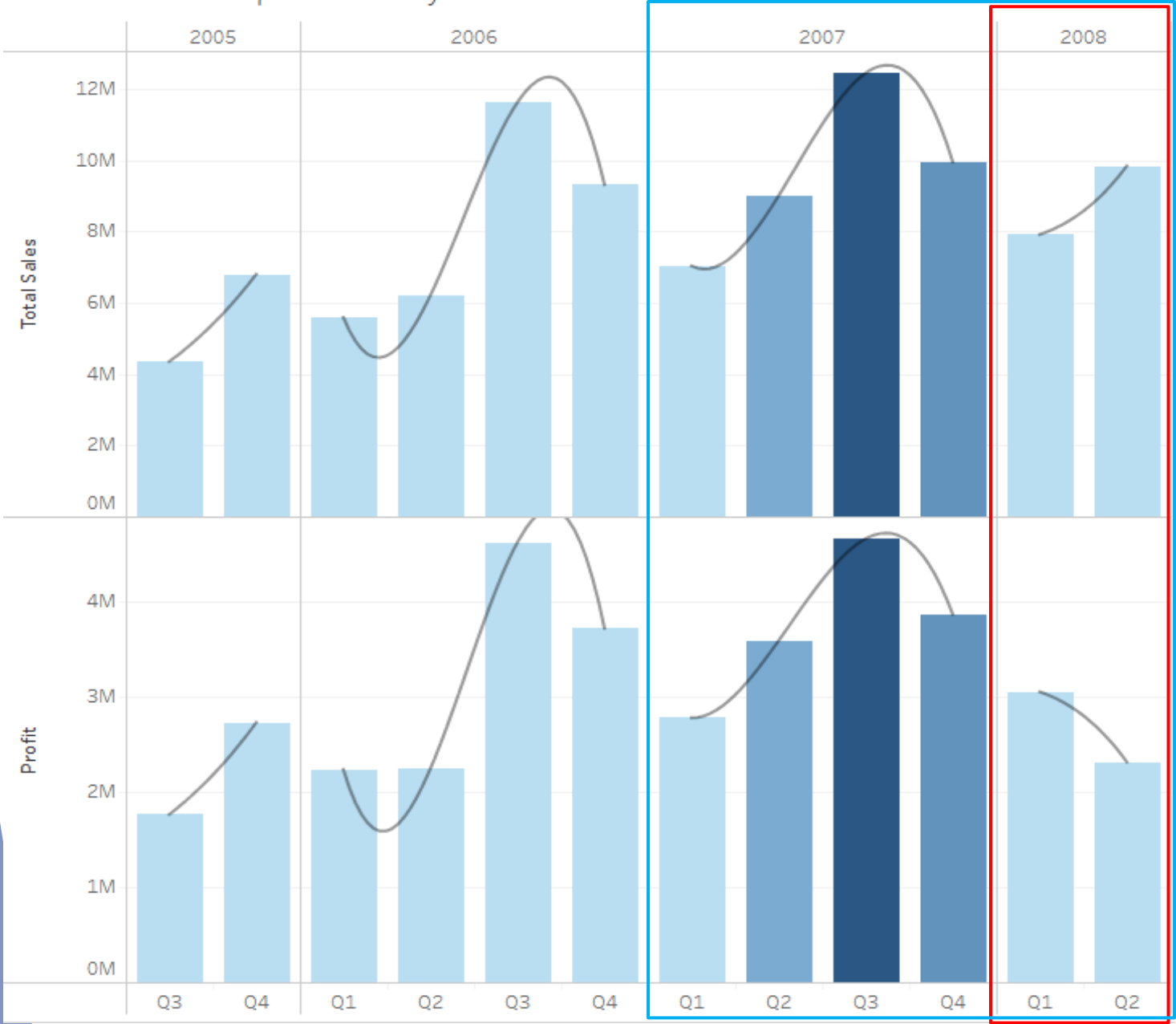


Profit Decline Analysis for Bicycle Wholesaler

Exploring Key Drivers of Profit Decrease in the Bicycle Wholesale Business

Suzana Mičić

Trend of sales & profit over years

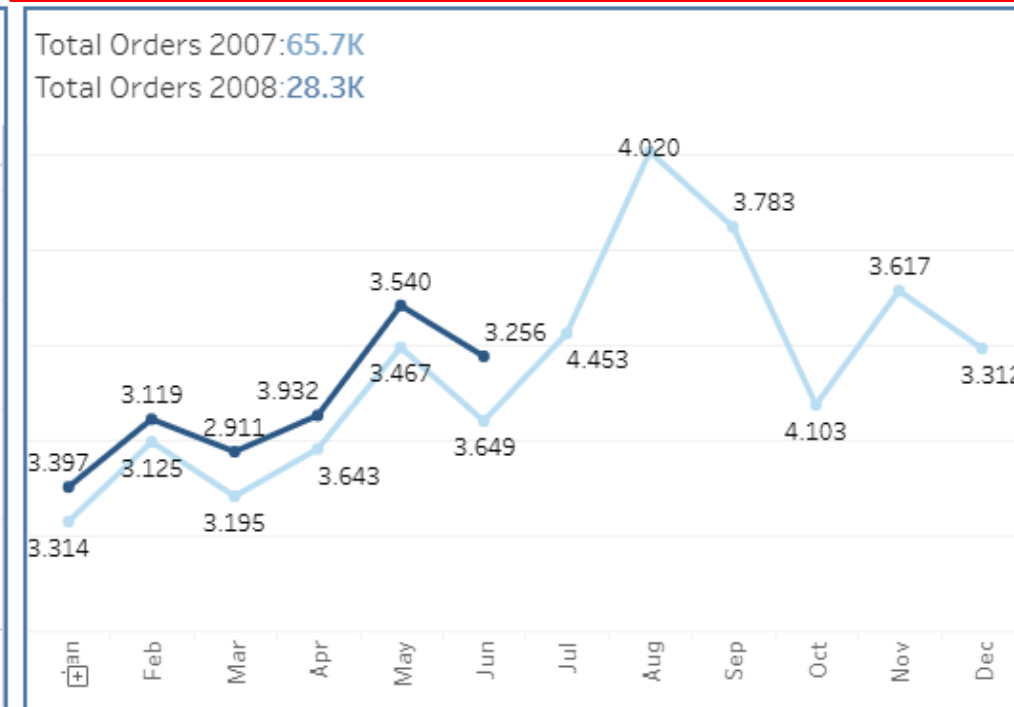
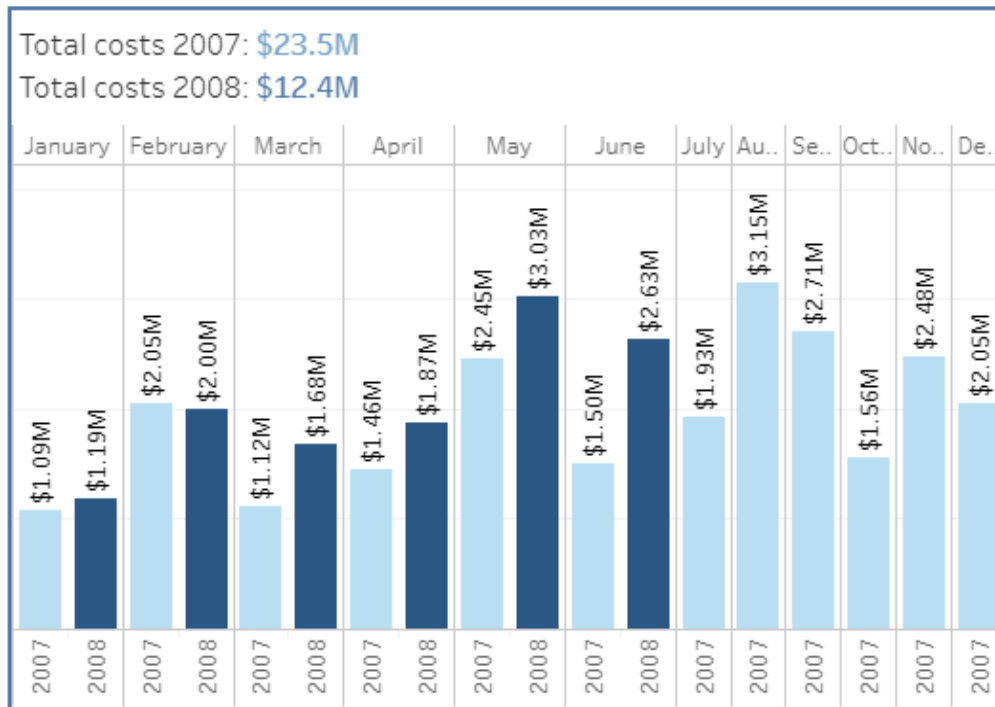
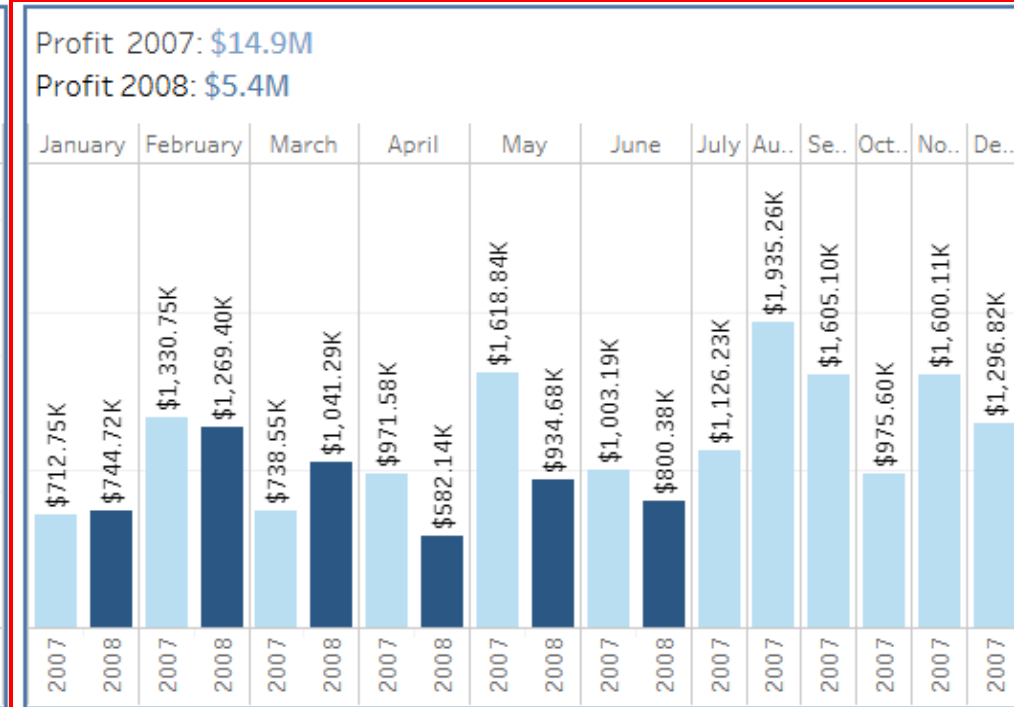
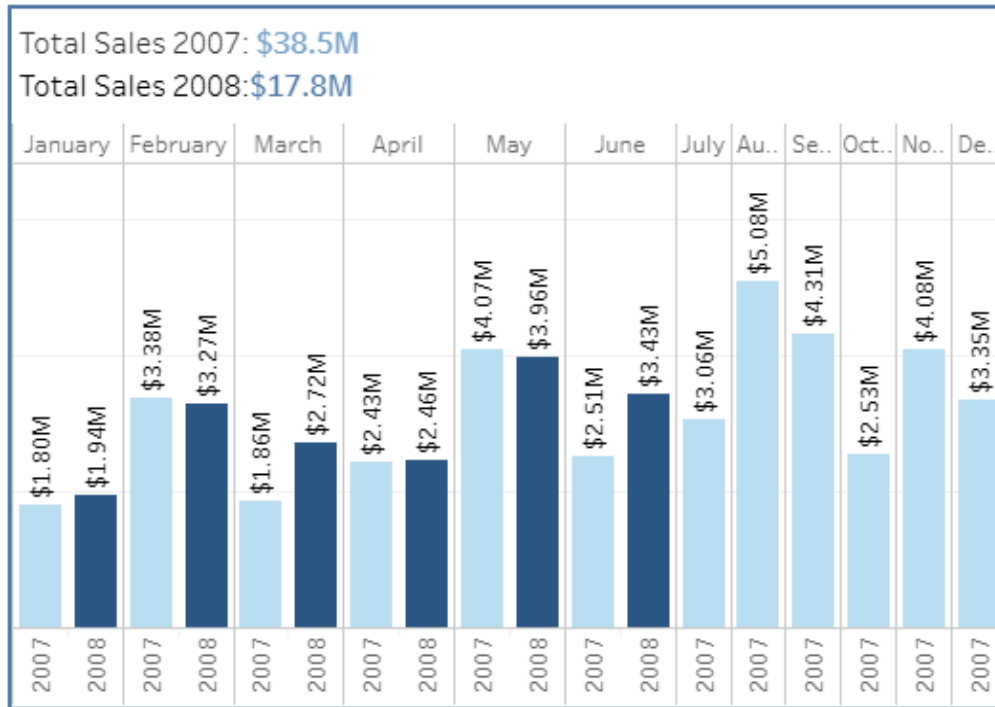


Trend of sales & profit over years

While total sales **increased** from Q1 to Q2 in 2008, the **decline in profit** during the same period suggests **rising costs or reduced margins** impacting overall profitability.

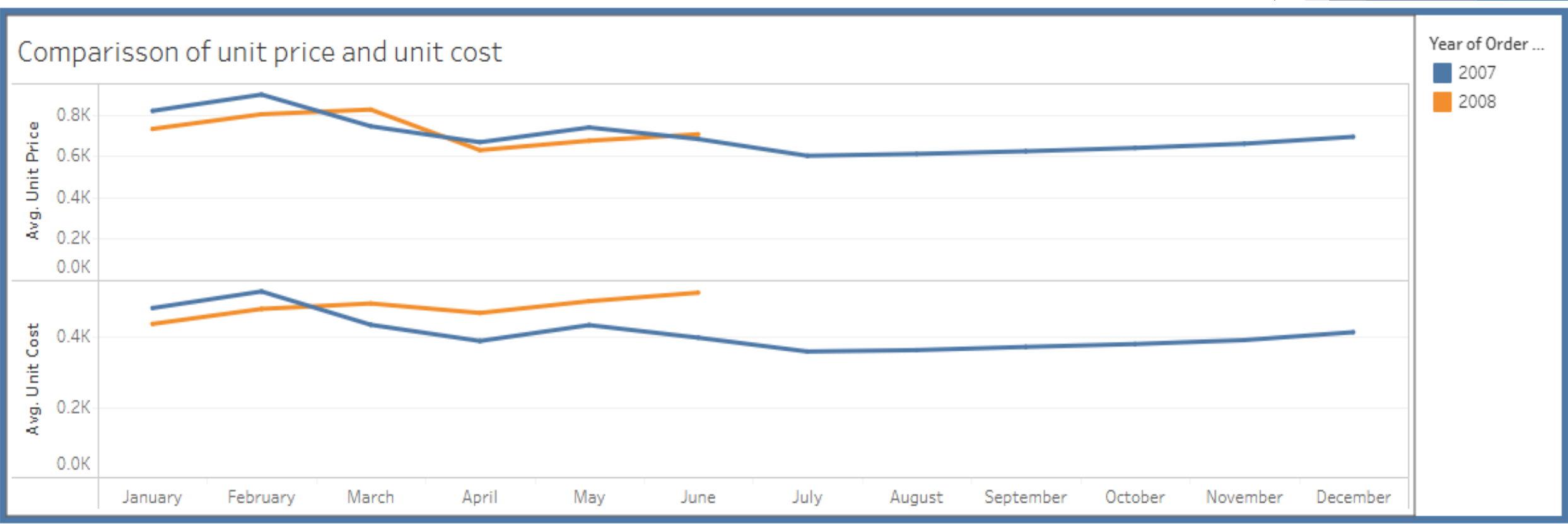
Overview 2007 VS 2008

- In 2008, there was an increase in total sales and total orders compared to 2007. However, total costs also rose, and profit remained either lower or almost the same across months.



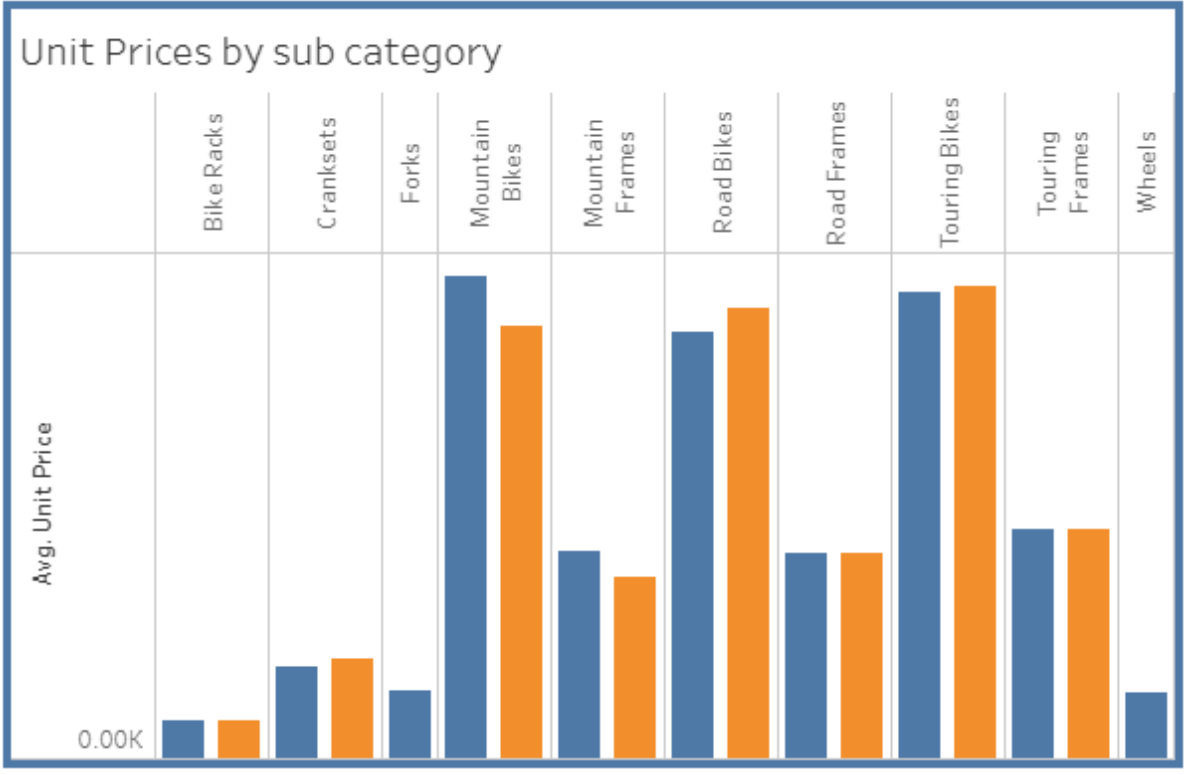
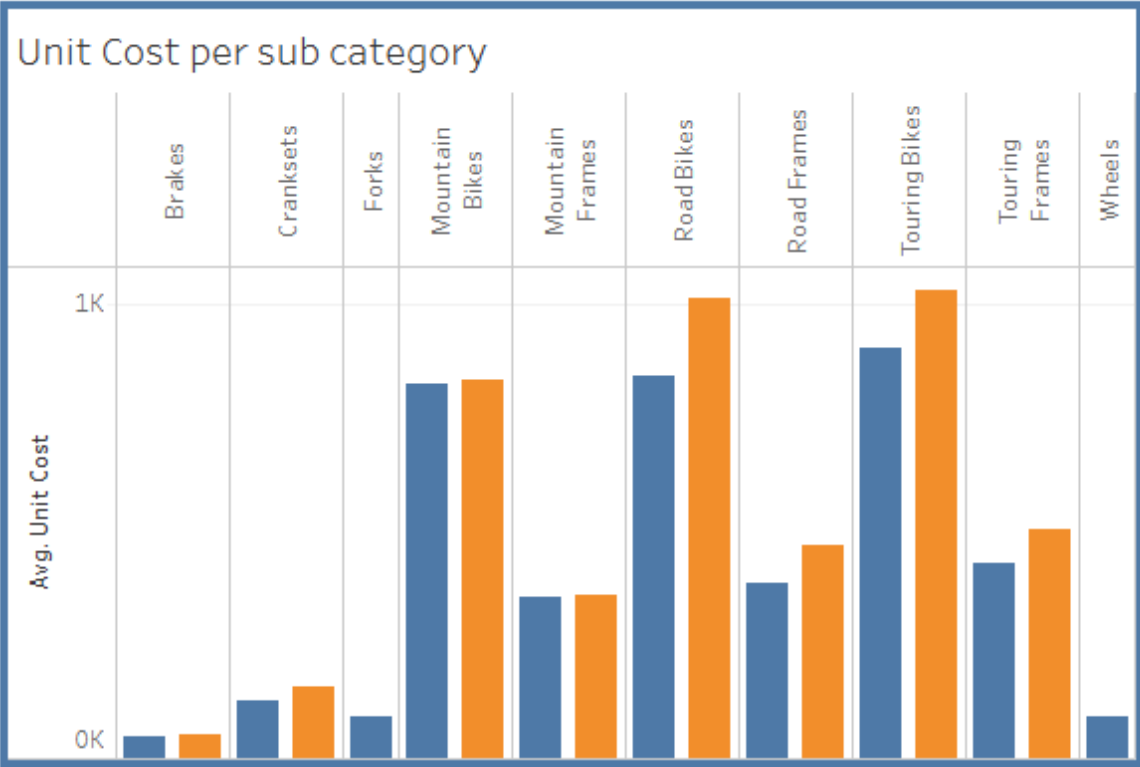
Unit Price vs Unit Cost

The unit price in 2008 did not follow the significant increase in unit cost, which rose notably in May compared to 2007. In fact, the price was even lower than the same period last year.



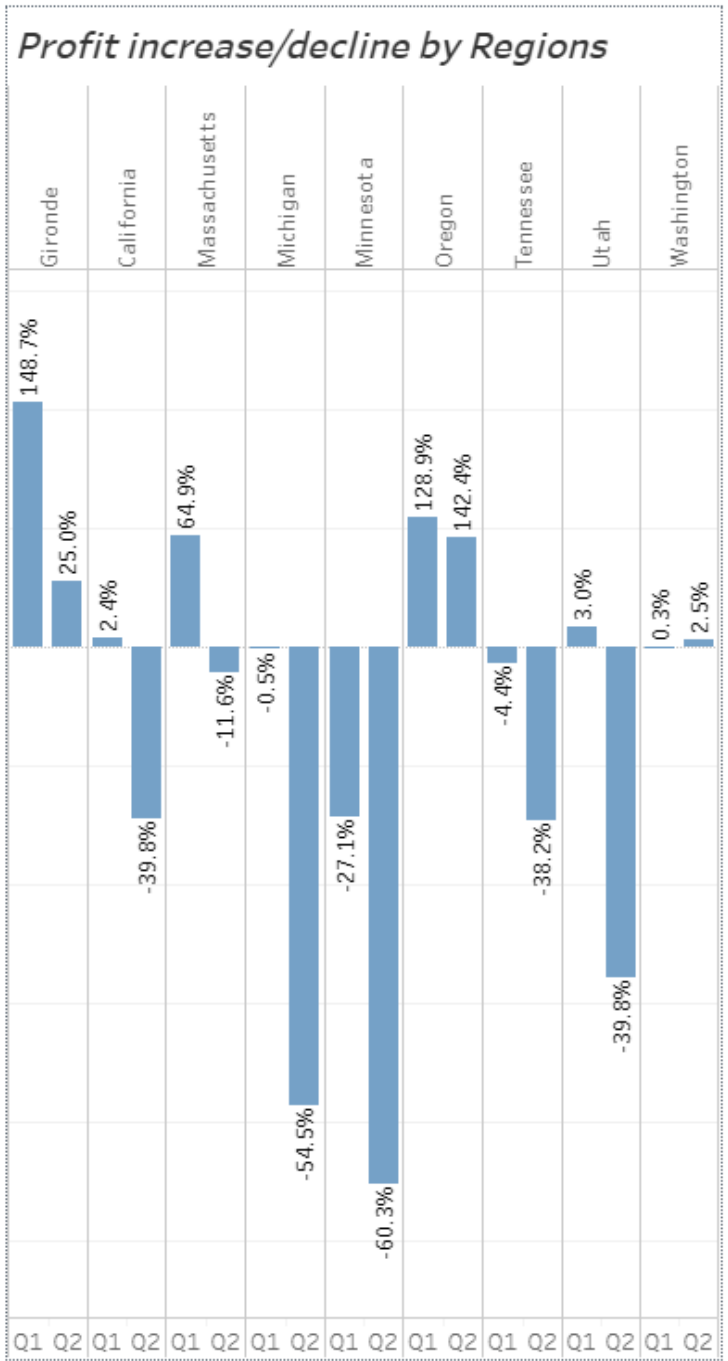
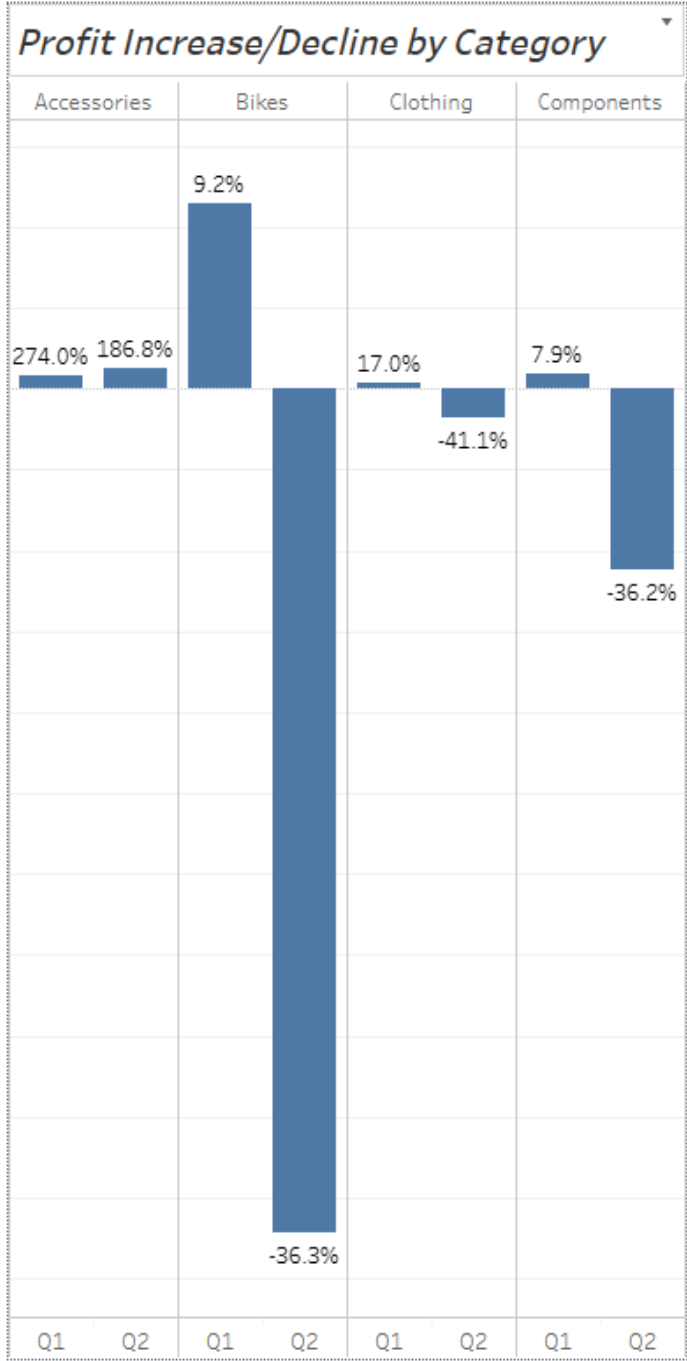
Unit Cost vs Unit Price by subcategories

We can also see that unit costs increased across almost all subcategories compared to the previous year, while prices did not follow the same trend within these subcategories.



Profit increase and decline

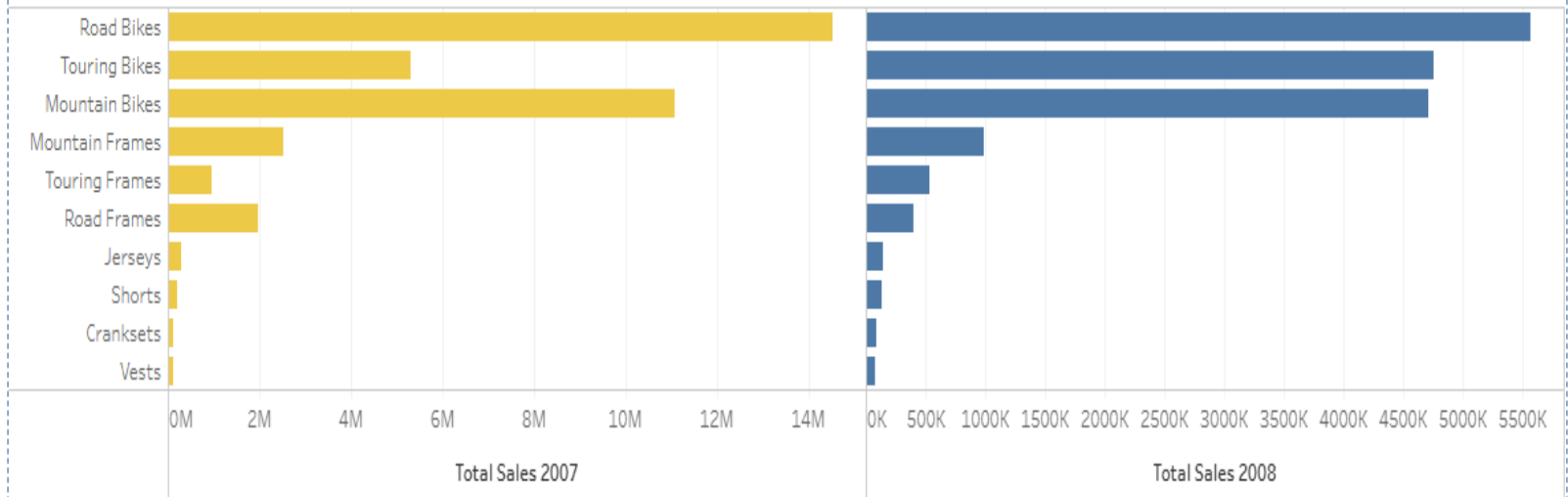
The graph highlights profit increases and decreases across product categories, revealing which categories drove overall profit growth and which experienced declines. Additionally, it identifies regions that require closer attention due to their impact on profit trends.



Top Performance

We observed a profit decline, so focus should also be placed on **top-performing products** and **salesperson performance** with consistent sales growth to replicate success and drive improvements.

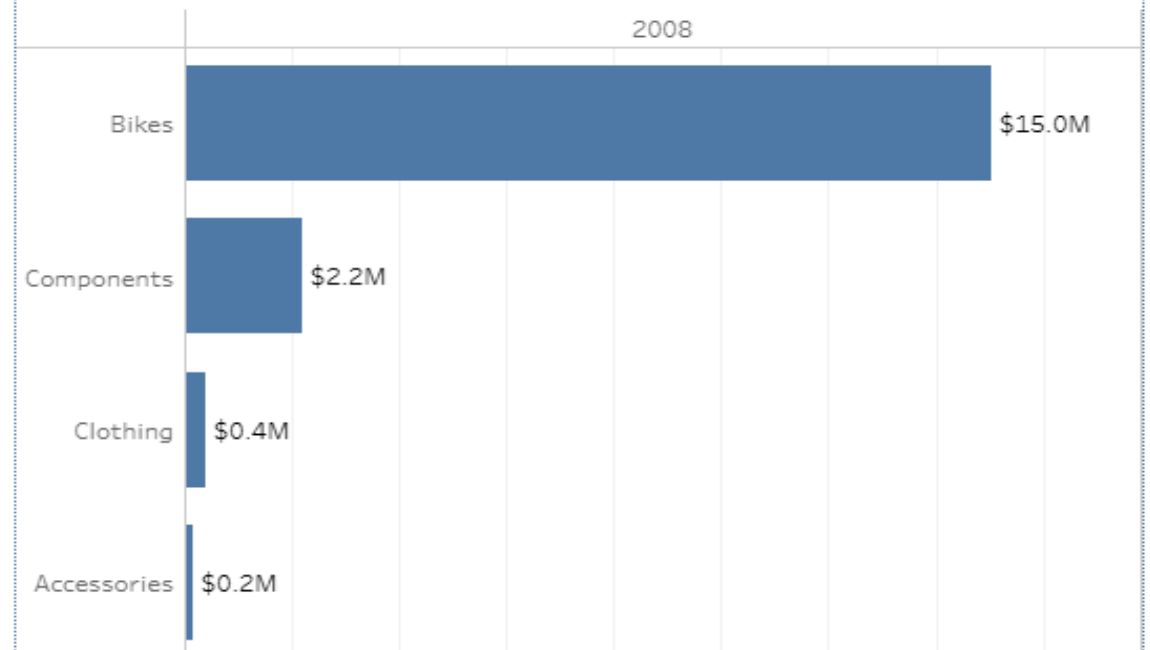
Top 10 selling products by sub category



Sales Person performance

		2008				
Linda Mitchell	United States	3,188.2K				
Michael Blythe	United States	2,577.4K				
Jillian Carson	United States	2,297.6K				
Ranjit Varkey Chudukatil	France	2,059.1K				
Tsvi Reiter	United States	1,819.2K				
Shu Ito	United States	1,797.4K				
Tete Mensa-Annan	United States	1,398.9K				
David Campbell	United States	1,131.1K				
Pamela Ansman-Wolfe	United States	1,094.9K				
Stephen Jiang	United States	400.5K				
Amy Alberts	United States	2.6K				

Sales per product category



Conclusion :

The analysis indicates a concerning profit decline despite growth in total sales and orders, driven by rising costs and stagnant or lower prices. Several product categories and regions have shown negative profit trends, highlighting areas needing strategic focus.

Recommendations:

- ▶ Focus on **controlling costs** and improving profit margins, especially in high-cost periods like May 2008.
- ▶ Review pricing strategies to ensure they **align with cost increases** and protect profitability.
- ▶ **Prioritize the top-performing products and regions** to maximize profitability and explore strategies to replicate successful sales patterns.
- ▶ Enhance salesperson performance by identifying high-performers and applying their strategies across the team.
- ▶ Investigate underperforming categories and regions to **understand the root causes** of profit declines and take corrective actions.

Thank You!