SUPERSTORE SAMPLE REPORT

The Superstore is turning a profit, but not a great one based on gross sales. 12.6% profitability on $2,326,534 sales over three years does not provide an encouraging outlook for a business with plant assets and significant overhead.

At a minimum, all states/provinces located within the total market (highlighted below) that reflect a negative profitability should immediately remove all discounts and revise pricing to the national market average profit ratio (above break-even). In some cases, as in Canada, there is one product causing the net loss which can be fixed with a review of the price in line with the market or removal of the product from sale rather than an entire category or segment.

A screenshot of a map

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As an extreme measure, stores with negative profitability could be candidates for immediate liquidation with inventories relocated the closest possible profitable location or warehouse distribution center. While this would decrease net sales, the net profit gained would more than make up for the lost revenue.

On the positive front, Canada is a prime territory for growth with the West Coast showing to have a strong sales per customer. Both Canada East and West should be a focus of future marketing/pricing towards Consumer/Home Office Segments to grow interest in the brand, build brand loyalty, increase customer conversion, retention, and future sales growth.

A map of the world

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In the US, the Consumer segment and Technology category are strong leaders in sales, especially sales per customer, but the profitability as a whole is too significant a problem to ignore. Canada makes just under 8% more profit per dollar in sales than the U.S. even though the U.S. eclipses Canada in sales. The states, and specifically cities incurring loss (often consistently over time) need to be closely monitored weekly. All products sold returning a loss need to be removed from sale until a revised price, not subject to discount, is determined in order for the product to return to the shelves.

A map of the united states

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By removing consistent underperforming products, or even entire product categories/segments, profitability will significantly increase and may even justify store closure/sale of assets over time to re-invest in the best performing products and markets. Key being to eliminate the weaknesses, and hone in on the strengths.