# End-to-End Structured Business Analysis: “Profit Decline in Corporate Segment (RevoShion) (RevoShion)”

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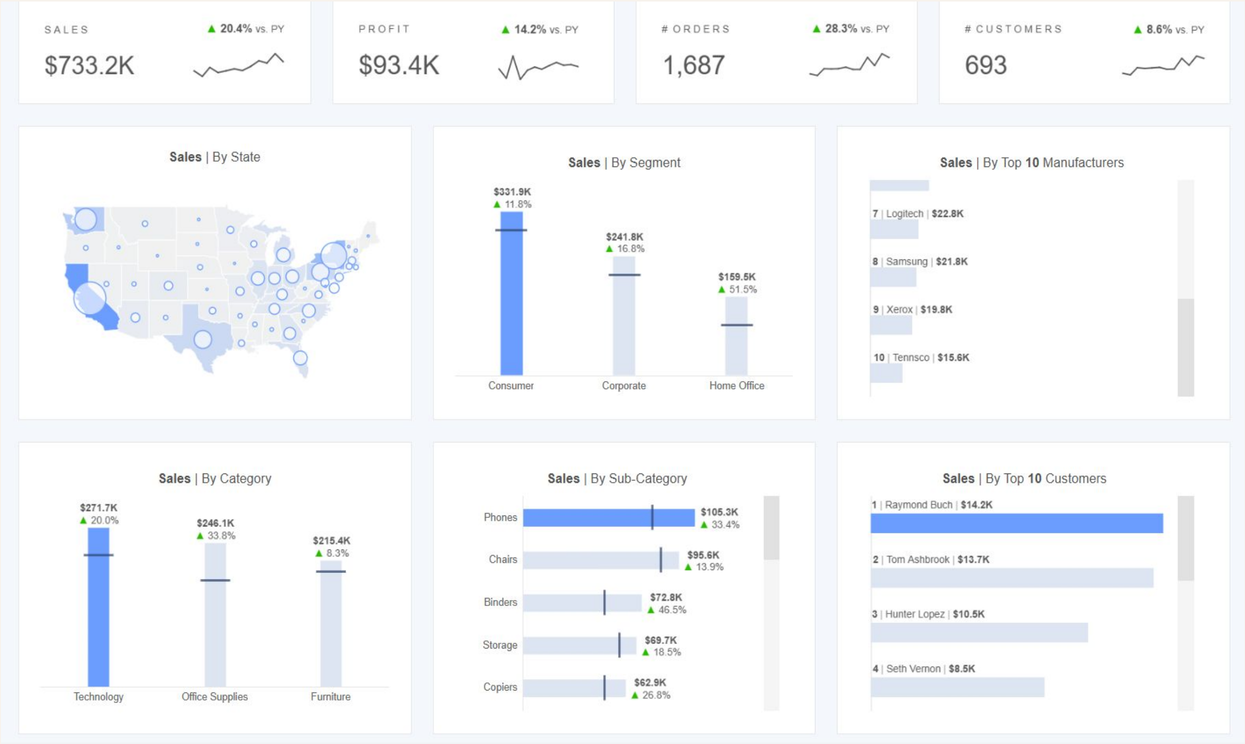
# Business Context

RevoShion showed total sales growth of +20.4%, but profit only increased by +14.2%. Segment analysis revealed that the Corporate segment experienced a -13.6% profit decline, while Consumer and Home Office saw strong growth (+27.4% and +40.3%). This means that volume growth in the corporate segment was not in line with profitability margin erosion was occurring. This analysis aims to identify the root causes of margin erosion and provide data-driven recommendations to improve profitability.

# Tableau Dashboard Marketing Performance




Superstore Dasboard (2022) by Priya Padham

**Disclaimer!**

- This analysis is based on publicly available dataset and does not reflect real-world financial or business insight.
- RevoShion is fictional entity, and the result presented here are purely for educational purpose.

# Stakeholder Identification (DARCI)

| ROLE | STAKEHOLDER |
|---|---|
| **Decider** | Chief Executive Officer (CEO) |
| **Accountable** | Head of Data Analytics, Head of Corporate Sales |
| **Responsible** | Data Analyst Team |
| **Consulted** | Finance, Marketing, Operations |
| **Informed** | All department heads, stakeholders |

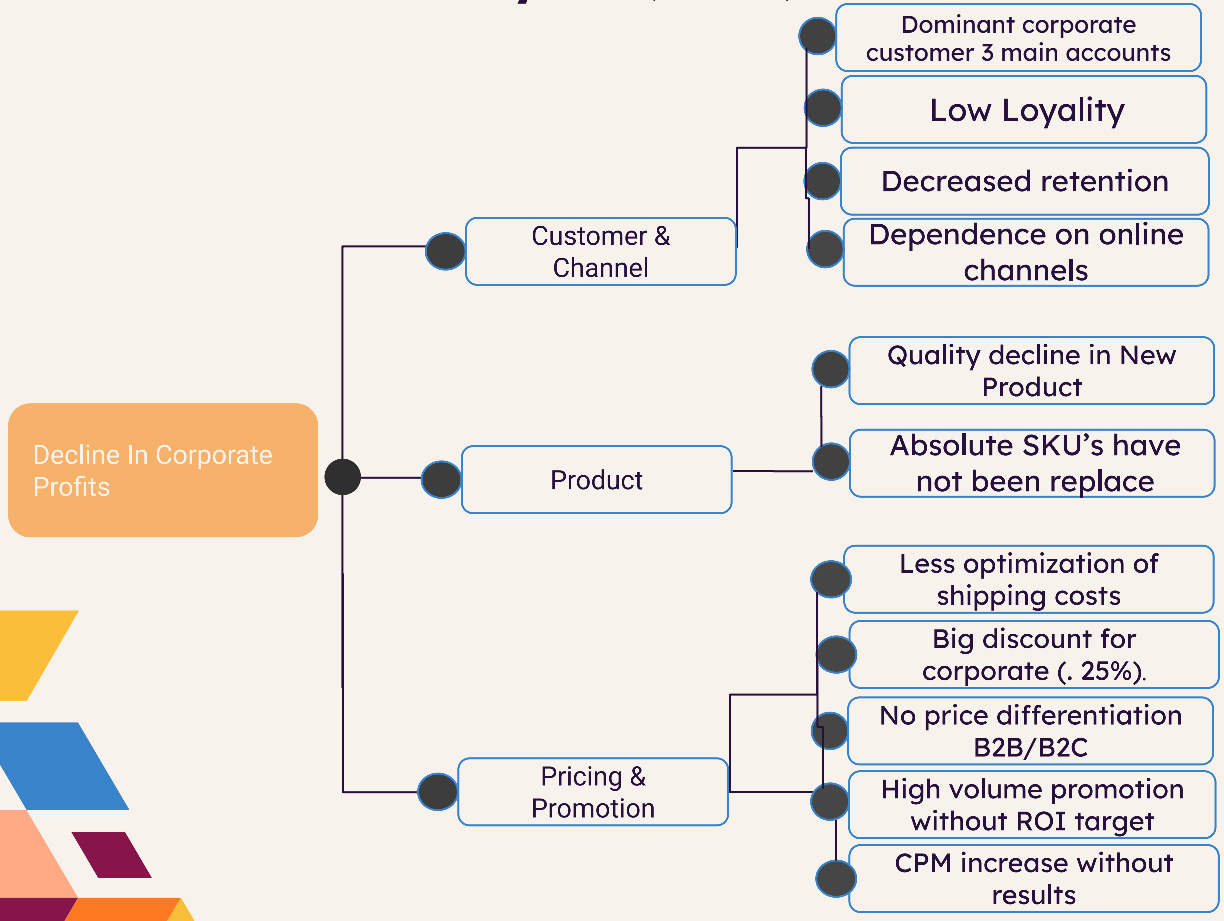
# Problem Identification (SMART)

In Q3 2025, RevoShion's corporate segment experienced a **13.6% profit decline despite a 20.4% sales increase**, revealing an imbalance between revenue growth and operational costs "particularly from promotions and volume discounts" thus highlighting the urgent need for **data-driven pricing adjustments within Q4 2025** to protect the 30% revenue contribution of the corporate segment.

# Objective Setting

Main Objective:
Increase the corporate segment's profit margin by at least +8% by Q4 2025, without decreasing sales volume.
Identify 3 Main Suspected Causes:
Overly aggressive corporate discounts and pricing (profit margin <10%).
Logistics and fulfillment costs increase as B2B order volume increases.
Large customer concentration creates dependency and pricing pressure.

# Root Cause Analysis (RCA) - Issue Tree



# Hypothesis Prioritization & Metrics

| Category | Hypothesis | Testing Metric |
|---|---|---|
| **Customer & Channel** | 60% of corporate customers with transactions above Rp50 million made only one purchase due to the absence of loyalty rewards.<br><br>B2B shipments to regions outside Java incur logistics costs 30% higher than average, reducing profitability.<br><br>. | Repeat Purchase %, CLV (Customer Lifetime Value), Retention Rate<br><br>Shipping Cost by Region, Fulfillment Cost %, Net Profit per Order |

# Hypothesis Prioritization & Metrics

| Category | Hypothesis | Testing Metric |
|---|---|---|
| **Product** | SKUs older than 18 months have 15% lower profit margins compared to new SKUs and account for 45% of total sales. | Gross Margin by SKU Age, % of Sales from Old SKUs, Return Rate |
| **Pricing & Promotion** | Volume discounts above 25% reduce average net profit margin by 8% without significant increase in total sales. | Average Discount %, Net Margin per Order, Elasticity of Demand |
| | The digital campaign “Bulk Corporate Offer” has an ROI below 1.5 due to poor targeting of corporate segments. | Campaign ROI, CTR (Click-Through Rate), Conversion Rate by Segment |

# Data Analysis & Insight Derivation

**Source:** *Corporate Sales Dashboard Q3 2025* (Contains: Sales Growth, Net Profit Margin, Discount %, Cost Breakdown, Customer Segmentation, SKU Performance)

**Key Insights:**

1. **Sales Volume:** increased by +20.4% driven by bulk orders from 3 major clients.
2. **Profit Margin:** Dropped from 18% to 11.4% indicating margin erosion driven by excessive discounting and rising logistics costs.
3. **SKU Profitability:** 45% of corporate SKUs have margin <10%.
4. **Promotion Efficiency:** ROI dropped from 2.3 → 1.1 in the last 3 months.
5. **Customer Loyalty:** Repeat purchase rate declined by 9%.

# Data Analysis & Insight Derivation

| Information | Key Insight |
|---|---|
| **Margin & Volume:** Highest sales were in the **Furniture (-73.6%)** category which had the lowest margin and performed the worst, dominating the total Corporate profit loss. | **Category Failure:** The Corporate profit decline is exclusively driven by the wrong focus on the lowest margin category (**Furniture**) which suffered massive losses (**-73.6%**). |
| **Discount:** Average discount for Corporate *Furniture* orders reached **25%**, far above the 15% limit for profit. | **Excessive Discounting:** The Corporate Sales Team gave **overly aggressive discounts** (>20%) on high COGS products, **eroding profit** despite increased sales volume. |
| **COGS/HPP:** There was a 10% surge in COGS for the *Furniture* product category due to rising raw material costs that were not followed by selling price adjustments. | **Uncontrolled COGS:** Cost increases from procurement (*vendors/suppliers*) were not reflected in the selling price, exacerbating the existing margin problem. |
| **LTV/Acquisition:** New Corporate customers (acquired in the last 6 months) have an **Average Gross Profit 40%** lower than long-term customers. | - |

# Recommendations (OBIPR Framework)

## 1️⃣ Optimize B2B Pricing Structure & Discount Governance

**Objective:**
Restore corporate profit margin by +8% within Q4 2025 through optimized pricing tiers and discount governance.

**Background:**
Corporate sales grew by +20.4% but profit declined by -13.6%, largely due to excessive volume discounts (avg. >25%) applied without correlation to customer profitability or order frequency.

**Insight:**
Data shows 70% of discounts were applied uniformly across clients, regardless of purchase frequency or total lifetime value. Many discounts failed to stimulate repeat purchases, indicating *price leakage*.

**Proposal (Action Plan):**

1. **Introduce "Profit-Linked Tier Pricing"** — 3-tier model:
   - Tier 1: <Rp20M → Max 10% discount
   - Tier 2: Rp20–50M → Max 15%
   - Tier 3: >Rp50M → Max 20% only for recurring clients (≥3 transactions/quarter)
2. Implement **Discount Approval Workflow** in ERP to prevent non-authorized markdowns.
3. Conduct **Quarterly Price Elasticity Analysis** to evaluate response of top 20 B2B customers
4. Add non-price benefits (priority delivery, co-branding options, extended payment terms) to replace excessive discounts.

**Expected Financial Impact:**
Estimated +6–9% increase in corporate profit margin (+Rp1.2B quarterly).

**Priority:** (High Impact, High Feasibility)

# Recommendations (OBIPR Framework)

## 2️⃣ Logistics & Fulfillment Cost Optimization

**Objective:**
Reduce logistics costs by 10–15% and improve delivery SLA by 20% across all corporate shipments.

**Background:**
Shipping to non-Java regions costs 30% more due to centralized fulfillment from Jakarta and low load consolidation rates.

**Insight:**
Only 64% of shipments reach full container capacity; the rest use partial loads, leading to high per-unit delivery cost and delayed lead times.

**Proposal (Action Plan):**

1. **Establish Regional Fulfillment Hubs**:
    - Surabaya (East Indonesia) and Makassar (Central Indonesia) as micro-distribution points.
2. Deploy **Dynamic Load Consolidation System** — automated grouping of B2B orders within 48h window.
3. Negotiate **Strategic Logistics Partnerships** with JNE Cargo and SiCepat Logistics for volume-based pricing.
4. Create **Delivery Efficiency Dashboard** (Power BI) to track cost per shipment and SLA compliance in real time.

**Expected Financial Impact:**
Quarterly logistics savings of Rp600–800M with improved delivery satisfaction.

**Priority:** (High Impact, Moderate Feasibility)

# Recommendations (OBIPR Framework)

## 3️⃣ Product Portfolio Rationalization & SKU Margin Recovery

**Objective:**
Increase overall SKU gross margin by +4–6% through rationalization of low-margin legacy SKUs (>18 months).

**Background:**
45% of SKUs are older than 18 months with 15% lower margin; they represent 45% of corporate sales volume but minimal profitability.

**Insight:**
Corporate buyers reorder old SKUs not due to preference but due to outdated catalogs and limited awareness of new models.

**Proposal (Action Plan):**

1. **Conduct SKU Profitability Audit** — classify SKUs into A/B/C tiers:
   - Tier A: >25% margin
   - Tier B: 15–25%
   - Tier C: <15% → candidates for phase-out.
2. Retire bottom 25% of Tier C SKUs within 2 months.
3. Launch “Corporate Exclusive Line” of 10 new athleisure products with +20% higher margin.
4. Refresh digital catalogs and ensure product visibility on B2B ordering portal.
5. Collaborate with R&D for material cost optimization (fabric sourcing, packaging).

**Expected Financial Impact:**
+Rp700M additional quarterly gross profit from SKU mix improvement.

**Priority:** (High Impact, High Feasibility)

# Recommendations (OBIPR Framework)

## 4️⃣ Corporate Loyalty & Retention Program (RevoPartners)

**Objective:**
Boost repeat purchase rate by +10% and reduce corporate churn by -5% in 6 months.

**Background:**
60% of B2B clients with >Rp50M spend only purchase once — no structured loyalty system exists.

**Insight:**
B2B clients are motivated by *relationship-based incentives* rather than direct discounting.

**Proposal (Action Plan):**

1. Launch **RevoPartners Loyalty Program**:
   - Tier 1 “Silver”: 2% rebate after 3 transactions
   - Tier 2 “Gold”: 5% rebate after 5 transactions
   - Tier 3 “Platinum”: Dedicated account manager + 7-day payment extension.
2. Create a **Quarterly Corporate Appreciation Event** (virtual or on-site) for key partners.
3. Implement CRM-based **Client Lifetime Scoring Model** (CLV segmentation).
4. Integrate retention dashboard tracking churn rate & repeat purchase ratio.

**Expected Financial Impact:**
Increase annualized corporate revenue by Rp1.5B from improved retention.

**Priority:** (Moderate–High Impact, High Feasibility)

# Recommendations (OBIPR Framework)

## 5️⃣ B2B Marketing Optimization via Account Based Targeting

**Objective:**
Improve campaign ROI from 1.3 → ≥2.0 through precision targeting of corporate accounts.

**Background:**
Current "Bulk Corporate Offer" campaigns underperform; low CTR (0.9%) and poor conversion due to mixed B2C audience.

**Insight:**
Corporate buyers respond better to personalized outreach and LinkedIn-based campaigns compared to mass-market digital ads.

**Proposal (Action Plan):**

1. Implement **Account-Based Marketing (ABM)** targeting 100 top corporate accounts (industry, size, purchase behavior).
2. Shift 40% of campaign budget from Instagram/Facebook to LinkedIn Ads & B2B email funnels.
3. Develop dedicated **B2B Landing Page** with case studies, pricing tiers, and contact form.
4. Measure and optimize using A/B testing on ad creatives and messaging.

**Expected Financial Impact:**
+Rp500M quarterly contribution from higher-quality B2B leads.

**Priority:** (Moderate Impact, High Feasibility)

# Conclusion

Implementing the five integrated strategies above provides RevoShion with a data-driven roadmap to **restore profitability and strengthen its B2B resilience.** The approach balances **financial optimization (pricing & logistics)** with **strategic enablers (product renewal & customer loyalty)** ensuring both **short term recovery and long-term competitive advantage** in the corporate athleisure market.
These strategies provide both shortterm financial recovery and long term sustainable profitability.

# Thanks!

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