

SELECTION

Our analysis found we're losing sales in three key ways. We have a targeted plan to fix each one.

Gap 1: We Don't Offer It

Problem: Missing high-value SKUs
(e.g. 62, 61, 59)

Data: We are missing >€150,000 in
market sales

Action: Add all items to catalog with
competitive pricing

KPI: Full catalog coverage within 1
month

Gap 2: We Offer it, But We're Out

Problem: High-demand items are
out of stock

Data: SKU 94 has views but 0 units
in stock

Action: Emergency reorder and
improve supplier alerts

KPI: Resolve stockouts within 2
weeks

Gap 3: We offer It, but They Don't Buy

Problem: High traffic but terrible
conversion

Data: SKU 86 has views but only a
1.6% conversion rate

Action: Optimize content and test
small price adjustments

KPI: Increase conversion rate on
these specific SKUs

PRICING

Our goal is to achieve sustainable growth by optimizing profitability while maintaining competitiveness. We are implementing a segmented model to leverage elasticity and protect our margins. Our 10 analyzed SKUs fall into three distinct strategic groups based on elasticity, market position, and competitor data.



Opportunity 1: The Volume Play

(for Premium & Elastic SKUs 1, 4, 5)

- **Finding:** These items are highly sensitive to price (Elasticity > 6.0).
- **Action:** Test a strategic 3% price cut.
- **Expected Outcome:** Drive a 5% increase in unit sales, leading to higher total profit.



Opportunity 2: The Margin Play

(for No-Competitor SKUs 7, 8)

- **Finding:** We are the only seller but have a low margin (e.g., 24% on SKU 7).
- **Action:** Implement "Cost-Plus" pricing to capture our true value.
- **Expected Outcome:** Raise the unit margin to a healthy 40%, directly increasing total profit.



Opportunity 3: The Stability Play

(Value & Mid-Price SKUs 2, 3, 6, 9, 10)

- **Finding:** These items are well-positioned as "Value" (SKU 3) or "Stable" (SKU 2, 6, 9, 10) with solid margins.
- **Action:** Maintain current price.
- **Expected Outcome:** Defend our market share, protect stable profits, and avoid unnecessary price wars.

INVENTORY

Our insight showed we are holding too much of the wrong stock, which costs us money and loses us sales. We need to rebalance everything around a lean **3-Week Coverage Target**.

Problem 1: Too Much Stock (Wasted Money)

For some products (like SKU 1), we have a massive 48 weeks of coverage. That means €13,894 is sitting in the warehouse, not making money.

Problem 2: Zero Stock (Lost Sales)

Info: Key high-demand products (like SKUs 5 and 7) have 0 units in stock. Customers are leaving empty-handed.

The analysis shows that 3 weeks of coverage is the **optimal balance**: enough to satisfy demand, but low enough to stop unnecessary costs.

Action A: Extreme Overstock (SKUs 1, 4)

- Goal: Liquidate stock fast.
- Method: Heavy promotions and returns to the vendor.
- KPI: Reduce total Stock Value by 20%.

Action B: Understock (SKUs 5, 7)

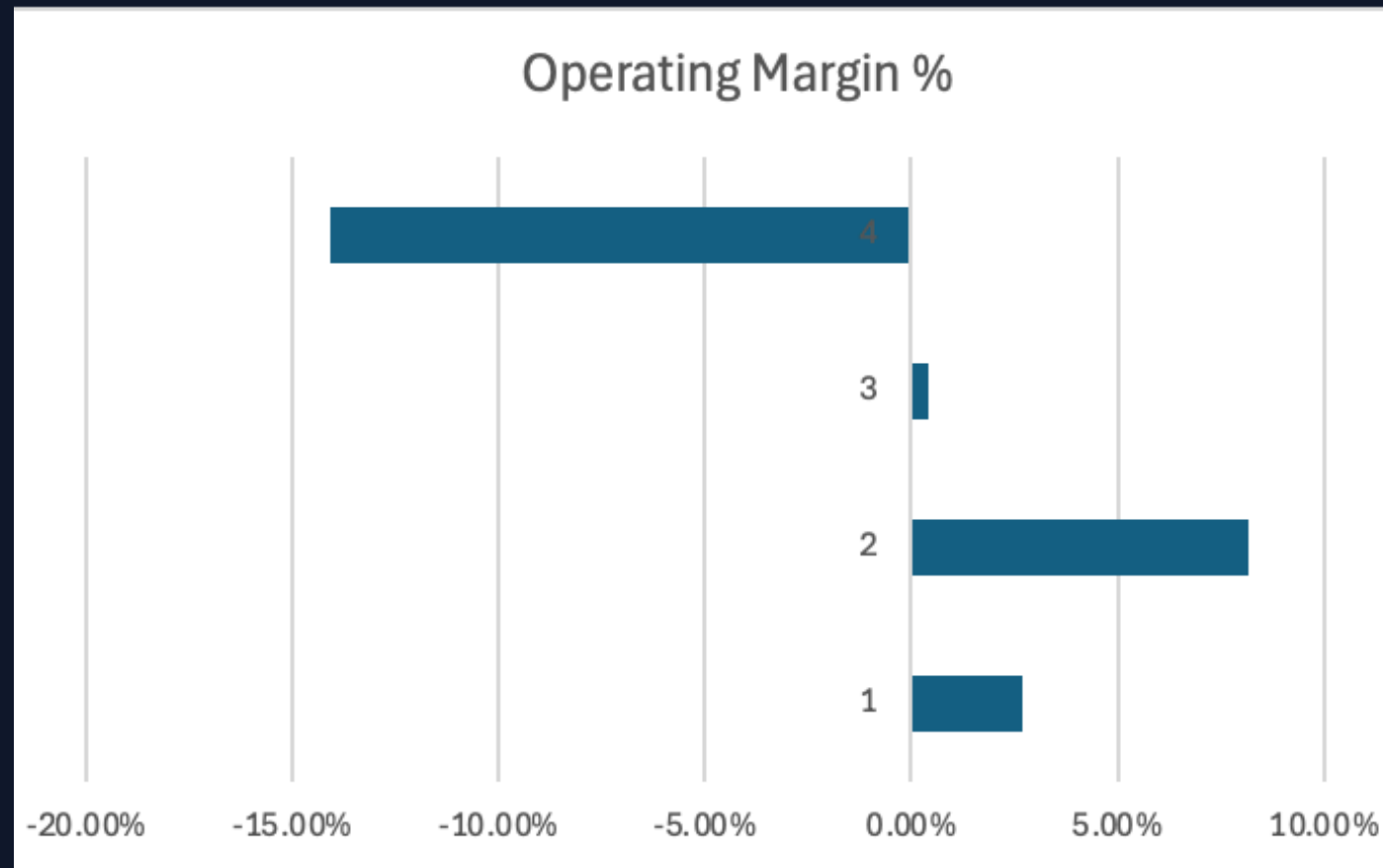
- Goal: Protect customer experience.
- Method: Urgent reorders and improved supplier alerts.
- KPI: Keep Stockout Rate below 5%.

Action C: Moderate Overstock (SKUs 2, 6)

- Goal: Gradually align with the 3-week target.
- Method: Slow discounts and internal transfers.

P&L

Not all revenue is good revenue. We must shift our focus from "total sales" to "total profit" by managing our categories like a portfolio.



Category 1 is profitable but margin-compressed due to shipping and return costs.

Category 2 is the strongest performer, showing the highest operating profitability.

Category 3 has a high price point, but margin erosion from returns and adjustments.

Category 4 is structurally unprofitable due to low average selling price and high cost-to-serve.

Mix optimization plan: We think there should be an increase in sales focus on categories 1 and 2, which together generate over 60% of total gross margin. Then, gradually reduce exposure to category 4, which shows negative profitability, and redirect resources toward higher-margin products in category 1. Lastly, we should maintain category 3 as a niche, premium offer to preserve brand value and margin diversity.

OUR PLAN

This 4-Pillar plan is a coordinated strategy designed to stop revenue leakage, free up capital, and fundamentally re-engineer our portfolio for higher operating profit. By implementing these four disciplined actions simultaneously, we move from generalized revenue seeking to targeted, sustainable profitable growth within the next quarter.

PILLAR	PRIMARY BUSINESS GOAL	KEY OUTCOME/ VALUE DRIVER
SELECTION	Capture Missing Market Share	Immediately adds >€150k in high-value, high-demand SKUs to the catalog.
PRICING	Maximize Unit Profitability	Uses a strategic 3-way segmentation to drive volume, increase margin to 40% on captive SKUs, and defend stable profits.
INVENTORY	Free Up Working Capital	Implements the 3-Week Coverage Target to reduce tied-up stock value by 20% while ensuring sales protection (Stockout Rate < 5%).
P&L	Portfolio Re-engineering	Shifts investment focus entirely toward categories that generate >60% of our gross margin, eliminating structural losses.