

Case Study (1/2)

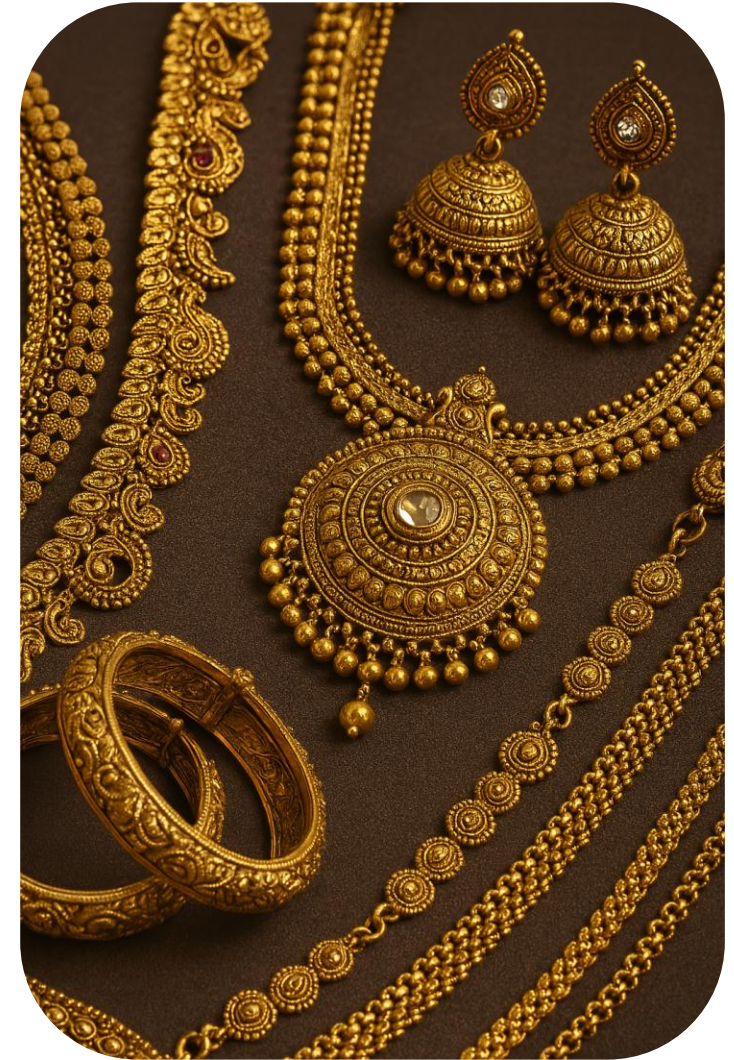
Objective

To conduct Profitability Analysis for three outlets of a jewellery store and to provide financial insights for cost efficiency, revenue growth and profitability.

Scope of the Project

The scope of this project involved:

- Financial Statement Analysis to understand financial standing.
- Revenue Analysis to analyse trends across segments.
- Cost Analysis to understand major expenses.
- Examine consumption patterns and scrutinize anomalies.
- Profitability Analysis for evaluating gross profitability and conduct EBITDA trend analysis.
- Understanding the MIS and overall reporting structure of the MIS / reports from finance team.
- In case MIS is not in practice we help structure an MIS (using existing reports) in consultation with the management
- Analyze income segment wise profitability statement.



Case Study (2/2)



Methodology

- Collect and review financial statements (Balance Sheet, Income Statement, Cash Flow Statement) for the past 3-5 years. Perform ratio analysis (liquidity, solvency, profitability, and efficiency ratios).
- Segment revenue by product category, customer type, and geographical location. Analyze historical revenue trends and growth patterns. Identify key revenue drivers and seasonal variations.
- Identify major cost components affecting profitability and compare cost trends against industry benchmarks.
- Analyze stock movement and consumption trends. Detect unusual spending patterns and discrepancies in procurement.
- Identify factors impacting profitability, including pricing, discounts, and operational inefficiencies.

Outcomes

- Identified high performing stores in terms of profitability and recommended strategies to focus on to increase growth further.
- Identified slow moving periods and suggested ways to handle inventory to avoid overstocking.
- Identified most profitable products within each segment.
- Helped to optimize pricing models based on cost structures and competitor benchmarking.