

Product Range Analysis: Fundamental analysis

Step 1: Fundamental data

Department	Sales £ ex VAT TY	Sales vs. LY	Profit £ TY	Profit vs. LY	Margin TY %	Margin ppts YoY	Sales Units TY	Sales Units vs. LY	Cost of Goods TY	Cost of Goods vs. LY
sub-depart 1	£1,126,228	472%	£596,525	383%	53.0%	-9.7%	671,276	843%	£529,703	622%
sub-depart 2	£10,172,999	18%	£5,006,347	23%	49.2%	2.1%	2,256,720	11%	£5,166,652	13%
sub-depart 3	£31,400,014	31%	£14,885,783	37%	47.4%	2.0%	2,904,351	23%	£16,514,231	26%
sub-depart 4	£5,189,060	28%	£2,525,071	28%	48.7%	-0.1%	428,279	21%	£2,663,989	28%
sub-depart 5	£52,225	107%	£23,211	185%	44.4%	12.1%	296	16%	£29,014	70%
sub-depart 6	£4,715,098	21%	£2,101,734	25%	44.6%	1.4%	344,926	18%	£2,613,364	18%
sub-depart 7	£275,916	2%	£172,621	10%	62.6%	4.6%	152,408	-16%	£103,295	-9%
sub-depart 8	£22,709,537	30%	£10,708,091	35%	47.2%	1.7%	1,146,848	21%	£12,001,446	26%
sub-depart 9	£8,958,384	31%	£4,046,560	36%	45.2%	1.9%	1,390,606	18%	£4,911,824	26%
	£84,599,461	30%	£40,065,943	35%	47.4%	1.8%	9,295,710	25%	£44,533,518	25%

Table 1: Fundamental data

Step 2: Fundamental analysis: applying different lenses

Department	Sales £ ex VAT TY	Sales vs. LY	Profit £ TY	Profit vs. LY	Margin TY %	Margin ppts YoY	Sales Units TY	Sales Units vs. LY	Cost of Goods TY	Cost of Goods vs. LY
Top end	£47,888,301	30%	£23,013,726	35%	48.1%	1.8%	6,260,626	30%	£24,874,575	26%
Mid range	£5,043,238	21%	£2,297,566	25%	45.6%	1.5%	497,630	5%	£2,745,673	17%
Bottom end	£31,667,921	31%	£14,754,651	36%	46.6%	1.8%	2,537,454	20%	£16,913,270	26%
	£84,599,461	30%	£40,065,943	35%	47.4%	1.8%	9,295,710	25%	£44,533,518	25%

Table 2: Fundamental analysis

Step 3: Underlying analysis

Department	Sales £ ex VAT TY	Profit £ TY	Margin TY %	Markdown sales £	Markdown Profit £	Markdown Margin %	Revised margin % - exclude markdown	Revised margin % - vs. previous
sub-depart 1	£1,126,228	£596,525	53.0%	£56,311	£23,000	40.8%	53.6%	0.6%
sub-depart 2	£10,172,999	£5,006,347	49.2%	£610,380	£150,000	24.6%	50.8%	1.6%
sub-depart 3	£31,400,014	£14,885,783	47.4%	£3,140,001	£490,200	15.6%	50.9%	3.5%
sub-depart 4	£5,189,060	£2,525,071	48.7%	£570,797	£20,133	3.5%	54.2%	5.6%
sub-depart 5	£52,225	£23,211	44.4%	£1,567	£696	44.4%	44.4%	0.0%
sub-depart 6	£4,715,098	£2,101,734	44.6%	£188,604	£44,000	23.3%	45.5%	0.9%
sub-depart 7	£275,916	£172,621	62.6%	£13,796	£8,631	62.6%	62.6%	0.0%
sub-depart 8	£22,709,537	£10,708,091	47.2%	£1,362,572	£201,000	14.8%	49.2%	2.1%
sub-depart 9	£8,958,384	£4,046,560	45.2%	£627,087	£150,000	23.9%	46.8%	1.6%
	£84,599,461	£40,065,943	47.4%	£6,571,115	£1,087,660	16.6%	50.0%	2.6%

Table 3: Underlying analysis

Table 1 Fundamental data: When analysing a product range getting the fundamental data together (sales, profit, volume etc) is key to building an overview of what is happening.

Table 2 Fundamental analysis: Viewing data through lots a different lenses allows you to build a detailed understanding of what is driving performance, it also helps you to stop patterns. Some key “lenses” include:

- Price bands – top end, lower end or mid range products
- Branded vs. own brand
- Store formats - large, small shops etc.
- Product sizes
- Shelf positions / shelf space / floor space allocations
- Promotion types e.g. buy one, get one free
- Packaging types
- Supplier
- Marketing channels
- What other lenses exist?

Table 3 Underlying analysis: Don’t just analyse the data, does it need to be adjusted for anything to get a real view of performance? For example: sales/profit data can be diluted by markdown/promotional discounts, thus understating performance. Therefore adjusting for this type of activity helps to give an underlying view of core performance. In table 3 excluding markdown products shows that margin is actually 2.6ppts higher at 50%.