



**Turning Data Into Decision Making Information®**

Store Owner

Store Name / Address

Dear Mr. Store Owner,

This document is the narrative to your Monitor and Measure Report© for September 2014.

Please take a moment to review your Narrative. Should you require an in depth analysis of any information shown here or on the Monitor and Measure Report©, please contact [info@groupcbf.com](mailto:info@groupcbf.com), or call 866-650-9600, and a Specialist will produce the requested detail.

You currently have 54,909 SKU's. Your Total Sales for all Departments this month was \$797,770. Your Cost of Sales was \$482,974, and your Gross Profit was \$311,796. This was a Gross Profit Margin Percentage of 39.23%. Last year, this quarter, your Gross Margin Percentage was 37.45%.

As of the last day of September, 2014, your total inventory value was \$859,487. At this point in the year, your projected sales for your entire fiscal year are \$3,232,443, and your cost of sales would be \$1,925,426. This information is used to project your annual inventory turns, which would be 2.24 and a GMROI (Gross Margin Return on Inventory Investment) of \$1.48. GMROI is a valuable measure of the "productivity" of your inventory investment which considers widely different inventory turns and margins in respective departments. In the Narrative, only the Store Totals are shown. Please refer to your Monitor and Measure Report© for the detail of each Department.

Popularity calculations consider the total sales by Department. An item which contributes to the first 80% of the overall sales in a department is considered an "A" item. A "B" item is an item which contributes the next 10% of total sales (up to 90%). A "C" item contributes up to the next 5% of total sales (up to 95%), and a "D" item rounds out the total sales up to 100%. An "X" item has not had any sales in the past 12 calendar periods. The purpose of this analysis is to test the validity of the "80/20" Rule, or, that "80 percent of Sales come from 20% of the SKU's". It also is a measure of where Inventory is invested in each department, pointing up opportunities for investment improvement.

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At Store Name, the Total Inventory Investment in items which produce 80% of the sales is \$449,180. This is 9,510 items for the entire company.

The investment in "B" items is \$56,576. This is 2,201 items. The investment in "C" items is \$136,170, and the "D" items investment is \$133,020. This is 7,443 and 12,346 items respectively.

Your total investment in "non-moving" items ("X" items) is \$447,571. This is a total of 18,559 SKU's.

Currently 9,614 items have a quantity on hand of zero (out of stock), and 887 have a quantity on hand less than zero (negative). These out of stock items gave your store representing \$210,467 in sales over the last twelve periods at your current retail prices.

In your inventory, there are 3376 discontinued items with a value of \$49,671.

In reviewing the Reorder Points or Maximum Stock levels in your system, if your inventory was at those levels, your total inventory would be \$320,487. Compared to your current inventory level, that is \$539,000 in overstock. Again, (if you have provided it), your overall target inventory level is N/A.

Based on the use of your Special Order SKU(s), the total sales that are Special Orders are N/A. 0.0% of your sales come through the use of your Special Order SKU's.



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The following are statistics of note which should necessitate action:

Number of items whose Actual gross profit percent differs from the Desired Gross profit percent by 10%: 3085.

Number of items with a Promotion Price that are not in the Promotion file: 94.

Number of items whose date of last price change is greater than one year: 7,039

Number of items whose Actual Gross Profit Percentage is less than 30%: 4,326

Number of SKU's without UPC's: 2,683

Number of SKU's coded as Non-Discountable is: 6,265