

HOW TO LEVERAGE YOUR POS DATA TO INCREASE SALES AND GROSS MARGINS

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KITCHENTABLECONSULTANTS.COM



WHO IS THIS FOR?

on-farm retailers



many products



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GUT VS DATA



WHAT DO I KNOW?



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WHO WE ARE

A COLLECTIVE OF
ENTREPRENEURS HELPING
PASSIONATE FARMERS, FOOD
SYSTEM PROFESSIONALS, AND
ECONOMIC DEVELOPMENT
GROUPS, BUILD LASTING,
PROFITABLE, LOCALLY-FOCUSED
BUSINESSES.



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WHAT WE DO

ORGANIZATIONAL STRATEGY & DEVELOPMENT

MANAGEMENT CONSULTING

FINANCIAL CONSULTING

EDUCATION & TRAINING

MARKETING STRATEGY & EXECUTION

NON-PROFIT & REGIONAL FOOD SYSTEM
DEVELOPMENT



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OUR FOUR TENETS

WE'VE WALKED A MILE IN YOUR SHOES.

Our team has spent more time in the trenches than consulting. We know what it feels like to make payroll, hire, fire, motivate, sell and run businesses.

THERE'S NO BS.

We're not worried about our next paycheck, we will tell you what we're thinking, even if you don't like it and even if we're wrong—we're going to be honest, period.

WE ROLL UP OUR SLEEVES, RIGHT ALONGSIDE YOU.

We act like a partner without equity.

WE ARE COMMITTED TO PROVIDING YOU MORE VALUE THAN THE COST OF OUR SERVICES.

What keeps us up at night is that you make more money than our costs. We also aim to teach you the skills you need to graduate from our services.



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TAKEAWAYS

RECOGNITION OF THE IMPORTANCE OF DIGGING THROUGH DATA TO FIND INSIGHTS

- UNDERSTANDING THAT YOUR GROSS MARGIN IS YOUR WEIGHTED AVERAGE GROSS MARGIN
- BELIEVE THAT EXCEL IS YOUR FRIEND
- SOME EXCEL TIPS FOR HANDLING AND SORTING DATA
- MANAGEMENT QUESTIONS TO APPLY TO YOUR:
 - BEST SELLING PRODUCTS
 - HIGHEST MARGIN PRODUCTS
 - LEAST SELLING PRODUCTS
 - LOWEST MARGIN PRODUCTS



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POS DASHBOARDS

Dashboard

☰ Summary View

📅 Jun 12, 2019 - Jun 18, 2019
None

Gross Sales	—	Returns	—	Discounts	—	Net Sales	Sales Tax
6,812.87		0.00		883.22		5,929.65	18.40

Transactions [👉](#)
116

Average Sale Value
51.12

Average Items per Sale
5.5

Net COGs
3,720.49

Gross Margin
37.26%

Gross Profit
2,209.16

Non-cash Gratuity
0.00



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PART ONE

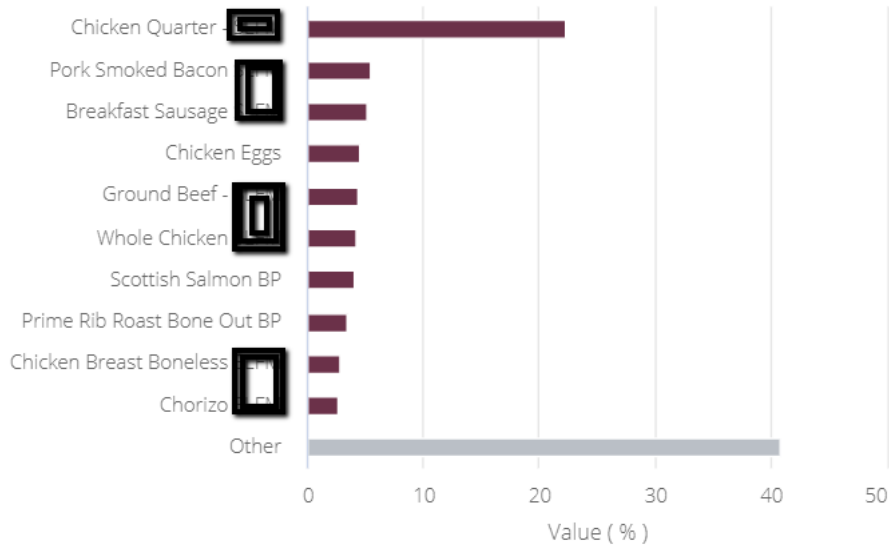
**PRODUCT
POPULARITY
ANALYSIS**



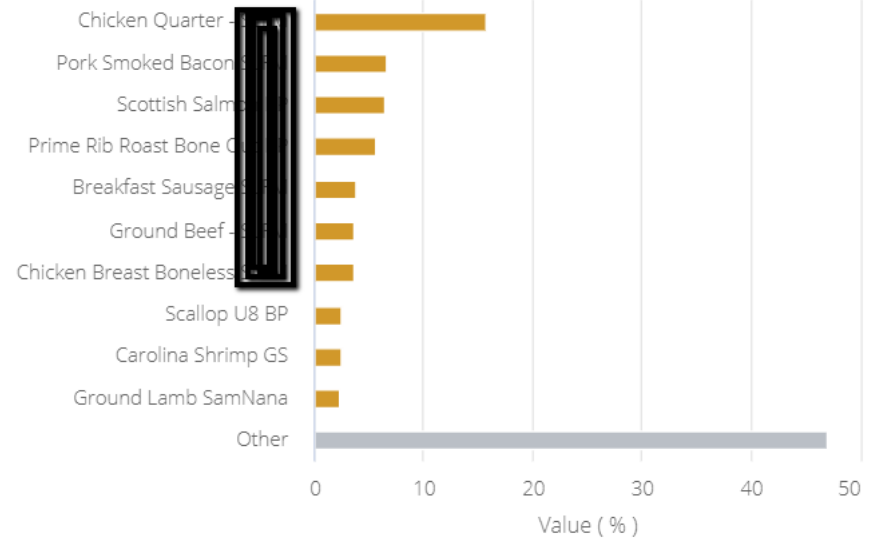
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DATA EXPORT & FOCUSING

Top Items by Quantity Sold



Top Items by Sales Amount



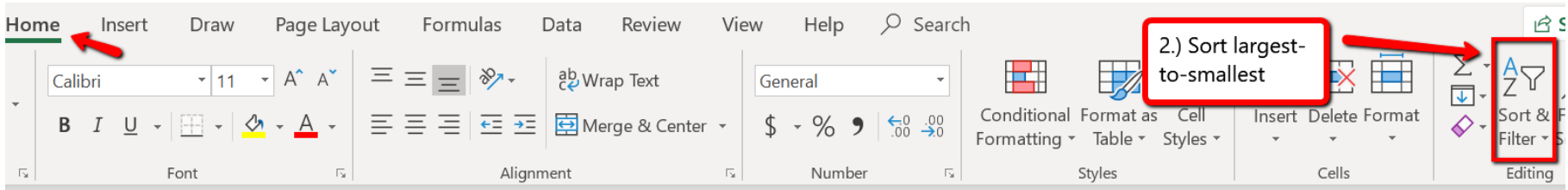
DATA SORTING Frequency

A	B	C	D	E	F	G	H
Item Desc	Departme	Category	Quantity Sold	Sales		Al	Cost:
Ground Be	Beef	Ground	3250.21	2877		1	214:
Ground Be	Beef	general	2650.34	2385		4	181:
Chicken Eg	Dairy & Eg	Eggs	1671	751		0	
Scottish Sa	Seafood &	general	995.53	17669.35	0.34	-6.26	11:
Pork Smok	Prepared	Value-add	584.38	7451.72	0.73	-9.31	3:
Bratwurst	Pork	POR	561.75	5055.75	0	0	26:
Wild Caug	Seafood &	general	557.81	10320.53	0	0	66:
Rib Eye SL	Beef	general	483.35	8942.46	0	0	33:
Turkey AA	Poultry	general	476.08	2380.4	0	0	15:
Corn SBF	Produce	general	419	209.5	0	0	:
Ground Ch	Beef	general	400.79	3607.11	0	0	27:
Smoked D	Pork	general	383.03	5309.03	4.19	-58.66	1:
1/2# Salac	Produce	general	370	2338.5	0	0	
Wild C	Beef	general	351.8	1004.07	0	0	11:

1.) Click on column to select Quantity Sold column

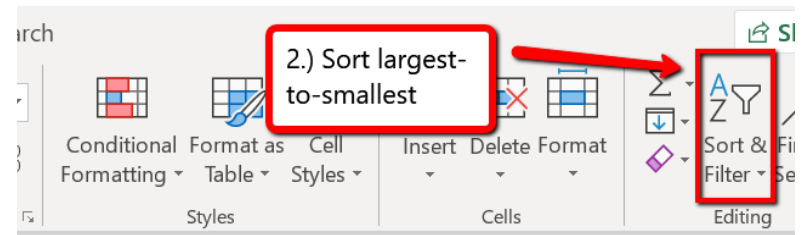
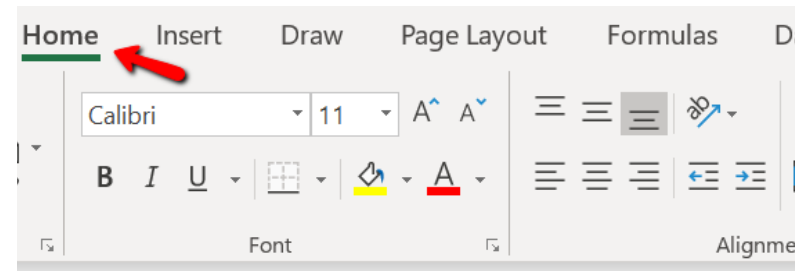


DATA SORTING Frequency



Make sure you're on the home screen by selecting "Home" in the upper left corner.

With the correct column selected (shown on previous slide) select Sort & Filter, then Largest to Smallest.



CONDITIONAL FORMATTING

3.) Automatically color-code your data!

Sold	Sales Amo	Quantity	Returns	Costs	Discounts	Margin	
3250.21	28773.79	189.4	-1679.01	21425.67	2965.77	11	
2650.34	23853.06	0.96	-8.64	18148.25	2107.09	16.51	
1671	7519.5	0	0	5013	14.83	33.2	
995.53	17669.35	0.34	-6.26	11306.4	55.77	35.79	
584.38	7451.72	0.73	-9.31	3501.9	33.63	52.73	
561.75	5055.75	0	0	2612.13	295.94	45.12	
557.81	10320.53	0	0	6693.72	74.34	34.67	
483.35	8942.46	0	0	3310.86	90.97	62.6	
476.08	2380.4	0	0	1566.28	0	34.2	
419	209.5	0	0	209.5	0	0	



PERCENTAGE OF REVENUE

1. Sort by Revenue column
2. Total the revenue (or Sales Amount)
3. Divide the first item's revenue by the total
4. Add "\$" "\$" to the formula to anchor the total
5. Drag formula down to auto calculate all products



PERCENTAGE OF REVENUE

A	B	F	U	V	W	X
Item #	Item Description	Revenue	% of Revenue			
1	Ground Beef [REDACTED]	\$ 28,774	8.4%			
2	Ground Beef - [REDACTED]	\$ 23,853	7.0%			
3	Scottish Salmon BP	\$ 17,669	5.2%			
4	Wild Caught Shrimp	\$ 10,321	3.0%			
5	Rib Eye [REDACTED]	\$ 8,942	2.6%			
6	Chicken Eggs	\$ 7,520	2.2%			
7	Pork Smoked Bacon S	\$ 7,452	2.2%			
8	Catering	\$ 6,435	1.9%			
9	Beef Tenderloin - [REDACTED]	\$ 6,087	1.8%			
10	Scallop U8 BP	\$ 5,969	1.8%			
11	NY Strip - [REDACTED]	\$ 5,365	1.6%			
12	Smoked Deli Ham [REDACTED]	\$ 5,309	1.6%			
13	Bratwurst [REDACTED]	\$ 5,056	1.5%			
14	Smoked Salmon [REDACTED]	\$ 3,726	1.1%			
15	Ground Chuck - [REDACTED]	\$ 3,607	1.1%			
16	Pork Chop - [REDACTED]	\$ 3,522	1.0%			

top 10% of products =
64.7% of revenue



MOST POPULAR PRODUCTS

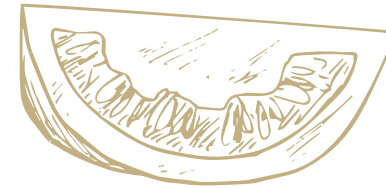
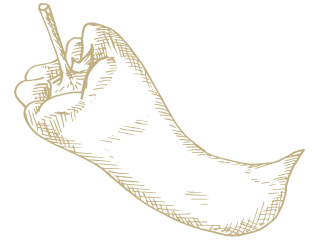
- Why do these products sell most often?
- What are some common patterns among these top products?
- Are there other products similar to these top products that we could carry that might also sell?
- Could these top products be promoted to sell even more often?
- Are there high-margin / low volume products that could be merchandised closer to these top products?
- What % of revenue comes from the top 20% of products?
- What % of revenue comes from the top 5 or 10% of products?
- Others?



LEAST POPULAR PRODUCTS



- Why do these products sell so infrequently?
 - Are they new?
 - Are they poorly merchandised?
- Why are you carrying them?
 - Customer requested?
 - Strategic reason?
 - Early trending products with growth potential?
- What % of the market's limited square footage is being occupied by the least popular 20%?
- Should you consider discontinuing some of these products?
- Others?



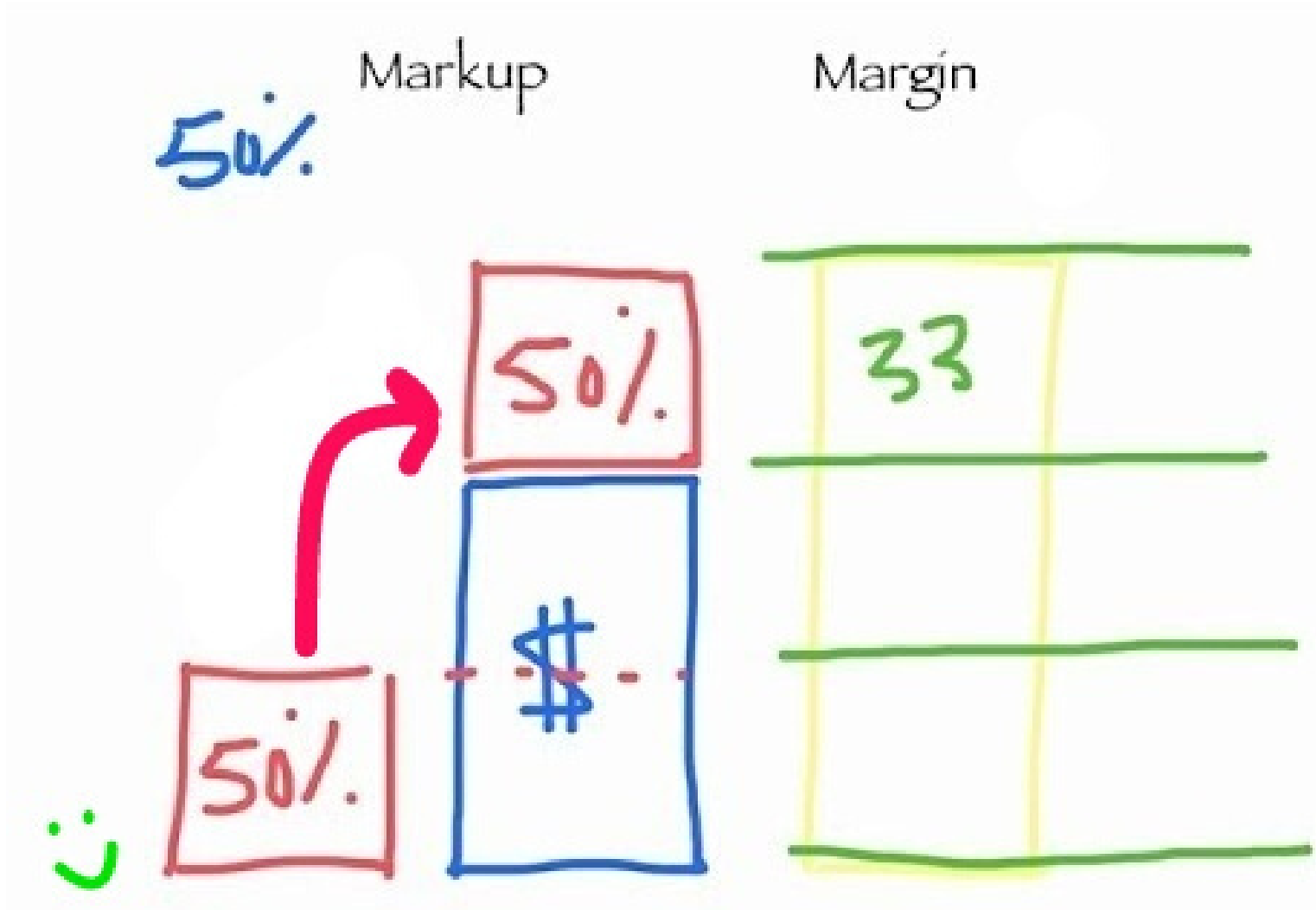
PART TWO

GROSS MARGIN ANALYSIS



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MARKUP VS MARGIN



CALCULATING GROSS MARGIN

SELLING PRICE - COGS = GROSS PROFIT

GROSS PROFIT / SELLING PRICE = GROSS MARGIN %

To set a price that achieves the target gross margin of 40%, divide the cost by 60% (or .6).

Example

IF Product Cost = \$3.50
Your Goal = 40% margin

THEN \$3.50 / .6
Price = \$5.83



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GROSS PROFIT & GROSS MARGIN

A	B	C	D	E	K	L
Item Description	Departme	Category	Quantity Sold	Sales Amount	Gross Profit	GM
Ground Beef [REDACTED]	Beef	Ground	3250.21	\$ 28,774	2703.34	9.4%
Ground Beef - [REDACTED]	Beef	general	2650.34	\$ 23,853	3589.08	15.0%
Chicken Eggs	Dairy & Eg	Eggs	1671	\$ 7,520	2491.67	33.1%
Scottish Salmon BP	Seafood &	general	995.53	\$ 17,669	6300.92	35.7%
Pork Smoked Bacon S	Prepared	Value-add	584.38	\$ 7,452	3906.88	52.4%
Bratwurst [REDACTED]	Pork	[REDACTED] POR	561.75	\$ 5,056	2147.68	42.5%
Wild Caught Shrimp	Seafood &	general	557.81	\$ 10,321	3552.47	34.4%
Rib Eye SLFM	Beef	general	483.35	\$ 8,942	5540.63	62.0%
Turkey AA	Poultry	general	476.08	\$ 2,380	814.12	34.2%
Ground Chuck - [REDACTED]	Beef	general	400.79	\$ 3,607	789.13	21.9%
Smoked Deli Ham [REDACTED]	Pork	general	383.03	\$ 5,309	3336.16	62.8%
1/2# Salad Mix T&L	Produce	general	370	\$ 2,339	986.24	42.2%
Whole Chicken [REDACTED]	Poultry	general	351.8	\$ 1,921	741.94	38.6%
Chuck Roast - [REDACTED]	Beef	general	347.5	\$ 3,128	660.94	21.1%
1/2 # Spring Lettuce M	Produce	general	342	\$ 2,009	471	23.4%
Ground Sirloin - [REDACTED]	Beef	general	332.88	\$ 3,163	842	26.6%
Dog Food [REDACTED]	Beef	general	324.45	\$ 860	165.21	19.2%
Beau Soleil Ovster	Seafood &	general	317	\$ 491	102.84	20.9%



CALCULATING FREQUENCY & WEIGHTED AVERAGE MARGIN

1. Sort by Quantity Sold
2. Create new column for frequency
3. Create Grand Total of # of Items Sold
4. Divide the first item's quantity by total quantity
5. Add "\$" and "\$" to formula
6. Drag formula down
7. Use SUMPRODUCT to calculate weighted avg margin =SUMPRODUCT(select frequency column data, select gross margin data)



CALCULATING FREQUENCY & WEIGHTED AVERAGE MARGIN

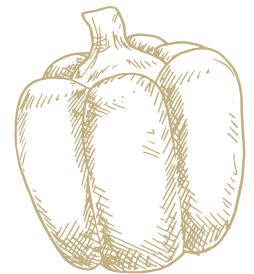
MPRODUCT X ✓ fx =SUMPRODUCT(E2:E477,T2:T477)

A	D	E	F	I	L	T	U	V
Item Description	Quantity Sold	Frequency	Sales Amount	Costs	Gross Profit	GM		
Smelt - BP	1.11	0.003%	\$ 10	\$ 7	\$ 4	35%		
Buffalo Ground SLFM	1.04	0.003%	\$ 13	\$ 11	\$ 2	14%		
Shallot	1.03	0.003%	\$ 6	\$ 4	\$ 2	36%		
Aioili	1	0.003%	\$ 5	\$ 2	\$ 4	70%		
Chicken Tender Laurewood	1	0.003%	\$ 12	\$ 8	\$ 4	35%		
Ciabatta bread	1	0.003%	\$ 10	\$ 8	\$ 2	16%		
Duck Eggs	1	0.003%	\$ 6	\$ 4	\$ 2	33%		
Masciarelli CV	1	0.003%	\$ 13	\$ 9	\$ 5	35%		
Multigrain with Seeds Small	1	0.003%	\$ 6	\$ 5	\$ 1	23%		
Necks - LWF	1	0.003%	\$ 5	\$ 3	\$ 2	35%		
Whole Lamb SLFM	1	0.003%	\$ 489	\$ 356	\$ 133	27%		
Yalumba Viognier	1	0.003%	\$ 15	\$ 10	\$ 5	35%		
Pinto Beans	0.95	0.003%	\$ 6	\$ 4	\$ 2	35%		
Beef Jerky	0.47	0.001%	\$ 19	\$ 6	\$ 13	70%		
	32268.9				avg	37%		
					wavg	=SUMPRODUCT(E2:E477,T2:T477)		



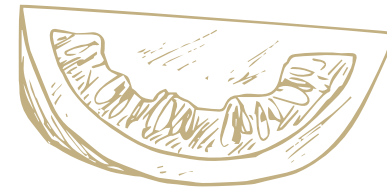
HIGH-MARGIN ITEMS

- What are the top 10 items from a margin perspective?
 - Are these products merchandised as prominently as possible?
 - How frequently do these high-margin items sell?
- Do you run any promotions to feature and market these top margin products? (with or without)
- Have you updated your product costs to account for any changes?
- Others?



LOW-MARGIN ITEMS

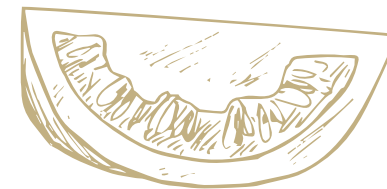
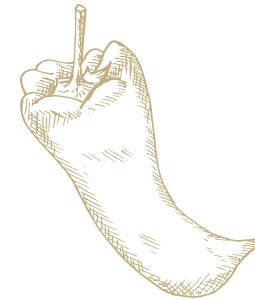
- Look at the bottom 20% from a margin perspective:
 - Are the costs and pricing correct?
 - Can you increase your prices on these items?
 - If not should you sell them? Loss leaders?
- Do any of these low-margin products have high volume?
 - If so, can you make a minor increase in price to have a significant impact on your weight?
 - If so, can you negotiate with your suppliers to request better pricing for your highest volume items?



LOW < --- MARGIN ---> HIGH

<p>Slight Improvements in Margin Will Have a Large Impact on Weighted Avg GM</p>	<p>IDEAL Products! How can you offer more similar products?</p>
<p>Why Carry these? Can you raise prices to at least move them to the right?</p>	<p>Are they priced too high? Can you promote them more? Are they merchandised well?</p>

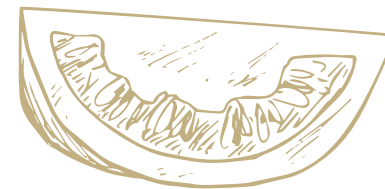
LOW < --- POPULARITY ---> HIGH



LOW < --- MARGIN ---> HIGH

<p>Slight Improvements in Margin Will Have a Large Impact on Weighted Avg GM</p>	<p>IDEAL Products! How can you offer more similar products?</p>
<p>Why Carry these? Can you raise prices to at least move them to the right?</p>	<p>Are they priced too high? Can you promote them more? Are they merchandised well?</p>

LOW < --- POPULARITY ---> HIGH



THANK YOU

Questions?

NOAH@KITCHENTABLECONSULTANTS.COM

Complimentary chat to discuss your data?

CALENDLY.COM/NOAH-KTC/30MIN



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