

## CHECKLIST 11 (2 Pages)

- 1-4. A retailer provides you with the following set of numbers, saying he wishes to improve the GMROS figure without changing cost and sell prices.

RETAIL PRICE	\$/Unit	10.00
MONTHLY VOLUME	Units	8.00
COST	\$/Unit	8.00
AV SOH	Units	16.00
MONTHLY GP	\$	16.00
MARGIN	%	20%
ANNUAL STOCK TURN	\$ Cost method	6.00
GMROI	GP\$/ \$ inv cost	1.50
SPACE	m <sup>2</sup>	1.00
GMROS	GP\$/m <sup>2</sup>	192.0

What are his three options for increasing the GMROS figure?

- Option One:
- Option Two:
- Option Three:
- If the retailer goes for Option One, how many more units need to be sold to lift GMROS to a new level of 240 \$per square metre?

5. For a retailer, which aspects of the retail wheel can a supplier have the most impact on?

- 6-10. You have been analysing sales data nationally for four of your products which all play in the same Category. You are wondering if the data might reveal areas of strength and / or vulnerability, so you have printed a report of sales for the year to date, for all four lines.

State	Product A	Product B	Product C	Product D
NSW	330	465	180	265
Vic	275	285	120	230
Qld	200	210	105	215
WA	100	120	55	80
SA	85	125	50	65
Tas	30	35	15	20

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6. What does the above print-out tell you

7. What additional data do you need?

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8. What would you do with the data in order to reach some conclusions?


9. What do the data indicate? (Can only be answered if Q 8 is correctly answered)

10. What caveats would you apply?