

Example Strategic Business Proposal 500-word Summary

This example provides notes that show where the IEPA identified the potential for the apprentice to cover *all* of the assigned KSBs in the full Strategic Business Proposal (SBP).

The IEPA would then sign-off this summary, which would allow the apprentice to begin work on the full SBP.

Proposal to increase profit and customers through a review of XYZ Retail's Promotional Strategy

Introduction

I am XYZ Retail's Commercial Accountant.

I identified that XYZ often made less profit when promoting a product than over a similar period when it was not on promotion. I fed this data to the senior management team (SMT) as it's contrary to XYZ's strategic objective to maximise profitability and customers.

The SMT and Retail Director tasked me with reviewing our Promotional Strategy to gain an understanding of promotional performance, in order to make informed, strategic decisions. This includes setting up new processes to monitor/review promotional performance, which falls within my role.

Scope and business impact

Promotions account for 30% of revenue. Volume uplift should ensure profit is maintained or increased versus what would happen without a promotion **OR** a conscious 'business benefit' decision is made to take a loss to increase customer demand (even when not on promotion) or for stock clearance purposes. Currently, there is no understanding if discounts erode profit; or the impact promotions have on customer behaviour/profit.

This is a key opportunity to deliver on the aforementioned strategic objective and will allow me to evidence all the KSBs.

Business need/rationale

Benefits include:

- Identifying optimal promotional mechanics, which drive customer uplift and profitability.
- Agreeing discounts with suppliers to maintain profitability.
- Attracting current/new customers
- Driving long-term users of products (on or off promotion)
- Increasing market share (competitors' customers switch to XYZ).
- Increasing halo effect on other XYZ products.
- Less inaccurate forecasting/surplus stocks.

K8 Financial strategies; & **K9** Financial governance and legal requirements, and procurement strategies.

B3 Curious and innovative - exploring areas of ambiguity and complexity and finding creative solutions.

S2 Set strategic direction and gain support for it from key stakeholder; **K3** New market strategies, changing customer demands and trend analysis; & **K8** Modelling and identifying trends.

K8 Financial strategies, for example scenarios, modelling and identifying trends, application of economic theory to decision making, and how to evaluate financial and non-financial information.

K8 Modelling and identifying trends.

K15 Brand and reputation management.

Stakeholders

I will use a systems-based, collaborative approach involving numerous departments:

- **SMT:** Sponsors
- **Buyers:** nominate products; suggest promotional mechanics; and hold supplier relationships
- **Supply Chain:** forecast volume/order stock
- **Promotional Content:** set up the promotions and marketing
- **Retail (shop floor):** implement promotions and witness customers' responses

I will use my influencing and negotiation skills to gain support and collaboration (by selling the business benefits of their expert input) particularly with those colleagues that believe *any promotion* is positive.

Six-Months Implementation Plan

1. Determine Key Performance Indicators (KPIs):
 - Volume, Revenue and Profit uplift
 - Customer analysis
 - Loyalty card data.
2. Implement new nomination processes for stakeholders to input their deals, forecast volume and suggest promotional mechanics (driving departmental accountability).
3. Training stakeholders.
4. Calculate the expected revenue and profitability – enabling a 'promotion pre-review' and senior stakeholder 'sign-off'.
5. KPI Reporting (promotional period's 'Actual Results' versus the 'Forecast').
6. Hold reviews with key stakeholders.
7. Publish promotional period reviews – informing key stakeholders the Forecast was achieved; challenges experienced; and lessons learnt (financial, operational and customer perspective).
8. Analyse promotional impact on customers (new customers during promotional period/repeat custom post-promotional period).
9. Create a database for each category and the various promotional mechanics (3 for 2; BOGOF; save 20% etc.)
10. Build a 'test and learn dynamic' to model the relationship between 'promotional mechanic' and 'customer demand' – and associated Revenue and Profit uplift.

K14: Working with board and other company leadership structures; **K16** Working with corporate leadership structures...; and **S20** Lead within their area of control and authority influencing both upwards and outwards, negotiating and using advocacy skills to build reputation and effective collaboration.

K5 Systems thinking, knowledge/data management, research methodologies and programme management.

K12 Influencing and negotiating strategies both upwards and outwards; **S13** Use personal presence and "storytelling" to articulate and translate vision into operational strategies, demonstrating clarity in thinking; & **S19** Manage relationships across multiple and diverse stakeholders.

K16 Working with corporate leadership structures...; **S3** Undertake research, and critically analyse and integrate complex information; & **S11** Use financial data to allocate resources.

K9 Financial governance and legal requirements, and procurement strategies.

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