RAB7A

PROFIT INTELLIGENCE & ACTION REPORT

From Business Data to Measurable Profit Decisions

Client	Analysis Period	Currency	Report Date	Version
Northstar Distribution LLC (Fictional)	Jan-Dec 2025 vs Jan-Dec 2024	USD	4 Sep 2026	Demo v1.0

IMPORTANT
Every company, customer, product, supplier, employee, amount and recommendation in this document is fictional and included only to demonstrate the intended RAB7A client deliverable. In production, every result must be generated from reconciled client evidence.

Executive deliverable + decision cards + 90-day action plan + benefits tracker + audit appendix

1. Executive Profit Story

Management answer in one page
What happened? Why? Where is profit leaking? What should management do first? What could it be worth - and what evidence is still required?

KPI	2025	2024	Change	Management Read
Gross Sales	$12.84m	$11.96m	+7.4%	Growth
Net Sales	$11.92m	$11.23m	+6.1%	Growth below gross sales
Gross Profit	$2.71m	$2.68m	+1.1%	Profit growth lagging sales
Gross Margin	22.7%	23.9%	-1.2 pts	Margin erosion
Contribution Profit	$2.09m	$2.13m	-1.9%	Cost-to-serve pressure
Net Profit	$1.14m	$1.21m	-5.8%	Profit declined despite sales growth
Working Capital	$3.06m	$2.74m	+$0.32m	More cash tied up

RAB7A Executive Diagnosis

Northstar grew net sales by 6.1%, but converted that growth into only 1.1% more gross profit and 5.8% less net profit. The primary leakage is concentrated in discount realization, customer-product mix, supplier cost inflation, returns, and excess inventory. The expected qualified opportunity is $612k annualized, subject to the assumptions and approvals shown in this report. The first three actions represent approximately 71% of that expected value.

Top Management Decisions

Priority	Decision	Evidence	Expected Impact	Confidence	Next Action
P1	Reprice selected low-margin customer/SKU combinations	18 combinations below internal margin floor; stable volumes	$182k	High	Commercial review in 10 days
P1	Renegotiate supplier Atlas Foods	Unit cost +6.8%; high purchase concentration	$146k	High	Open negotiation pack
P1	Tighten discount governance	$318k discount leakage vs policy/reference bands	$108k	High	Approve exception workflow
P2	Reduce slow-moving inventory	$640k stock >120 days	$110k cash release	Medium	Validate demand + lead time
P2	Reduce repeat returns in chilled category	Return rate 4.7% vs 2.1% portfolio	$66k	Medium	Root-cause by customer/SKU

Qualified opportunity
Conservative: $408k | Expected: $612k | Ambitious: $842k. These are scenario values, not promised or realized profit. Realized value is recorded only in the Benefits Tracker.

2. Financial Truth & Data Confidence

Metric	ERP / GL	RAB7A	Variance	Status
Gross Sales	$12,842,310	$12,842,310	$0	Reconciled
Discounts	($536,420)	($536,420)	$0	Reconciled

Returns	($381,770)	($381,770)	$0	Reconciled
Net Sales	$11,924,120	$11,924,120	$0	Reconciled
COGS	($9,214,560)	($9,214,560)	$0	Reconciled
Gross Profit	$2,709,560	$2,709,560	$0	Reconciled

Data Confidence: 96%
All core financial datasets are assumed available for this demo. In a real engagement, RAB7A must show missing data and explicitly state which conclusions become unavailable or downgraded.

Data Domain	Status	What It Enables
Sales transactions	Complete	Revenue, pricing, discount, returns, customer/SKU analysis
COGS / cost history	Complete	GP and margin analysis
Customer & product masters	Complete	Segmentation and entity intelligence
Inventory + batch/expiry	Complete	Aging, cover, expiry and cash release
Purchases + supplier terms	Complete	Supplier economics and negotiation
AR/AP	Complete	DSO/DPO and working capital
OPEX + logistics	Complete	Contribution and net-profit views
Targets + sales reps	Complete	Sales-team performance

3. Profit Bridge - Where the Money Went

Profit Line	Value	% of Gross Sales
Gross Sales	$12,842,310	100.0%
Discounts	($536,420)	-4.2%
Returns	($381,770)	-3.0%
Net Sales	$11,924,120	92.9%
COGS	($9,214,560)	-71.8%
Gross Profit	$2,709,560	21.1% of gross / 22.7% of net
Direct service & logistics	($618,000)	-4.8%
Contribution Profit	$2,091,560	16.3%
OPEX	($951,000)	-7.4%
Net Profit	$1,140,560	8.9%

Change vs Prior Period - Driver Decomposition

Driver	Profit Impact	Margin Impact	Interpretation
Volume	+$174k	+0.4 pts	Positive demand
Price realization	+$61k	+0.2 pts	Selective price gains
Customer/product mix	-$118k	-0.5 pts	Growth tilted to lower-margin combinations
Purchase cost	-$129k	-0.6 pts	Supplier inflation
Discounts & returns	-$83k	-0.4 pts	Commercial leakage
OPEX / service cost	-$44k	-0.3 pts	Higher delivery and operating burden

4. Profit Leakage Map

Driver	Observed Leakage	Recoverable Opportunity	Expected Impact	Confidence	Readiness
Pricing	$286k	$225k	$182k	High	Ready after commercial approval
Discounts	$318k	$142k	$108k	High	Ready
Returns	$164k	$91k	$66k	Medium	Validate root cause
Product/customer mix	$231k	$154k	$92k	Medium	Ready for account review
Supplier cost	$207k	$171k	$146k	High	Negotiation ready

Inventory / expiry	$640k cash exposure	$154k cash release	$110k cash	Medium	Validate service impact
Logistics / order size	$96k	$54k	$18k	Medium	Pilot
Collections	$410k overdue	$205k accelerated cash	$90k cash	Medium	Collections plan

RAB7A de-duplicates overlapping opportunities before aggregation. Leakage, recoverable opportunity, expected impact and realized benefit are separate measures.

5. Customer Profit Intelligence

Customer	Net Sales	GP	GM%	Contribution	DSO	RAB7A Decision
MetroMart	$1.48m	$244k	16.5%	$151k	62	Repair margin before expanding volume
GreenBasket	$1.12m	$319k	28.5%	$251k	34	Protect and grow
City Hospitality	$0.94m	$146k	15.5%	$81k	77	Reprice + collection plan
Prime Grocers	$0.82m	$218k	26.6%	$176k	41	Cross-sell high-margin range
FreshCorner	$0.61m	$74k	12.1%	$31k	58	Review service model and mix

Customer Decision Card - MetroMart

Metric	Result	Evidence / Read
Net Sales	$1.48m	12.4% of company net sales
GP / GM%	$244k / 16.5%	6.2 pts below company average
Contribution	$151k	Small orders and delivery frequency dilute GP
Discounts + Returns	8.7% of gross sales	Above portfolio median 5.9%
DSO	62 days	Terms: 45 days
Concentration	Top 5 SKUs = 71%	Three are below margin floor

Recommended decision

Do not stop the account. Review net price on the three low-margin SKUs, introduce a minimum-order / consolidated-delivery pilot, shift mix toward two higher-contribution substitutes, and agree a collection plan before granting additional credit. Expected annualized impact: $74k; confidence: High.

6. Product & Portfolio Intelligence

SKU / Product	Net Sales	GP	GM%	Trend	Inventory Risk	Decision
P-101 / Classic Olive Oil 1L	$1.08m	$119k	11.0%	Sales up / margin down	Low	Reprice + supplier negotiation
P-214 / Premium Pasta 500g	$0.74m	$207k	28.0%	Stable	Low	Protect / expand distribution
P-330 / Chilled Yogurt 6-Pack	$0.59m	$61k	10.3%	Returns rising	Medium	Fix returns before growth
P-412 / Tomato Sauce 400g	$0.47m	$132k	28.1%	Growing	Low	Cross-sell
P-509 / Snack Multipack	$0.31m	$22k	7.1%	Declining	High	Conditional rationalization review

Product Decision Card - P-101

- Price realization declined 2.8% while purchase cost rose 5.9%.
- 68% of volume is concentrated in four customers; two are below the SKU margin floor.
- Supplier Atlas Foods accounts for 83% of purchase volume.
- Recommended path: customer/SKU repricing + supplier cost negotiation; no phase-out recommendation.
- Expected annualized GP impact: $91k; downside case assumes 3% volume loss.

7. Customer x Product Profitability Matrix

Customer	SKU	Net Sales	GP	GM%	Leakage Driver	Action
MetroMart	P-101	$318k	$22k	6.9%	Net price + cost	Reprice 3-4% and renegotiate cost
City Hospitality	P-330	$184k	$12k	6.5%	Returns + delivery	Fix returns and order pattern
FreshCorner	P-509	$126k	$4k	3.2%	Discount + low volume	Review commercial viability
GreenBasket	P-214	$211k	$68k	32.2%	None material	Protect / expand

Hidden leakage example

MetroMart is profitable overall, but P-101 absorbs disproportionate commercial effort and produces only 6.9% GM. A 3.5% net-price improvement, assuming 2% volume downside, produces an expected $29k GP uplift on this combination alone.

8. Pricing, Discounts & Returns Intelligence

Account / SKU	Issue	Evidence	Expected Impact	Action
MetroMart / P-101	Price realization	Net price 4.1% below peer/reference band	$29k	Commercial review
FreshCorner / P-509	Discount leakage	Discount 9.8% vs policy 5%	$17k	Tighten exception
City Hospitality / P-330	Repeat returns	Return rate 8.2%; reason code: damage	$24k	Packaging/delivery root cause
Multiple / P-214	Price dispersion	7.3% spread after terms normalization	$21k	Segmented price corridor

Pricing control

Scenario output is not a demand forecast. Every pricing recommendation must show volume sensitivity, contract constraints, tax/rebate treatment and required commercial approval.

9. Supplier & Procurement Intelligence

Supplier	Purchases	Generated Sales	GP	Cost Trend	Credit Days	Decision
Atlas Foods	$3.18m	$4.12m	$641k	+6.8%	30	Priority negotiation
SunHarvest	$1.74m	$2.36m	$603k	+2.1%	45	Protect terms / rebate review
North Mills	$1.22m	$1.69m	$418k	+1.4%	60	Maintain / service SLA

BlueWave Imports	$0.91m	$1.18m	$221k	+4.9%	30	Cost + freight review

Supplier Negotiation Pack - Atlas Foods

Negotiation Lever	Financial Baseline	Target	Walk-away / Boundary
Purchase price	$3.18m annual purchases	2.5-3.5% reduction	Do not accept >1% increase without offset
Credit days	30	45	Minimum 38
Rebate	0.8%	1.5%	Minimum 1.2%
Expiry/returns	Limited support	100% near-expiry support on agreed SKUs	At least 70%
Fill rate SLA	92%	97%	95%

Negotiation value
Expected annualized value: $146k, combining price, rebate and working-capital effects without double counting.

10. Inventory & Working Capital Intelligence

SKU	Stock Value	Cover Days	Age	Expiry / Risk	Action
P-509	$184k	142	37% >120 days	High	Bundle / transfer / reduce reorder
P-330	$121k	61	Fresh stock	Medium expiry	Align replenishment with returns correction
P-620	$96k	188	52% >180 days	No expiry date	Validate demand; controlled liquidation
P-214	$73k	31	Healthy	Low	Maintain

Working Capital Metric	Current	Target / Opportunity
Inventory	$1.84m	$110k potential cash release
Trade Receivables	$1.63m	$205k accelerated cash
DSO	51 days	46 days
Trade Payables	$0.41m	Supplier-term optimization subject to terms
Cash Conversion Cycle	67 days	Target 57-60 days

11. Sales Team Profit Performance

Sales Rep	Net Sales	GP	GM%	New Active	Returns	DSO	Decision
Lena R.	$2.18m	$556k	25.5%	11	2.0%	39	Top performer - protect quality
Omar K.	$1.94m	$374k	19.3%	7	3.9%	58	Improve mix + collections
Maya S.	$1.62m	$401k	24.8%	13	2.4%	43	Scale strategic SKUs
Daniel T.	$1.47m	$241k	16.4%	5	5.8%	66	Margin/ return recovery plan

Performance principle
RAB7A does not reward volume at the expense of profit, returns or collections. Comparisons should be normalized for channel, territory and portfolio where possible.

12. Channel & Regional Economics

Channel	Net Sales	GP	GM%	Cost-to-Serve	Contribution	Decision
Modern Trade	$4.31m	$817k	19.0%	$251k	$566k	Repair selected accounts
HORECA	$2.42m	$518k	21.4%	$174k	$344k	Order-size discipline
General Trade	$3.68m	$944k	25.7%	$143k	$801k	Protect / expand
E-commerce	$1.51m	$431k	28.5%	$50k	$381k	Scale with fulfillment guardrails

13. Opportunity Portfolio & Prioritization

ID	Opportunity	Area	Conservative	Expected	Ambitious	Confidence	Effort	Priority
OP-01	Selected repricing	Pricing	$121k	$182k	$248k	High	Medium	P1
OP-02	Atlas supplier negotiation	Procurement	$96k	$146k	$201k	High	Medium	P1
OP-03	Discount governance	Commercial	$72k	$108k	$151k	High	Low	P1
OP-04	Returns reduction	Operations	$41k	$66k	$94k	Medium	Medium	P2
OP-05	Mix optimization	Portfolio	$55k	$92k	$128k	Medium	Medium	P2
OP-06	Logistics/ order size	Service	$12k	$18k	$20k	Medium	Medium	P2

Portfolio total
Conservative: $397k | Expected: $612k | Ambitious: $842k. Inventory and collection cash-release opportunities are tracked separately from profit impact.

14. What-If Impact Simulator

Scenario Lever	Conservative	Expected	Ambitious
Net price realization	+1.0%	+1.6%	+2.2%
Discount leakage reduction	15%	25%	35%
Supplier cost improvement	1.5%	2.5%	3.5%
Returns reduction	10%	20%	30%
DSO improvement	-2 days	-5 days	-8 days

Output	Conservative	Expected	Ambitious
Net Sales impact	+$132k	+$211k	+$292k
Gross Profit impact	+$397k	+$612k	+$842k
Net Profit impact	+$284k	+$438k	+$601k
Cash release	$128k	$315k	$487k
Downside / risk	Low	Moderate	Higher execution / volume sensitivity

Every production scenario must carry its formula, input values, assumptions, sensitivity, assumption owner and approval date.

15. AI-Assisted Decision Recommendations

D-001 - Recover margin on MetroMart / P-101

Problem: 6.9% GM on a high-volume combination. Evidence: net price below reference corridor, supplier cost inflation, stable trailing volume. Root cause: commercial price realization + input cost. Action: negotiate 3-4% net-price improvement while opening Atlas Foods cost negotiation. Expected impact: $29k on this combination; confidence High. Risk: volume response. Owner: Commercial Director. KPI: realized net price and GP. Human approval required.

D-002 - Reduce discount leakage

Problem: discount exceptions concentrate in 14 customers and 23 SKUs. Evidence: $318k leakage versus policy/reference bands. Action: introduce approval threshold, weekly exception review and account-specific corridors. Expected impact: $108k; confidence High. Owner: Sales Director. KPI: discount % and GP.

D-003 - Reduce aged inventory

Problem: $640k inventory is older than 120 days. Action: freeze selected reorders, transfer stock, bundle where economics remain positive, and negotiate supplier support. Expected cash release: $110k; confidence Medium. No phase-out decision until demand, strategic role and substitutes are reviewed.

16. 30 / 60 / 90-Day Profit Action Plan

Timing	Action	Owner	Baseline	KPI	Expected Value	Status
Days 1-30	Approve price/discount corridors	Commercial Director	Current net price / discount	Net price, GM%	$108k-$182k	Not started
Days 1-30	Open Atlas negotiation	Procurement Director	Current price/terms	Cost, rebate, credit days	$146k	Not started
Days 1-30	Returns root-cause sprint	Operations + QA	4.7% chilled return rate	Return % / value	$66k	Not started
Days 31-60	Customer/SKU mix plans	Sales Managers	Current mix	GP/customer, GM%	$92k	Planned
Days 31-60	Inventory reduction pilot	Supply Chain	$640k aged stock	Aged stock / cash	$110k cash	Planned
Days 61-90	Scale proven interventions	CFO + functional owners	Pilot results	Realized benefit	TBD after proof	Planned

17. Benefits Realization Tracker

Decision	Expected	Realized Gross	Implementation Cost	Net Realized	Status
D-001	$182k	$0	$0	$0	Approved - not implemented
D-002	$108k	$0	$0	$0	Approved - not implemented
D-003	$110k cash	$0	$0	$0	Validation pending

Measurement rule

Expected impact is never presented as realized profit. Benefits are recorded only after implementation, against a defined baseline and comparison period, net of implementation cost and negative side effects.

18. Risks, Missing Data & Decision Boundaries

Evidence State	Meaning	Example
Proven	Reconciled, traceable fact	Net sales, COGS, GP
Likely	Multiple signals support the pattern	Likely service-cost leakage
Review Opportunity	Additional evidence required before decision	Potential price increase without elasticity evidence
Not Inferable	Insufficient data; no conclusion generated	Product lifecycle without history

- No customer, product or supplier is stopped based on margin alone.
- No Growth / Decline / Price Power label is generated without sufficient time-series evidence.
- No channel/customer net profitability is claimed without an explicit cost-allocation method.
- Correlation is not presented as proven root cause.
- Commercially sensitive actions require human approval.

19. Client Data Request Pack - What Is Needed for Each Result

The table below is intended for proposals and manual delivery before full RAB7A automation. It tells the client exactly what must be supplied and what becomes unavailable when a dataset is missing.

Result / Module	Required Client Files	If Missing
Financial truth / reconciliation	Sales transactions + GL/ERP summary + COGS	Core profit report cannot be certified
Customer profitability	Sales + COGS + Customer Master; logistics/OPEX for net contribution	Only gross contribution / GP view
Product profitability	Sales + COGS + Product Master	No reliable SKU margin
Customer x Product matrix	Sales line detail + COGS + both masters	Unavailable
Pricing intelligence	Sales line detail + discounts/returns; price history/list preferred	Current price realization only; no strong pricing-power claim
Discount leakage	Sales + discount fields + policy/price list if available	Only descriptive discount analysis
Returns intelligence	Sales/credit notes + returns detail/reason codes	Return value only; weak root-cause analysis
Supplier negotiation	Purchases + Supplier Master + terms + cost history + rebates	Cannot produce negotiation economics
Inventory & cash	Inventory movements/snapshot + product master; batch/expiry preferred	No aging/expiry/cash-release decision
Working capital	AR + AP + inventory	DSO/DPO/CCC unavailable or partial
Sales team performance	Sales + rep assignment + targets + customer/channel context	No fair target/rep assessment
Channel/region economics	Sales + masters + allocable service/logistics costs	GP view only; no net contribution claim
Net profit bridge	Sales + COGS + OPEX + service/logistics	Stops at GP/contribution depending coverage
90-day plan / benefits tracker	All evidence supporting selected decisions + baseline period	Plan can be drafted; realized benefits cannot be proven

Recommended Data History

Coverage	Minimum	Recommended	Ideal
Transaction history	12 months	24 months	36 months
Cost / price history	12 months	24 months	36 months
Inventory snapshots/movements	6-12 months	24 months	36 months
AR/AP history	6-12 months	24 months	36 months

Capability rule

RAB7A should not reject a client simply because every file is unavailable. The report should degrade transparently: Core Profit -> Commercial Intelligence -> Working Capital -> Full Profit Intelligence. Missing evidence removes or downgrades conclusions; it never gets silently invented.

20. Manual Delivery Workflow - Use This Before RAB7A Is Fully Automated

Step	Manual Delivery Activity	Output
1	Request files using the Data Request Pack	Client data checklist
2	Profile files, map fields, document missing evidence	Data coverage & limitation register
3	Reconcile sales, returns, COGS and GP to ERP/GL	Certified financial baseline
4	Build customer, product, supplier, inventory and sales-rep views	Analytical workpapers
5	Identify leakage; remove overlap/double counting	Qualified opportunity register
6	Create decision cards with evidence, assumptions and confidence	Decision register
7	Review sensitive decisions with client management	Approved actions / rejected hypotheses
8	Issue Executive Report + appendices	Client deliverable
9	Translate decisions into 30/60/90-day plan	Implementation plan
10	Re-measure after implementation	Benefits Tracker

21. Delivery Gate - Report Must Not Be Sent Until

☐ Net Sales, COGS and Gross Profit reconcile to the agreed source.

☐ No hardcoded client-specific result exists in production logic or manual formulas.

☐ Every KPI states its period, filters and formula.

☐ Every recommendation contains evidence, assumptions, confidence, owner, deadline and KPI.

☐ Expected impact is reproducible and separated from realized impact.

☐ No time-series classification is made without sufficient history.

☐ No stop/phase-out decision is made without checking inventory, role, alternatives and cross-effects.

☐ All data gaps, exclusions and reconciliation differences are visible.

☐ No opportunity is double counted.

☐ Benefits Tracker baseline is ready before implementation.

22. What the Client Receives

Deliverable	Purpose
Executive Profit Story	Management-level diagnosis and priorities
Profit Leakage Map	Where value is leaking and how much may be recoverable
Customer Action Plans	Account-level profit decisions
Product Action Plans	SKU/portfolio decisions
Customer x Product Matrix	Hidden loss combinations
Supplier Negotiation Packs	Evidence-backed negotiation targets
Sales Team Profit Performance	Profit-quality performance and development
Pricing / Discount / Returns Opportunities	Commercial discipline and recovery
Inventory & Working Capital Opportunities	Cash and stock decisions
Impact Simulator	Conservative / expected / ambitious scenarios
Decision Register + 90-Day Plan	Owners, dates, KPIs and execution
Benefits Tracker	Expected vs realized impact
Audit Appendix	Lineage, assumptions, exceptions and metric definitions

Definition of success

RAB7A is not merely a dashboard. The client receives an auditable financial and commercial decision system that knows what it can prove, states what it cannot prove, prioritizes actions, and measures what was actually realized.