



Compete or Perish: Ignite Extraordinary Value with Financial Intelligence in Retail

Win Hearts, Minds, and Wallets of Your Customers



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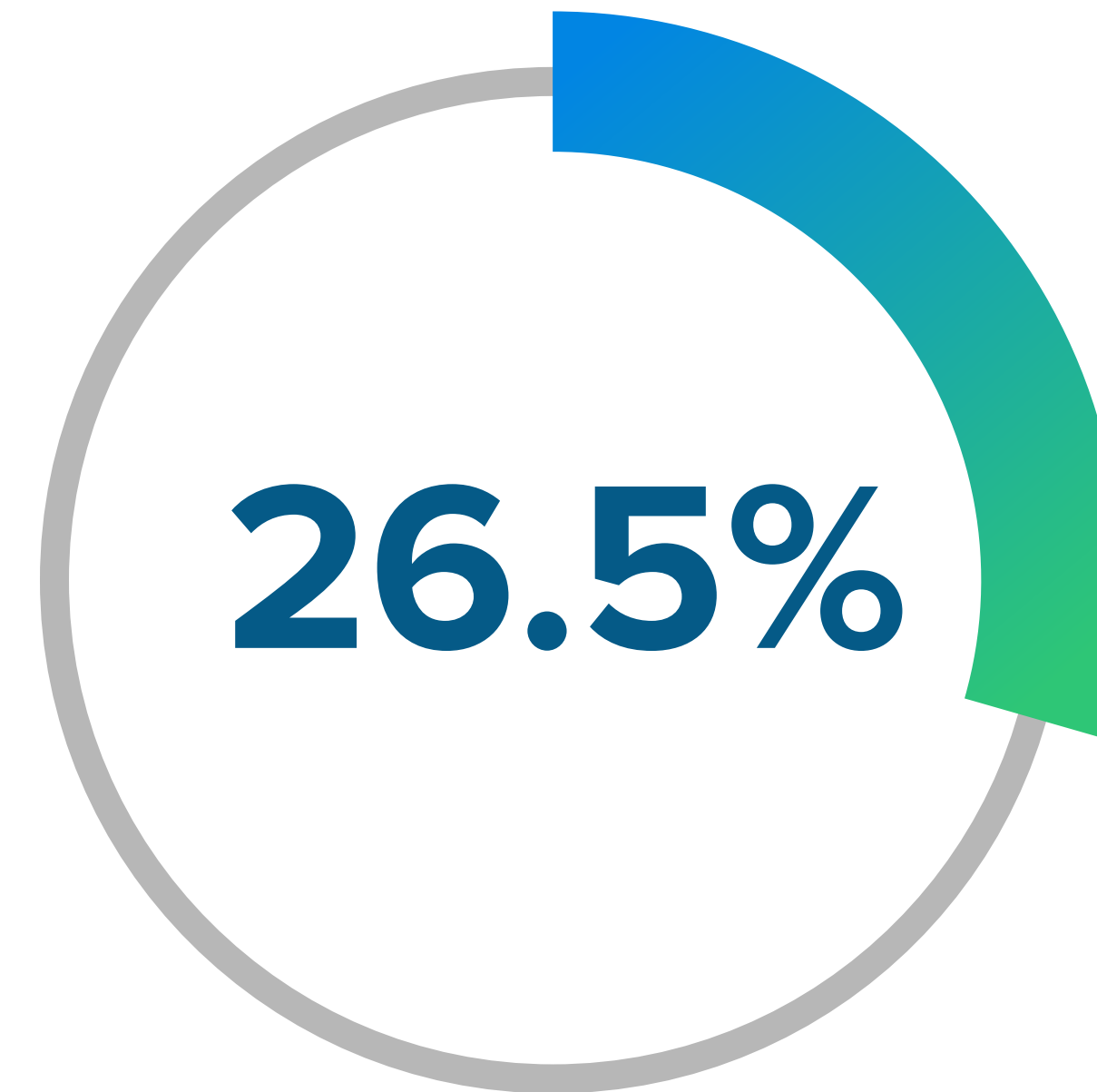
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MEET TOMORROW'S DEMANDS TODAY

The retail sector commands the largest portion of financial analysis software users, holding an impressive market share of **26.5%**.

An impressive figure, indeed! What's more interesting is that a significant portion of retail businesses have already harnessed the power of financial analysis solutions.

While the forward-thinking retail franchises are reaping the benefits of financial analysis software, those still on the sidelines are missing out on many opportunities. They waste time on manual data reporting tasks, make sluggish decisions, and overlook substantial cost reductions, putting their competitiveness at risk. It's time for growing retail businesses to explore the pivotal role of smart solutions in this thriving industry.



26.5% of financial analysis software users belong to the retail sector, commanding the largest portion of the market share

Think about the future of shopping. Shopping is not just limited to physical stores; it's becoming more digital, personalized, and sustainable. To drive better business outcomes, future-focused retail businesses are using smart financial analysis solutions.

Now, you must be wondering what these solutions do. Well, they're like super-smart tools that help you generate business insights by tapping into data. By leveraging real-time data, financial analysis software helps multi-location retail franchises get actionable business insights.

Track revenue, profit metrics, and uncover missed improvement opportunities with this tool. With financial analysis software, you can forecast cash flow, income statements, balance sheets, and manage store demand.

This guide has been compiled to help future-focused retailers like you outpace the competitors. Let's embark on a journey to redefine retail success by mastering financial intelligence, where data isn't just numbers but the key to **winning the hearts, minds, and wallets of your customers.**





Did you know that the American retail giant, **Walmart**, also leverages data analytics and smart financial analysis software to boost its sales and improve operational efficiency?

Yes, it's true. The multinational retail giant collects around 2.5 petabytes of unstructured data from more than 1 million consumers every hour. What does Walmart do with this staggering amount of data? With big data analytics, Walmart isn't merely collecting data; it's vigorously building value. By harnessing the power of tons of financial data, Walmart is maximizing its return on investment (ROI), optimizing the shopping experience, and catering to the needs of its loyal customers like never before.



WHAT ARE RETAILERS MISSING OUT ON?

The question is if a retail giant like Walmart can leverage financial data to such a profound extent, why not you? The same transformative potential is within reach for multi-location retail franchises. Retailers who have not yet adopted financial analysis software are forgoing many opportunities and advantages, hindering their growth and competitive edge. Have a look at what they're missing out on:

1 Hours Saved Every Day in Data Reporting

While retailers without financial analysis software laboriously handle data reporting, their forward-thinking counterparts save an impressive 1.8 hours daily, which they can channel into more strategic pursuits.

2 5X Faster Decision-making

Adopting a smart solution allows multi-location retail businesses to make decisions five times faster than their peers still relying on manual methods. This agility is the key to staying ahead in the competitive retail industry.

3 Cost Reduction

Financial analysis software isn't just about generating numbers; it's a powerful tool for cost optimization. Retailers who've integrated this technology experience a remarkable 47% reduction in costs, a distinction between profitability and struggle.

4 Limited Customer Insights

A majority of retail businesses miss out on in-depth customer insights. This means they may struggle to understand their consumer base, resulting in less effective marketing and lower customer retention.

5 Informed Decisions

Reliance on manual data processing, leads to slower decision-making processes. This sluggish response to market changes and consumer trends can result in missed opportunities and revenue loss.

6 Lack of Predictive Analytics

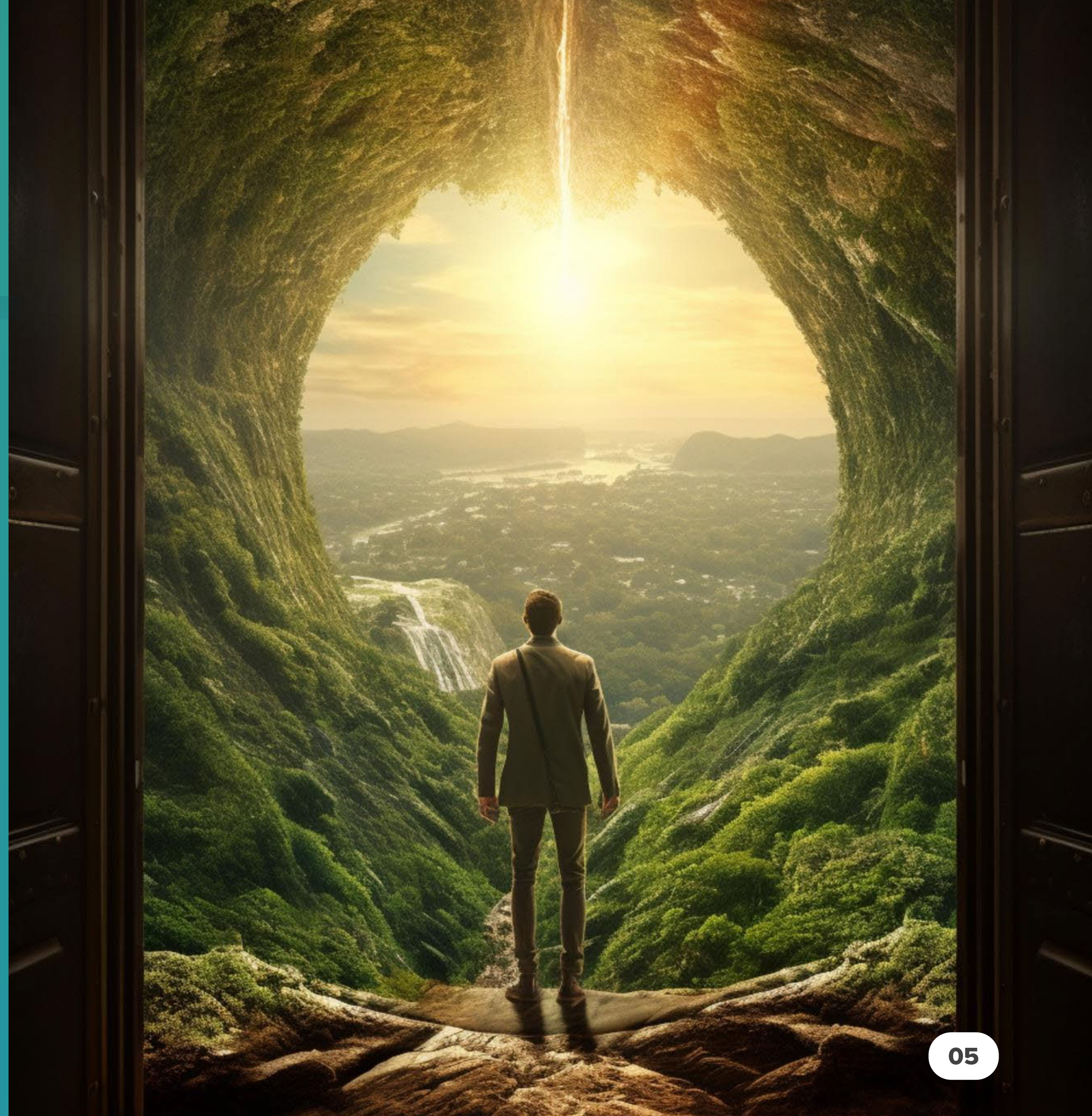
Falling behind on intelligent predictions and forecast analytics across the financial spectrum can relegate you to the status of a retail laggard, while leaders forge ahead with strategic foresight.

HOW TO GET FROM HERE TO THERE?

Research undertaken by the Aberdeen Group discerned a **22% adoption** rate among companies employing interactive data visualization in contrast to those reliant on static reports. The surge in adoption is ascribed to the effortless and adaptable nature of engaging with data interactively using advanced financial analysis solutions.

It is no secret that smart and intuitive solutions are having a huge impact on consumer goods or retail companies. However, to not just survive but thrive, multi-location retail franchises need more than intuition; they require actionable insights backed by powerful data.

To build a retail company for the future, you need to leverage a comprehensive solution. In this context, retailers need to implement advanced financial analysis solutions to stay ahead. Let's explore the various features that would help future-proof your retail business.



MAXIMIZING EFFICIENCY WITH REAL-TIME FINANCIAL ANALYSIS

A blue circular progress indicator showing 69% completion. The number '69%' is centered in white text.

69%

of businesses continue to rely on spreadsheets for crucial tasks like budget planning and expenditure tracking.

A green circular progress indicator showing 55% completion. The number '55%' is centered in white text.

55%

of businesses recognize data collection as a significant hurdle to productivity.

Consumer preferences can change as rapidly as a trending hashtag on social media. The constant shift in trends can impact business profitability. That's why it's crucial to stay ahead of these changes and make well-informed decisions to seize opportunities. Nowhere is this reality more evident than in the retail industry.

A recent survey revealed a surprising trend: **69%** of businesses continue to rely on spreadsheets for crucial tasks like budget planning and expenditure tracking. This reliance on outdated tools introduces considerable risks to data integrity and decision-making processes. In fact, **55%** of businesses recognize data collection as a significant hurdle to productivity.

Imagine you're a retailer running special discount offers in some convenience stores. The promotions are a hit, drawing in customers across outlets. But how do you track each location's performance? Without revenue and sales data, it's hard to decide whether to keep the offer. Don't you think creating multiple spreadsheets and manually conducting financial analysis will feel like pulling your hair out? Well, smart financial analysis software enables effortless evaluation of Key Performance Indicators (KPIs) with a few clicks.

REAL-TIME FINANCIAL ANALYSIS: KPIs TO MEASURE RETAIL SUCCESS

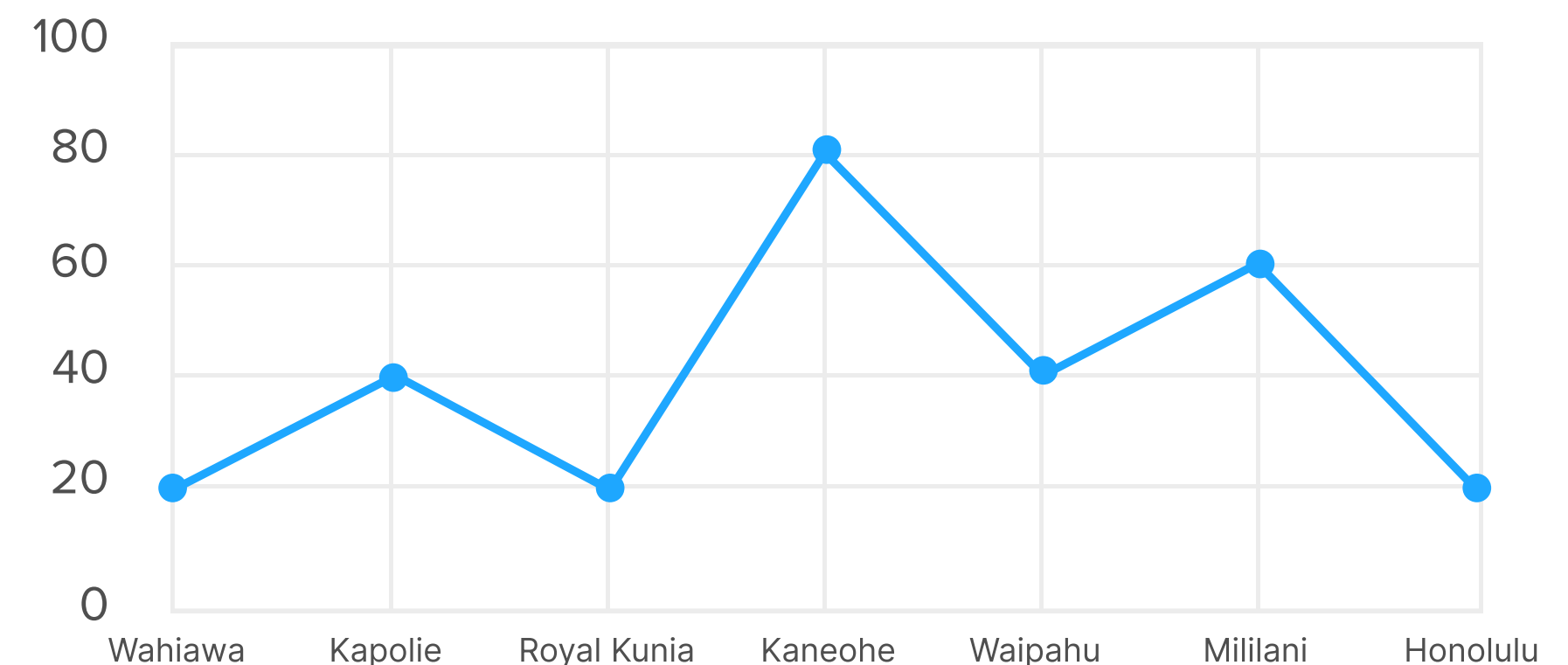
Revenue:

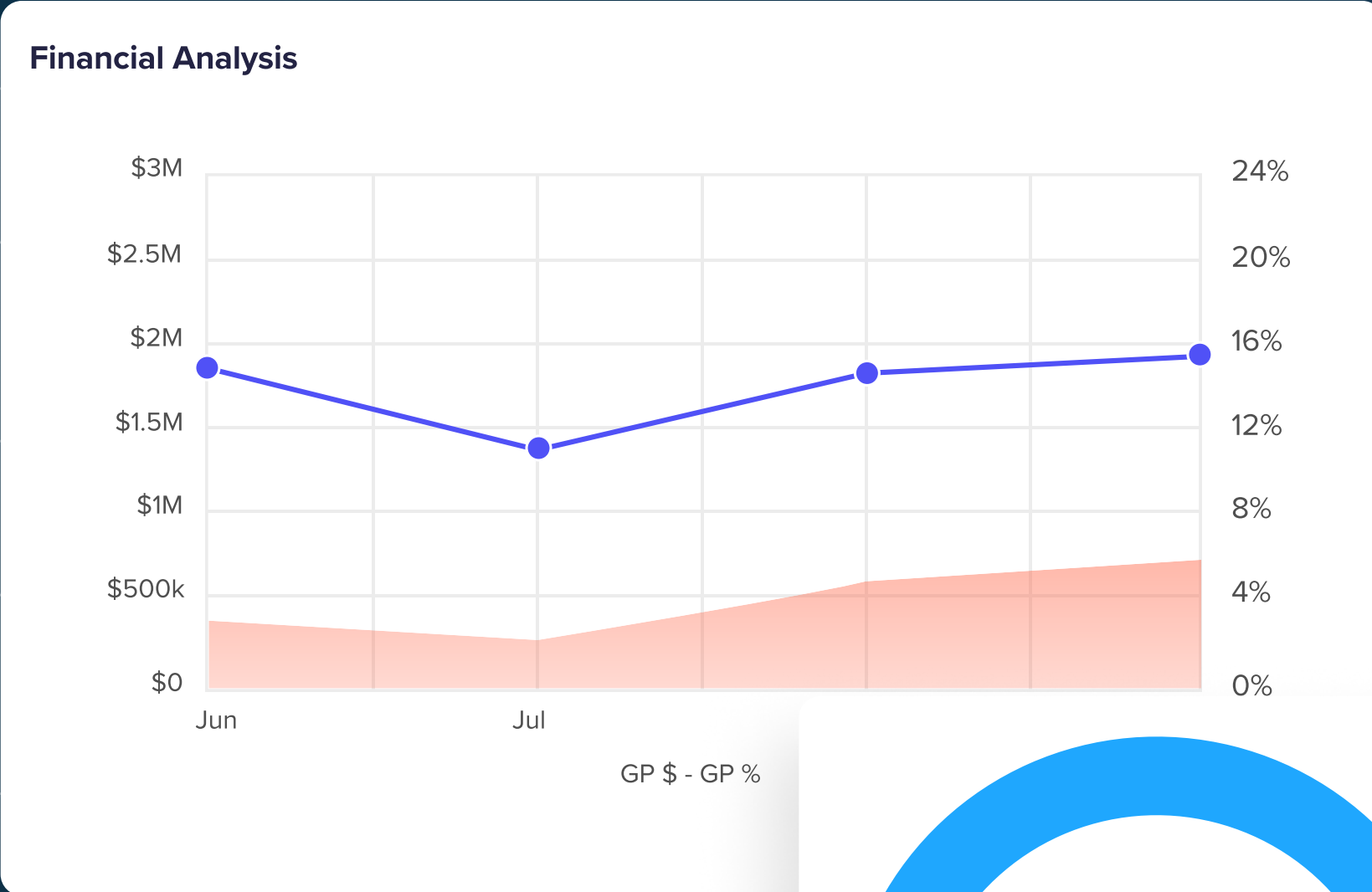
Smart financial analysis software goes beyond traditional methods by presenting revenue data through visually intuitive graphs and charts. The revenue module allows for effortless comparisons across various timeframes and offers hyperlinked data functionality for granular examinations, providing actionable insights for each location

Cost of Goods Sold (COGS):

The software streamlines the calculation of COGS, going beyond mere summation to dissect expenses by class or department. This breakdown, presented in both dollars and percentages, empowers strategic decisions on cost reductions or investments for enhanced profitability.

COGS by Location (%)





Gross Profit:

Understanding profitability is simplified with the visual representation of gross profit margin. The tool offers a clear picture of your retail business's ability to turn a profit, enabling informed and strategic decisions amidst special discount campaigns.

Net Profit:

As the barometer of financial health, net profit is easily compared through financial analysis software, offering insights into decision-making. Multi-location retail franchises gain a comprehensive view of performance against averages, year-to-date figures, and budgeted targets.

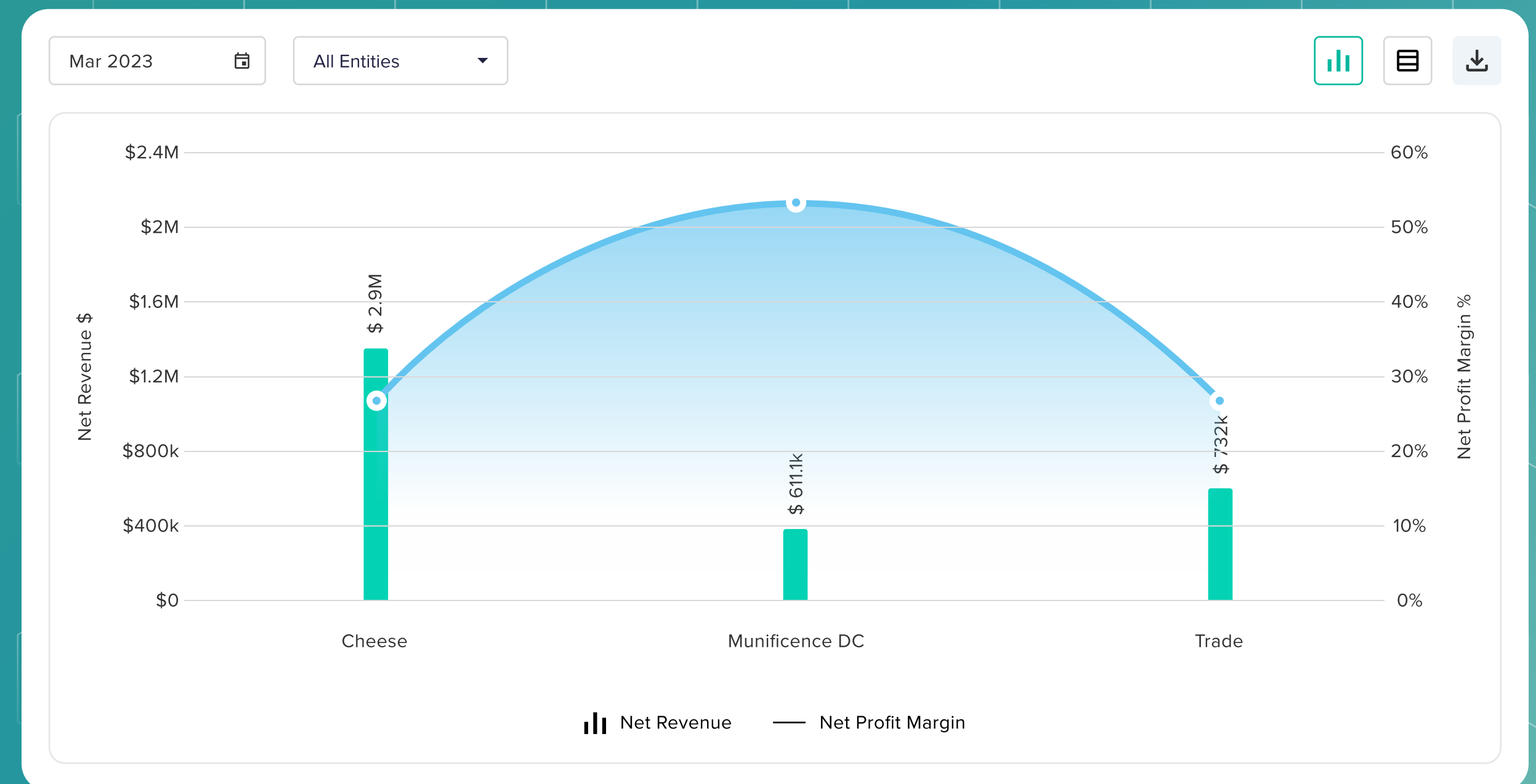
Financial ratios provide retailers with valuable insights into the relationship between assets and liabilities, offering a gauge of revenue and sales velocity. They play a crucial role in helping retail managers forecast cash flows by making informed predictions about the present and future. These ratios, acting as a financial compass, empower business owners to discern both the strengths and weaknesses of their enterprise. Embracing a culture of continuous reset is the need of the hour. Keeping this in mind, let's shed some light on various types of financial ratios:

Profitability Ratios

Profitability ratios, like net profit margin and gross profit margin, provide multi-location retail franchises with insights into their net worth growth beyond simple income generation and cash flow. Within financial analysis software, consolidated graphs and tables offer a detailed transaction-level view based on critical parameters such as classes, entities, dimensions, and prior or current years. Metrics like return on assets (ROA) empower businesses to identify and address under-performing assets, contributing to informed decision-making about each location.

Leverage Ratios

Leverage ratios, including debt-to-equity and total liabilities to total assets, reveal how a retail franchise funds its operations, especially during promotional activities like special discounts. Assessing the financial health during such periods, these ratios offer valuable insights into the financing structure and decisions made by the enterprise.



Liquidity Ratios

Critical for maintaining smooth cash flow, liquidity ratios like the current and quick ratios are indispensable for retailers. The tool simplifies monitoring, providing quick overviews of current and quick ratios, and working capital. You can compare ratios across different timeframes, facilitating easy tracking and providing transaction-level details of current assets in various formats.

Operational Ratios

Operational ratios, such as the operating ratio, evaluate day-to-day performance in a multi-location retail franchise. Smart solutions offer insights into operational metrics like days payable and days receivable outstanding. You can set parameters based on specific years and months, facilitating a granular examination of critical operational information, with the added advantage of downloading data tables in various formats.





Isn't it interesting to know that **Costco**, one of the leading retail companies based in Issaquah, WA, relies on financial analysis software to meticulously track its performance? From scrutinizing gross profit margin to evaluating operating profit margin, net profit margin, and liquidity ratios like current and quick ratios, Costco's strategic decisions are grounded in the insights derived from financial analysis.



TRANSFORM BUSINESS DYNAMICS WITH FINANCIAL REPORTING

The retail landscape is swiftly evolving, compelling businesses to adapt strategically for ongoing success amidst shifting customer preferences.

For multi-location retailers, proposing expansions requires careful financial considerations. Advanced financial analysis software simplifies this process by seamlessly integrating with existing accounting systems, generating comprehensive reports—income statements, balance sheets, cash flow, and more—in seconds. This automation not only saves time but also provides data-backed insights, enhancing the credibility of expansion proposals for efficient decision-making.

Recognizing this shift, even industry giants like **Amazon** are leveraging advanced financial reporting tools for real-time insights. Amazon's finance department, with over **2,500 employees** as of **May 2022**, embraces **QuickSight** for both financial and operational reporting, visualizing data for easier understanding.

TYPES OF FINANCIAL REPORTS AT YOUR FINGERTIPS

Explore the diverse range of financial reports accessible through advanced financial analysis solutions to gain a comprehensive understanding of your current business performance.



Profit & Loss (P&L) Statement:

The P&L statement, a vital module for multi-location retail franchises, tracks revenue, costs, and net profit. Key line items include sales, COGS, gross margin, retail overheads, EBITDA, store-level profit, and net profit. Store-level profit insights aid decisions on store openings or closures. Retailers can customize views for specific periods, entities, and locations.



Balance Sheet:

A fundamental statement, the balance sheet provides a snapshot of assets, liabilities, and equities. It includes assets like property, inventory, and cash, and liabilities like accounts payable and debt. Retailers can optimally use the financial reporting tool to access data for various periods, ensuring a detailed analysis of their financial standing for strategic decision-making.



Cash Flow Statement:

Illustrating cash inflow and outflow in operating, investing, and financing activities, the cash flow statement is crucial for assessing financial health. The financial analysis software provides detailed statements for various periods, supporting proactive cash flow management, anticipating shortages, and ensuring positive monthly balances. This aligns with strategic financial analysis and planning, providing quick insights.

GET ACTIONABLE INSIGHTS WITH FINANCIAL INTELLIGENCE

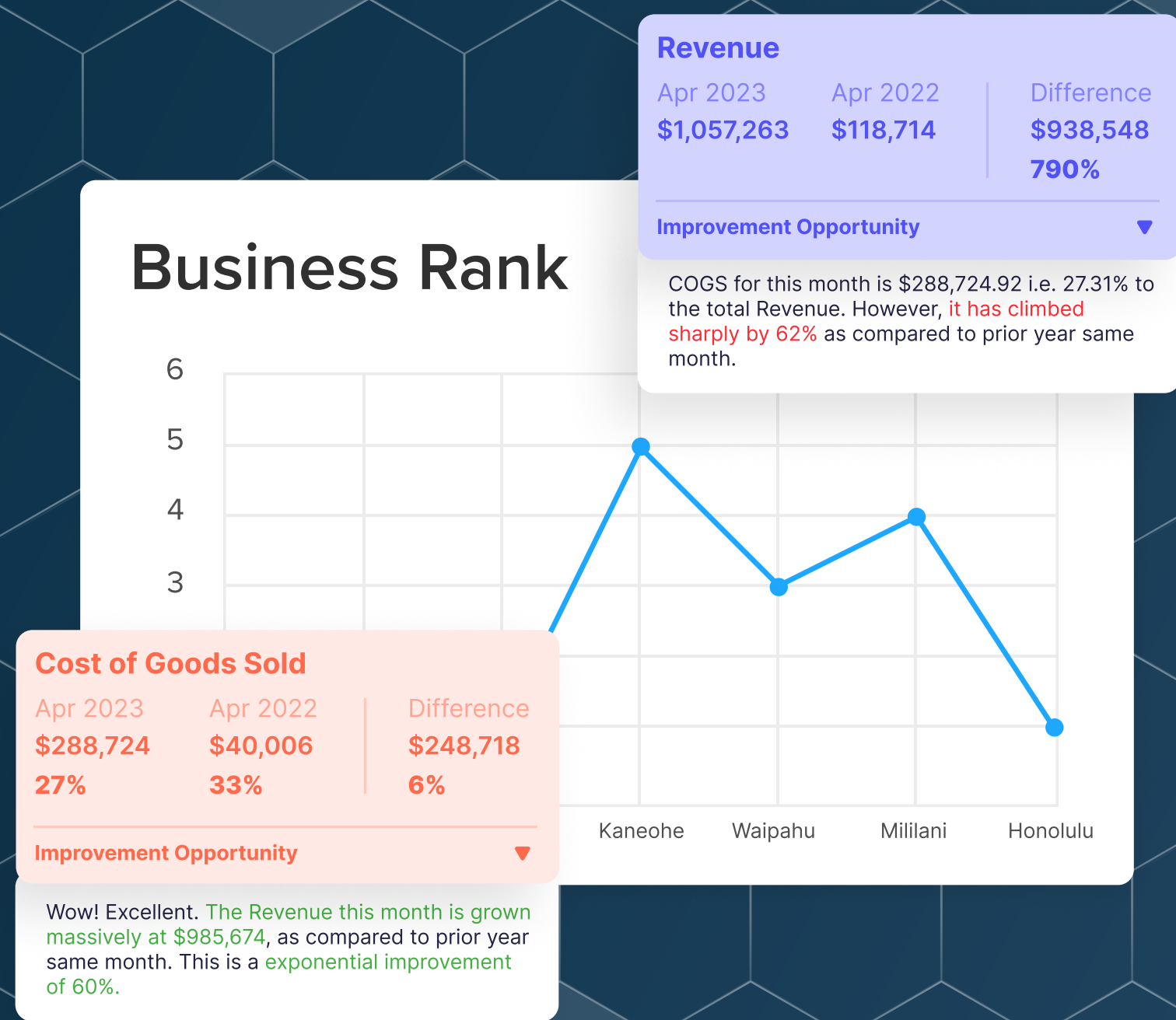
Consider the scenario where the top contributors to your revenue are a question mark, and the fluctuations in your COGS as well as operating expenses are a mystery. Gives you the chills, doesn't it? But what if you could easily decipher the variations across each retail outlet, gaining clarity on your business's sustainability, and ensuring compliance without the hassle?

This is where the crux lies — the essence of financial intelligence in retail. In the ever-evolving retail industry, seizing improvement opportunities, gauging sustainability, enhancing business rank, and ensuring compliance isn't just a strategy; it's the lifeline for your business.

A majority of out performers make optimum use of financial intelligence to enhance revenue, foster customer loyalty, optimize operations, boost value, and explore new business opportunities. This powerful tool offers a comprehensive suite of features designed to elevate your multi-location retail business. From identifying improvement opportunities and establishing a sustainability index to securing a favorable business rank and ensuring compliance, business intelligence provides the insights you need for informed decision-making. Let's discuss how financial intelligence, with its robust features, can truly shake things up for retailers looking to stay ahead of the curve.

www.pathquest.com/business-intelligence





Improvement Opportunity

The feature enables retailers to systematically review and enhance key performance areas. It includes an Executive Summary offering a holistic view, Top Contributors highlighting significant contributors, Key Variations identifying variations, and Concluding Observations indicating percentage-wise changes. You can set filters, edit summaries, and download detailed reports for informed decision-making.

Compliance

This module visually represents set compliances within an entity through graphs. It provides insights into all added compliances or specific locations, with a Data Table option for detailed reports. Customizable notifications ensure timely updates on various compliance tasks, enhancing informed decision-making.

Sustainability Index

This tool gauges the sustainability of retail businesses based on key metrics. It provides insights into achieving profits compared to benchmarks, represented as a numerical score. Metrics evaluated include Revenue, Gross Profit, Net Profit, Compliances, and Trends. The Month Selection feature allows specific month analysis, and the Self-Breakdown Option offers detailed insights for selected dimensions. Retailers can assess actual performance against set budgets, presented in a tabular format.

Business Rank

Get a visual snapshot of performance rankings across locations within an entity or group. Parameters include Revenue, Gross Profit (\$), Gross Profit (%), Net Profit (\$), Net Profit (%), and Overall Rank. The 'Compare With' feature allows insightful comparisons at different levels—Entity, Group, Brand, and Industry—facilitating strategic decision-making.

Cost of Goods Sold

Apr 2023	Apr 2022	Difference
\$288,724	\$40,006	\$248,718
27%	33%	6%

Improvement Opportunity ▼

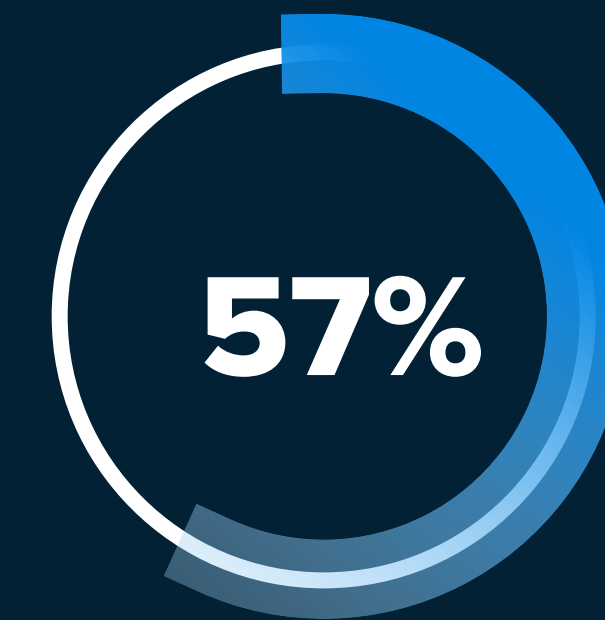
Wow! Excellent. The Revenue this month is grown massively at \$985,674, as compared to prior year same month. This is a exponential improvement of 60%.

ACT ON INSIGHTS: PUT RETAIL DASHBOARDS TO WORK

A common struggle faced by retail business owners is the absence of a unified data hub, leading to limited access to diverse external data. This results in a critical insight gap, with **57%** of finance executives pointing to a deficiency in data availability and access that hinders real-time, continuous accounting.

Often engrossed in labor-intensive tasks, retailers find themselves grappling with outdated data due to prolonged reconciliation and preparation times. Nevertheless, leveraging this wealth of information through insightful dashboards can elevate decision-making and strategic planning.

Insightful financial dashboards transform unstructured data into intuitive graphs and charts, providing a full view of crucial KPIs on a single screen. To see this notion in practice, you need a robust financial intelligence solution where you can generate custom dashboards and gain a competitive advantage to thrive in the cutthroat retail environment. Check out how retail dashboards can enable you to spend less time on guesswork and more on business growth.



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Standard Dashboard

A standard retail dashboard functions as your business control panel, presenting critical data—revenue, gross profit, net profit, trends, and business rank—in clear graphs, both in dollars and percentages. Stakeholders can drill down for detailed views, gaining real-time insights based on KPIs and key metrics. It's not just numbers; it's a deep dive into your financial performance. Track revenue by location quarterly, monitor gross profit margin by quarter with specific location filters, and delve into revenue by category tailored to different industries or brands for personalized insights.



Custom Dashboard – Create Live Dashboards

Custom dashboards elevate the standard dashboard by offering tailored insights precisely aligned with your business needs. Drag and drop KPIs that matter most and create a dashboard that you want to see. Categorize areas such as Apparel, Electronics, Home and Garden, and more for a nuanced understanding of each segment's performance, enabling informed decisions and optimizations. Set filters for locations, products, services, and customize the dashboard's look and feel by selecting preferred graph types for specific KPIs.



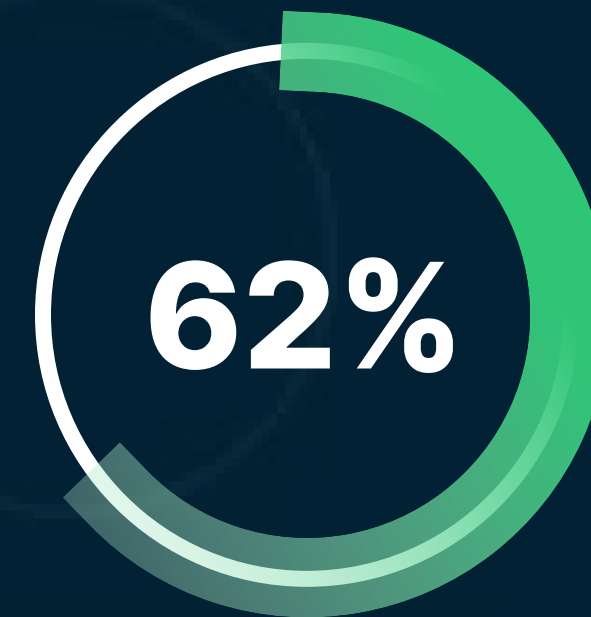
Daily Flash Report

The daily flash report serves as your real-time business informant, delivering tailored summaries of crucial insights across all locations each day. Auto generated and customizable to your preferences, trigger it daily, weekly, or monthly, and receive timely notifications. Share this insightful report effortlessly with your team, investors, or partners, ensuring everyone stays informed. For multi-location retail business owners, it's like a daily personal briefing delivered straight to your inbox.

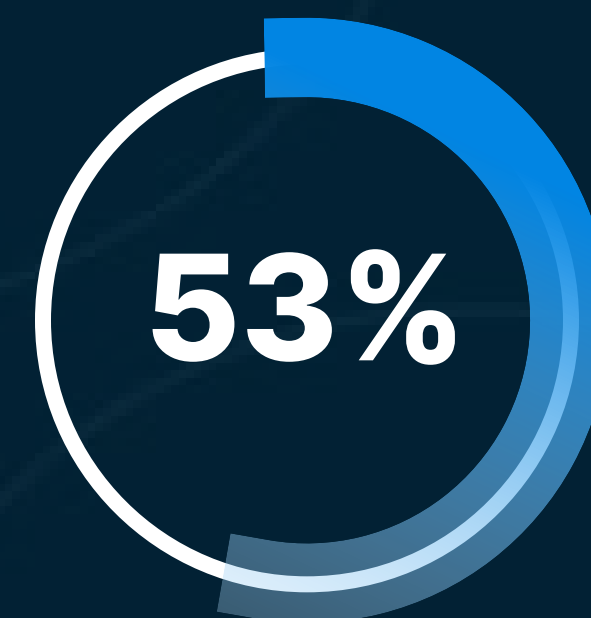
PREPARE FOR 'WHAT'S NEXT' WITH ADVANCED FINANCIAL FORECASTING

A staggering **62%** of CFOs face rising demand for financial insights, yet **53%** worry about playing catch-up rather than leading. The conundrum deepens as **550 surveyed CFOs** reveal a struggle to keep pace with evolving business needs. The bottleneck? Financial planning teams in the retail industry dedicate **85%** of their time to labor-intensive tasks, leaving only **15%** for forward-thinking insights. The key takeaway: the demand for agility is urgent, urging finance teams in the retail industry to shift focus to strategic planning and forecasting in the face of uncertainties.

How can we transition from being caught off guard to proactively preparing for the future in the dynamic world of retail? To bring more agility to financial planning in retail, it is imperative to focus on investing in advanced technology which helps retailers like you to become future-focused. These advancements empower you to adopt a forward-thinking approach. Are you ready to explore the full spectrum of possibilities they offer?



of CFOs face rising demand for financial insights



worry about playing catch-up rather than leading

Caught up in tasks that eat up time and manpower, multi-location retail businesses often lose sight of essential planning and strategy. But guess what? It doesn't have to be that way. Now, let's find out how smart financial analysis software can change the game by giving you accurate predictions for your retail business's financial future.

Forecast Analytics

Forecast analytics looks into your current expenses and gives you a heads-up on what to expect in the financial future, stretching up to 24 months from the present. You can easily customize what you want to see in the charts by picking the values you care about, like dollars and months. There are four types of parameters to choose from for your forecasted data: Income vs Expenses, Revenue, Gross Profit, and Net Profit.

Profit & Loss (P&L) Forecast

You can say that this parameter is like the financial storyteller of your business. This section lays out the details, showcasing values and revenues across different categories like income, cost of goods sold (COGS), operating expenses, and gross profit. Looking for a specific General Ledger (GL) in the data sea? No worries! Just type a few characters in the search box, and voila – the system shows you possible matches. Planning ahead? Profit & Loss Forecast has got your back, offering forecast data for the next two years with the monthly and quarterly options.

Balance Sheet Forecast

The balance sheet is like checking your business's health report but for each store. This tool tells you if you've got enough money (cash and assets) if you owe too much (liabilities), and how much of the business really belongs to you (equity).

Why does it matter? Well, in the unpredictable world of retail, you need to know if your stores are performing up to the mark. Are you financially ready for whatever's coming – be it expansion or some financial turbulence? The Balance Sheet Forecast is your practical guide to make sure you're ready for whatever the retail sea throws at you.



Cash Flow Forecast

Effective cash flow management is a cornerstone of financial success, with **82% of businesses grappling with cash flow** challenges. The cash flow forecast feature involves predicting your upcoming sales and expenses, providing a crucial tool to gauge if your business will have sufficient cash for operations or expansion. It serves as an early warning system, indicating periods when your business may experience more cash outflows than inflows. This sub-module takes forecast data from the Profit & Loss and Balance Sheet, offering a clear and comprehensive view of your financial trajectory, guiding you through the intricacies of cash flow management for the years ahead.

Smart Prediction: Forecast Builder for Custom Forecasts

Forecast Builder provides predictive analytics for future financial scenarios, offering a tool to create customized forecasts for your multi-location retail franchise. Applying rules is straightforward – simply click the rule icon on any GL in the grid. The four main rules include Smart Prediction, utilizing built-in forecast data based on linear regression; Link to Previous Period, ensuring consistency in predictions; Constant/Growing, allowing forecasts to remain constant or grow over time; and Link to Budget, establishing a connection to budgeted values. With these options, creating your personalized forecast is easy. Click "Create," and your tailored forecast data is ready to inform your strategic decisions.

NEXT STEPS: CHANGE ISN'T DAUNTING

Your customers await your next move, are you ready to shift them towards you?

To stay competitive in the ever-evolving retail landscape, your next steps are critical. Make use of real-time financial analysis and automated reporting to unlock hours in your day, fostering **5X faster decision-making and a remarkable 47% reduction in costs.**

Financial intelligence solutions not only interpret numbers but transform data into actionable insights. So, retailers, your customers await your next move. Shift them towards you by taking hold of advanced solutions, making informed decisions, and navigating the retail sea with confidence. The competitive edge is yours to claim – are you ready to redefine retail success?

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About PathQuest BI

PathQuest BI is a financial analysis software that seamlessly analyzes and visualizes large, complex datasets. It swiftly constructs compelling visual narratives around financial efficiency, operational KPIs, business sustainability, and areas for improvement.

PathQuest BI transforms real-time financial data into actionable business insights, uncovering new growth opportunities, enhancing decision-making, and keeping your business at the forefront of innovation. It offers user-friendly revenue, expense, profit and loss analysis reports, as well as comprehensive management reporting and data visualizations. These tools empower you to gather financial business intelligence, conduct in-depth financial analysis, gain deeper business insights, improve efficiency, manage risks effectively, and make informed decisions.



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