



Unlocking Hidden Margins

Diagnosing \$78M in Returns and Operational
Inefficiencies for a Global Tech Distributor

A DATA-DRIVEN PATH TO PROFITABILITY



Background & Objectives

The Challenge

Rapid revenue growth masked a critical efficiency problem. While the client's sales grew 12%, gross margins faced pressure due to a "black box" of returns totaling \$78.81M.



The Solution

A Power BI-driven diagnostic. We consolidated sales, warehouse, and product data to isolate specific "profit leaks" rather than just reporting general trends.



The Impact

Data-backed intervention. Insights led to strict enforcement of the 14-day return policy, targeted fixes at Warehouses IN600 & CA600, and a strategic shift in handling high-risk product categories.



Global Financial Footprint

\$3.34B

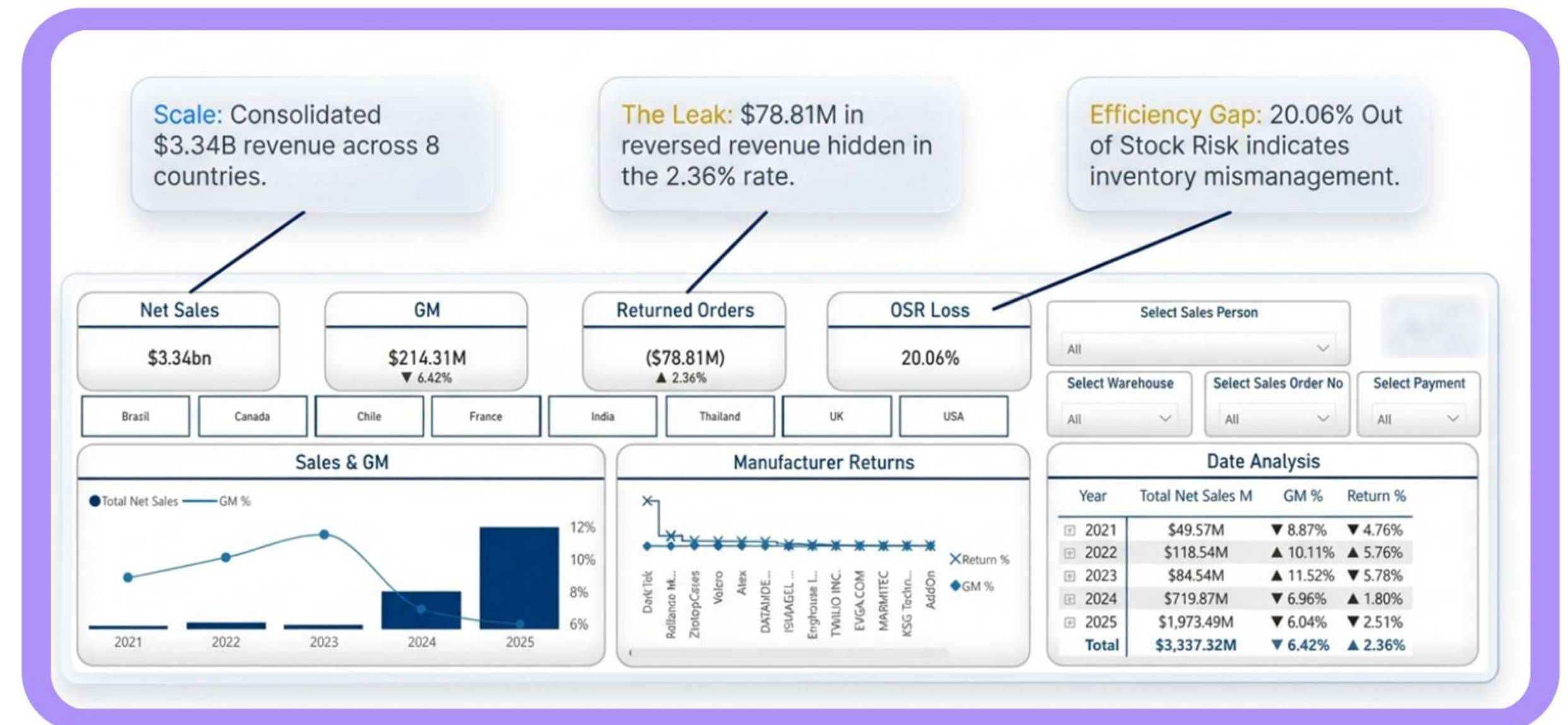
revenue generated
across 8 countries

\$78.81M

in reversed revenue
hidden within a
2.36% rate

20.06%

stock risk driven by
inventory
mismanagement



Foundation

The Engine: Power BI Dashboard Integration

Sales Data • Returns Data • Warehouse Logs • Product Categories



Warehouses IN600 & CA600

Root Cause Analysis

Leveraging dashboards developed by NCRi, the distributor's leadership gained clear visibility into the warehouses driving the highest return rates, their impact on net sales and gross margin, and the root causes behind these value leakages, mentioned below



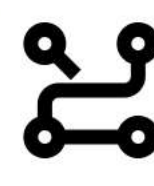
1

Inconsistent return handling processes.



2

Reconciliation delays leading to inventory blindness.



3

Uneven process controls causing fulfillment errors.

The table highlights Warehouse Return Rates vs Portfolio Average. It compares the return rates of multiple warehouses (NV500, ZB500, IN600, CA600) against a Portfolio Average of 2.36%. NV500 and ZB500 are below the average, while IN600 and CA600 are significantly above it.

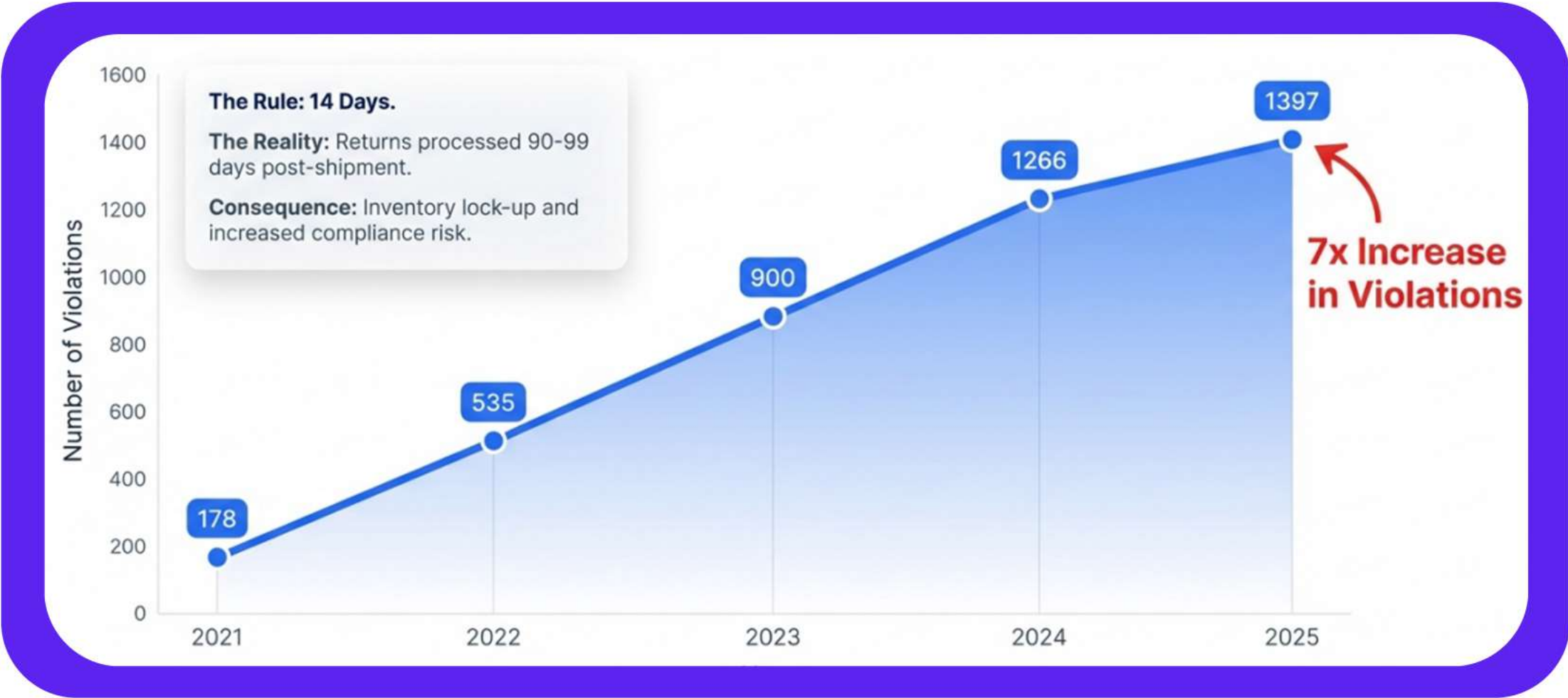
Warehouse Returns			
WareHouse Number	Net Sales	GM %	Return %
IN600	\$1.25M	▼ 5.13%	▼ 8.77%
NV500	-\$0.45M	▼ 4.98%	▼ -384.15%
CA600	\$0.08M	▼ 106.88%	▼ 34.57%
ZB500	-\$0.79M	- 15.15%	▼ -253.53%
	\$0.02M	▲ 103.34%	▼ 23.55%
Total	\$3,337.32M	▼ 6.42%	▲ 2.36%



Systemic Policy Violations

Despite a 14-day return policy, actual return processing timelines have extended to 90–99 days, resulting in a **7x increase in compliance violations** between 2021 and 2025. This sustained delay has led to **significant inventory lock-up**, directly impacting operational efficiency and increasing regulatory and compliance risk year over year.

Return Time					
Sales Order No	Creation Date	Ship Date	Delay Return	Total Net Sales	Original Sales Order
RA413029	2024-11-20	2025-02-27	▼ 99 days	(\$1,658.80)	K3037615
RA416756	2025-04-16	2025-07-23	▼ 98 days	(\$1,352.00)	K3099440
RA412214	2024-10-24	2025-01-29	▼ 97 days	(\$46.17)	B6095191
RA416756	2025-04-16	2025-07-21	▼ 96 days	(\$12,168.00)	K3099440
RA414884	2025-02-05	2025-05-09	▼ 93 days	(\$83.79)	B9023824
RA415114	2025-02-12	2025-05-16	▼ 93 days	(\$23.67)	B9035383
RMA000003720	2025-07-14	2025-10-15	▼ 93 days	(\$21.23)	L1024018
RA412128	2024-10-22	2025-01-22	▼ 92 days	(\$385.48)	K3003215
RA413202	2024-11-25	2025-02-25	▼ 92 days	(\$4.72)	B8955825



Thank You

Schedule a 30-minute
Strategy Session

Book Your Session



Contact:

www.ncrisolutions.com
marketing@ncrisolutions.com

Headquarters:

Suite # 300, 5060, Spectrum Way,
Mississauga, ON L4W 5N5, Canada

Regions:

