**ANALYTICAL DECISION-MAKING**

**Learning Outcome 3: ACTIVITY 8**

**Productivity at Fashionista**

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| **Scenario: Fashionista**Fashionista is examining the productivity and efficiency of each of its retail stores and has reviewed the following ratios:1. $\frac{Number of goods sold}{Square metres of shop floor space}$
2. $\frac{Value of clothing sold}{Cost of stock}$
3. $\frac{Value of clothing sold}{Cost of all resources}$
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*In pairs, answer the following questions:*

1. Which ratio would give the best overall indication of efficiency and why?
2. As far as the first measure is concerned, how could this measure be used more effectively?
3. What other measures might be considered when looking at stock efficiency?
4. In ratio 3, what other resources would you take into account?
5. Discuss the impact on your figures if you had to drop prices by 50% on half your stock. What other analysis might you need to make in order to discover the root of the problem.