

Sweet Success: Strategic Profitability & Margin Management

A Blueprint for High-Performance
Confectionery Retail



Internal Strategy Document | 2026 Outlook



THE PROFIT EQUATION: ACHIEVING BREAK-EVEN

Design Language: Artisan Editorial meets High-Finance Strategy



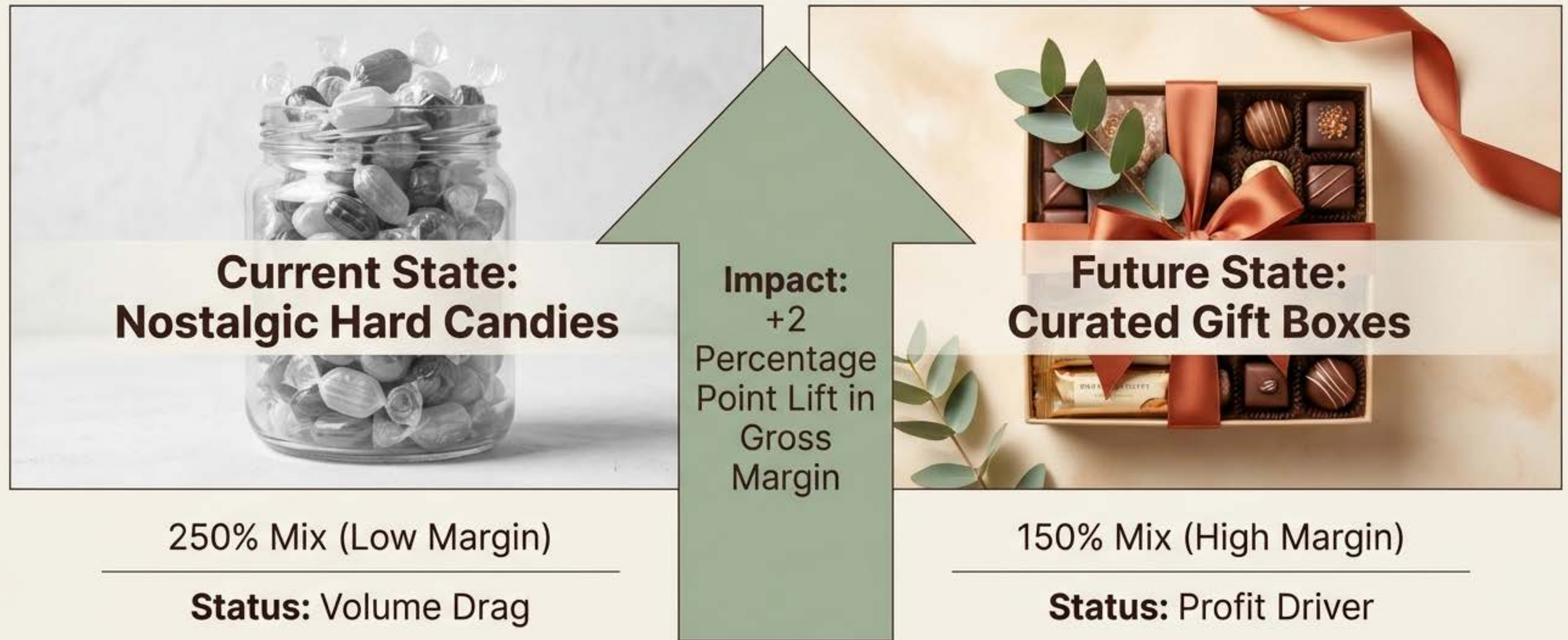
Achieving the 7-month break-even target requires a simultaneous focus on margin lift, cost control, and Average Order Value (AOV). We must maximise the value of existing foot traffic before pouring budget into acquisition.

THE PROFITABILITY TRAP

Volume does not equal profit. **Hidden costs are eroding the bottom line before it hits the bank.**



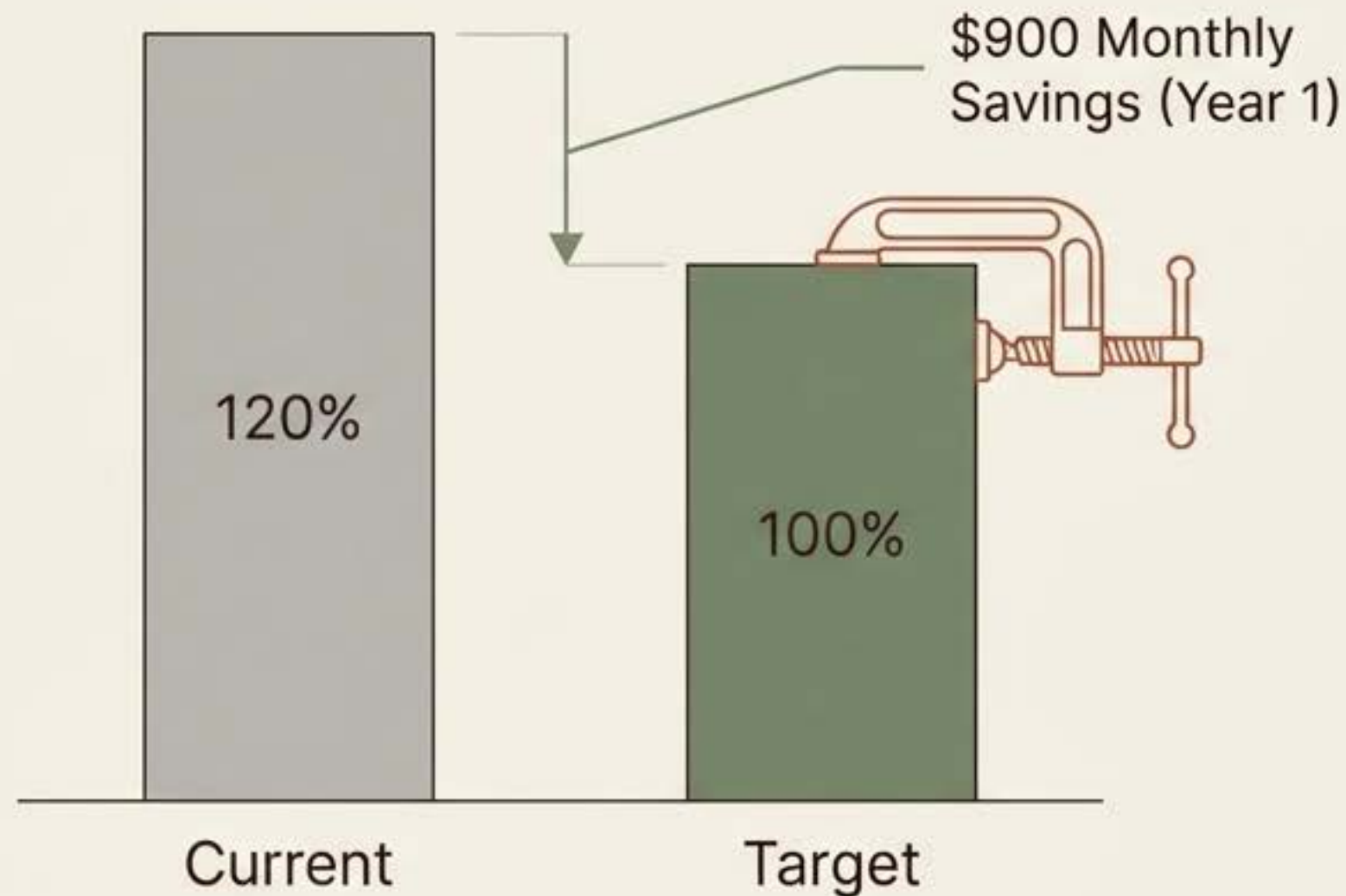
THE PROFIT EQUATION: Optimising the Product Mix



Action: Shift incentives and visual placement to prioritise Gift Boxes immediately.

Aggressive COGS Management

Inventory COGS as % of Revenue.



- **Consolidate:** Move to fewer vendors for higher volume tiers.
- **Negotiate:** Use \$75k projected revenue as leverage.
- **Monitor:** Track inventory turnover to prevent spoilage.

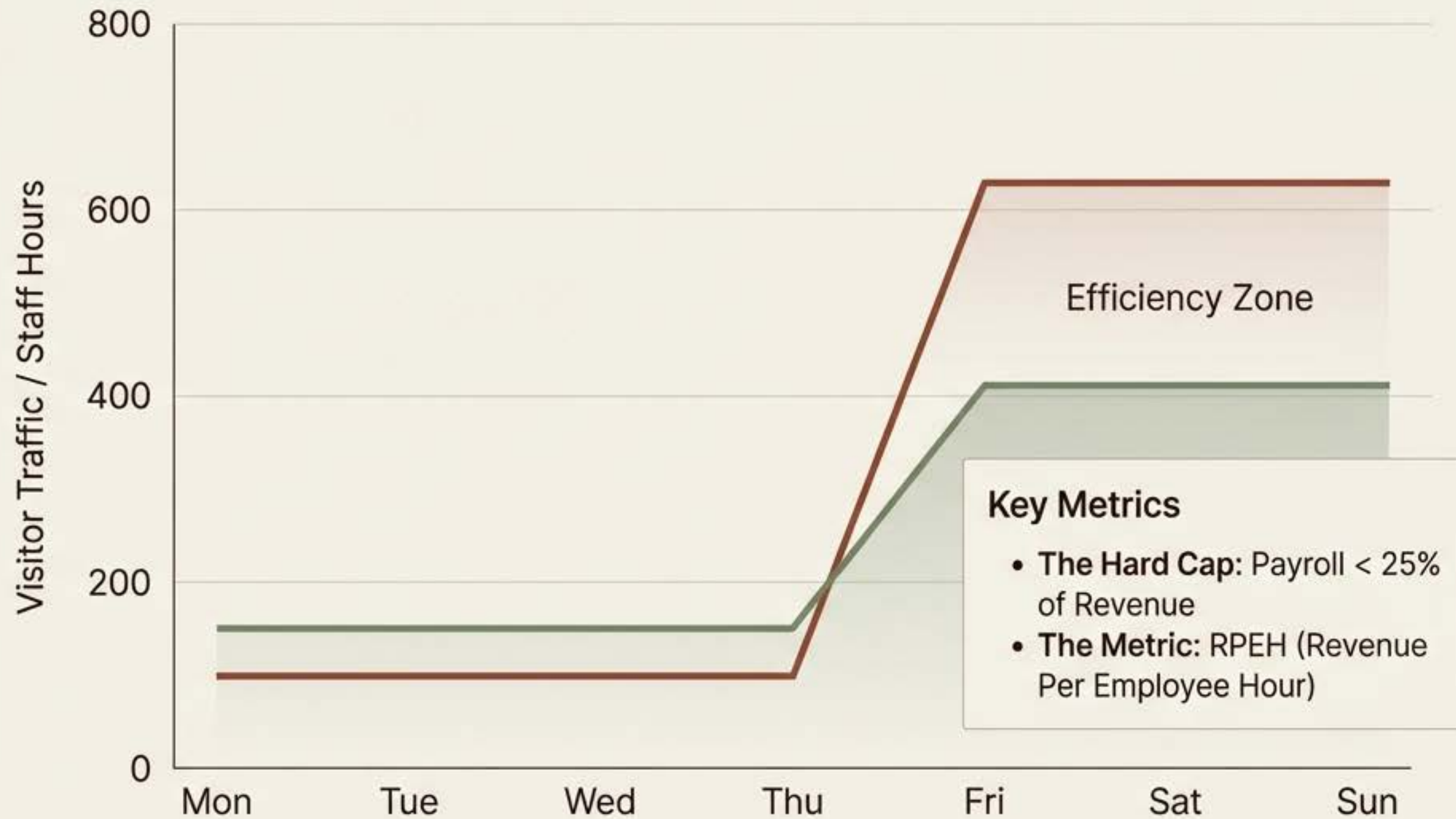
Cost of Confectionery Inventory is the only negotiable variable that yields immediate cash flow.

Controlling Fixed Overhead & Fees



Lean operations fund growth. A 5% reduction in POS fees alone saves \$230 monthly—cash that should be redirected to inventory.

Labour Efficiency & Staffing

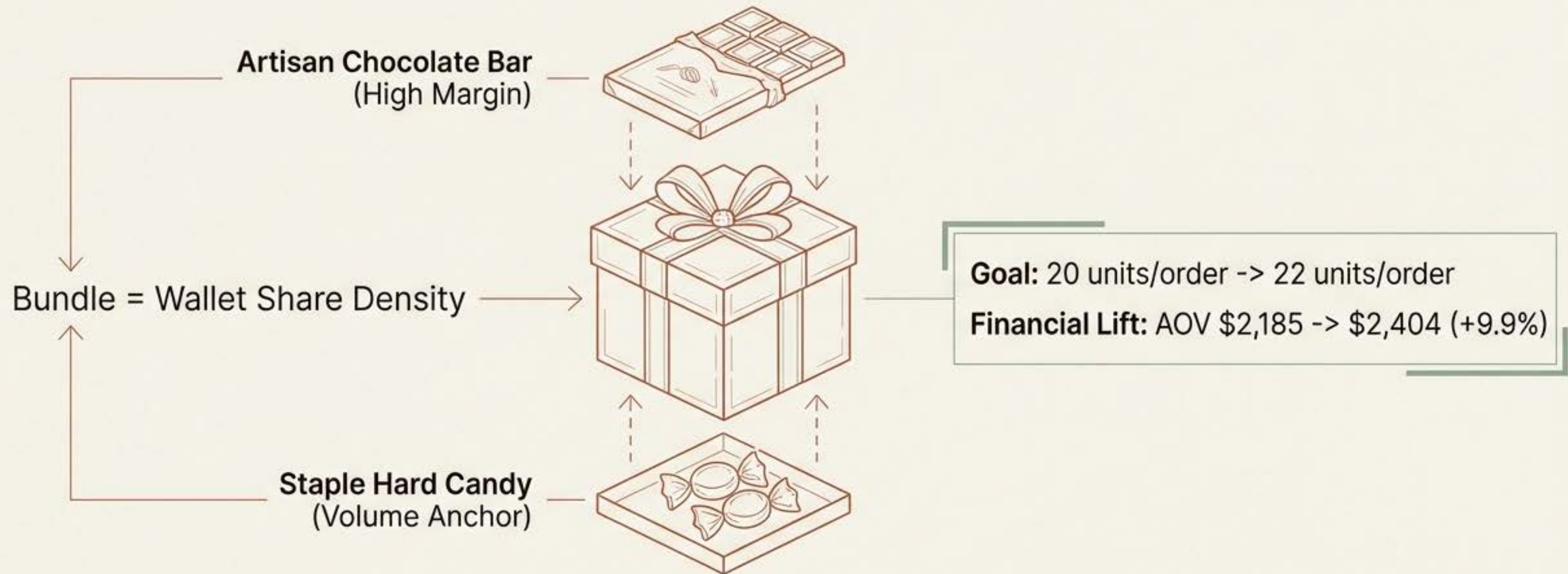


Staffing Structure:

- Base: 10 Managers, 10 Full-Time
- Flex: 5 Part-Time (Deployed for weekend peaks)

If visitor growth outpaces RPEH growth, the floor is overstaffed.

Strategic Bundling & AOV



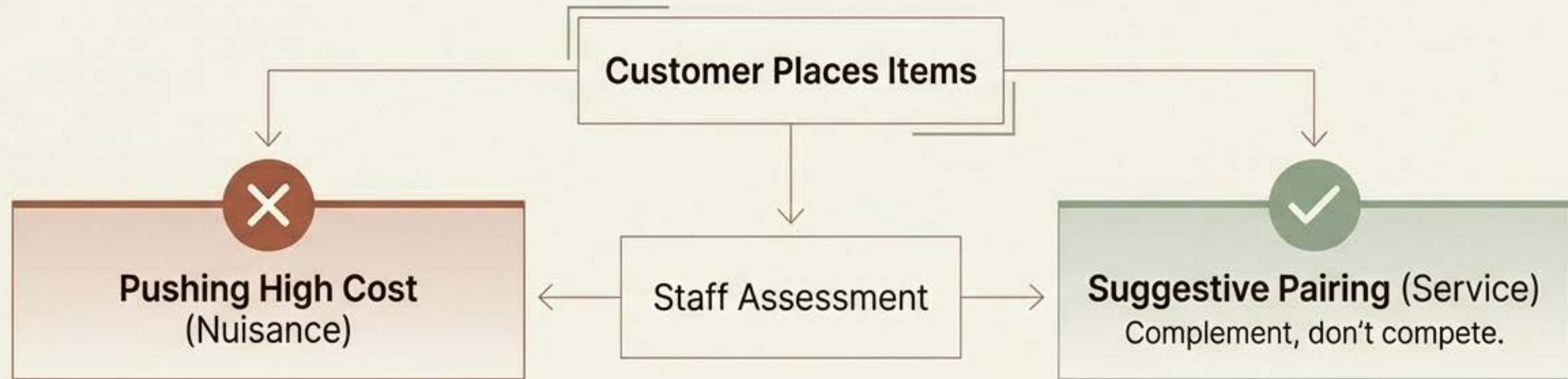
Price Elasticity Test

Action: Test 7% sticker price increase.

Kill Switch: Revert if conversion drops > 3%.

The Art of Upselling

The Checkout Interaction



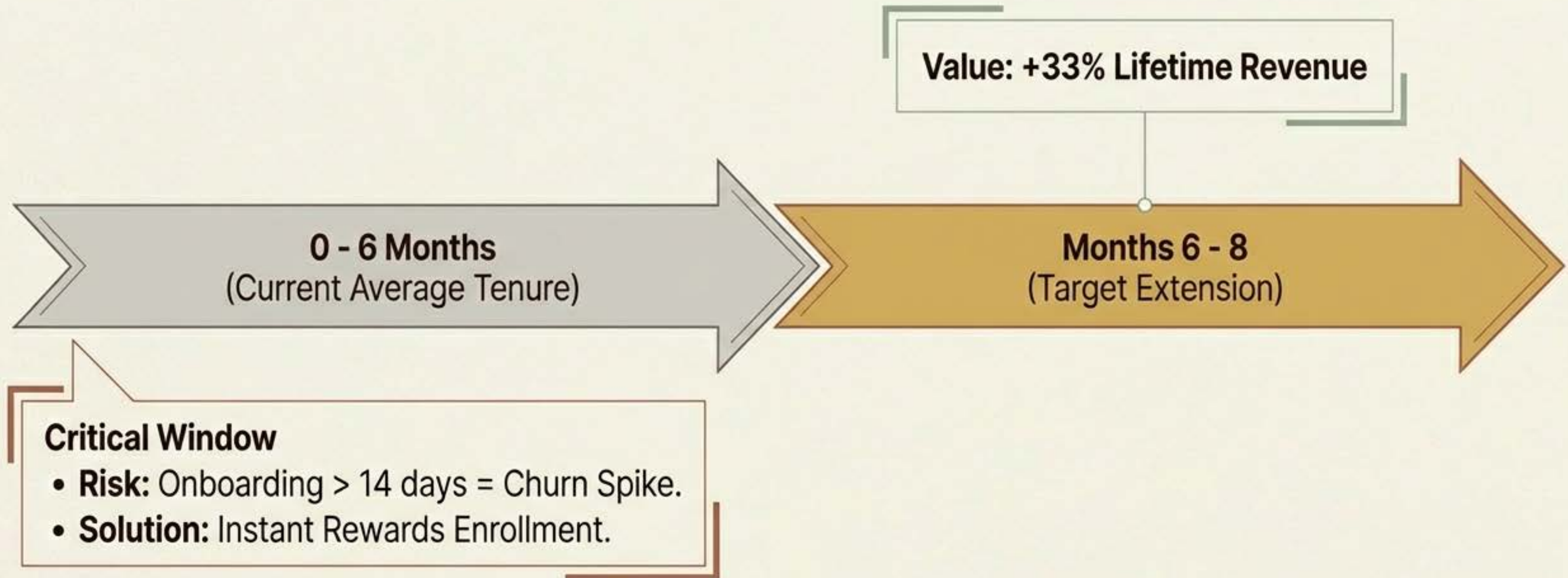
Tactics: Pair Chocolate with Nostalgia.

Timing: Suggest late in interaction.

Measurement: Track Units Per Order.

Investment: Budget for lost sales coverage during staff training.

Maximising Customer Lifetime Value (CLV)



Extending the lifecycle reduces reliance on expensive acquisition (CAC) and locks in predictable revenue streams.

High-Ticket Growth: Events



Growth Target: Scale
Event/Party Favours to 150%
mix by 2030.

Strategy:

1. Phase 1: Secure local business bulk orders.
2. Phase 2: Target wedding planners.

Protect the margin. Ensure custom packaging costs do not erode the profitability of the high ticket.

The Primary Risks



CAC Overspend

- Marketing is budgeted at 30% of revenue.
- **Risk:** Spending this before lifting AOV guarantees losses.



Inventory Lag

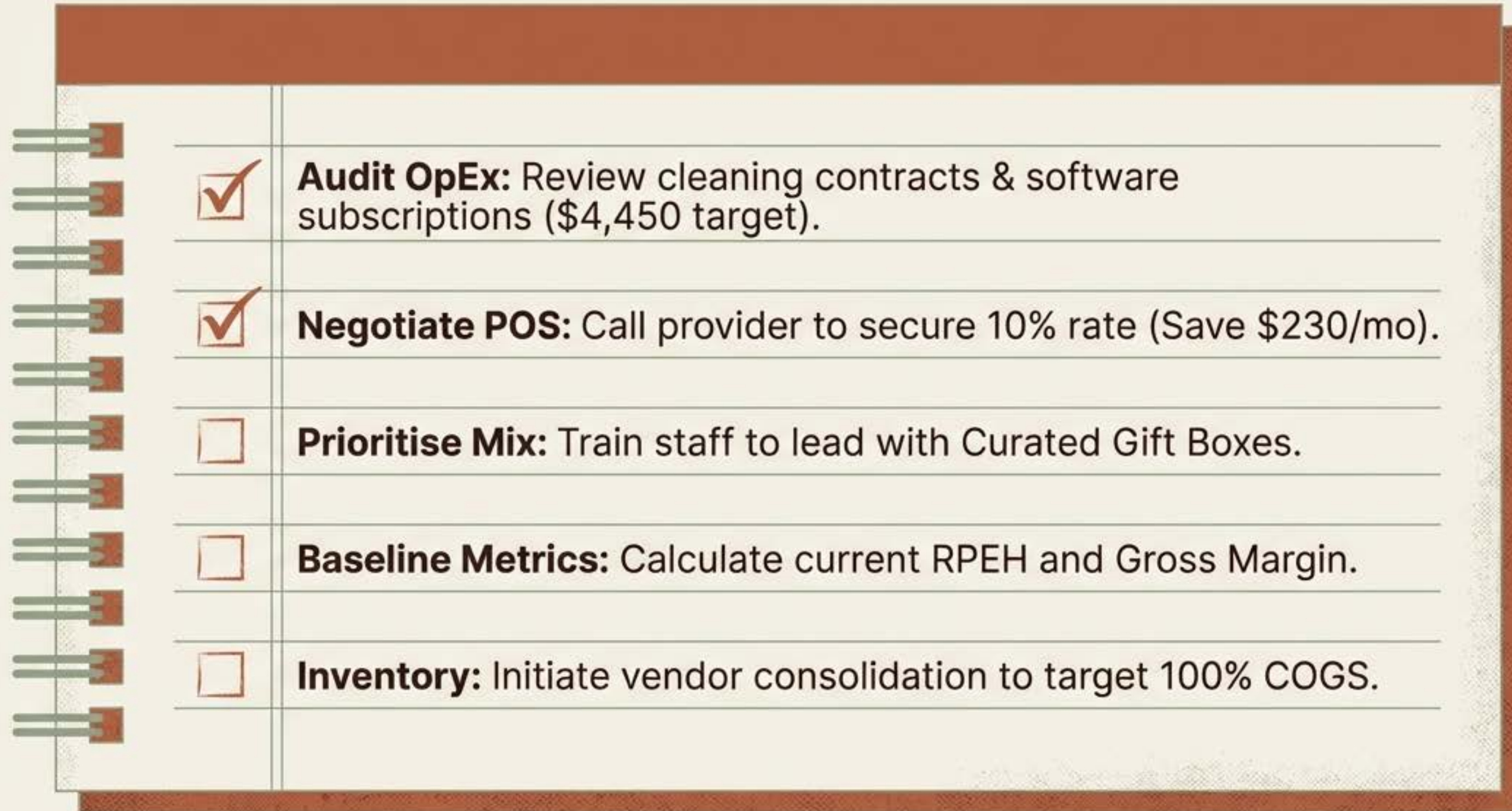
- 10-day reconciliation delay.
- **Risk:** Hides theft and shrinkage until it is too late.



Churn Velocity

- Loyalty rollout > 14 days.
- **Risk:** Kills repeat business potential.

Summary Checklist: Monday Morning



<input checked="" type="checkbox"/>	Audit OpEx: Review cleaning contracts & software subscriptions (\$4,450 target).
<input checked="" type="checkbox"/>	Negotiate POS: Call provider to secure 10% rate (Save \$230/mo).
<input type="checkbox"/>	Prioritise Mix: Train staff to lead with Curated Gift Boxes.
<input type="checkbox"/>	Baseline Metrics: Calculate current RPEH and Gross Margin.
<input type="checkbox"/>	Inventory: Initiate vendor consolidation to target 100% COGS.

Sweet Success

Precision in Margins + Boldness in Bundling

By controlling the inputs (Labour, COGS, Overhead) and expanding the outputs (AOV, Tenure), we transform volume into sustainable profit.