



DRY HEAT
ROASTING CO.

Consultative Sales Case Competition

Group #7:

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Financial Data

Dry Heat Roasting Company - Financial Data

Use the case write-up and the data below to complete the analysis (cells highlighted in yellow)

Table 1: Product Profit By Category 2020

Category	Retail Price Per Unit	Cost Per Unit	Profit Per Unit	Units Sold	Total Revenue	Total Profit	Profit Margin
Coffee Beverages & Food	\$12	\$9	\$3	50,000	\$ 600,000	\$ 150,000	25%
Coffee Beans	\$20	\$10	\$10	15,000	\$ 300,000	\$ 150,000	50%

Table 2: Historical Annual Revenue By Category

Category	2017	2018	2019	2020	2021
Coffee Beverages & Food	\$518,303	\$544,218	\$571,429	\$600,000	\$ 630,000
Coffee Beans	\$259,151	\$272,109	\$285,714	\$300,000	\$ 315,000

Table 3: Break Even Analysis

Solution	Cost to Implement	2021 Projected Revenue	2021 Total Units to Sell to Breakeven	2021 Additional Units to sell (compared to 2020)	2021 % Increase units sold (compared to 2020)	2021 Additional units to sell - per month	2021 Additional units to sell - per week
Mobile Application/Coffee Beverages & Food	\$16,700	\$ 630,000	53892 units	3892 units	7.78%	325 units	75 units
E-Commerce Site/Coffee Beans	\$15,000	\$ 315,000	16500 units	1500 units	10.00%	125 units	29 units

Formula Key:

Total Revenue	Price per unit * # of units sold
Total Profit	Profit per unit * # of units sold
Profit Margin	Total profit / total revenue
Break Even	(Cost of solution + 2021 Revenue) / Price per unit

Figures for expected 5% revenue growth

Table 3: Break Even Analysis

Solution	Cost to Implement	2021 Projected Revenue	2021 Total Units to Sell to Breakeven	2021 Additional Units to sell (compared to 2020)	2021 % Increase units sold (compared to 2020)	2021 Additional units to sell - per month	2021 Additional units to sell - per week	Gained Profit	Profit less Cost to Implement
Mobile Application/Coffee Beverages & Food	\$16,700	\$ 648,000	55392 units	5392 units	10.78%	450 units	104 units	\$16,176	-\$524
E-Commerce Site/Coffee Beans	\$15,000	\$ 324,000	16950 units	1950 units	13.00%	163 units	38 units	19,500	\$4,500

Figures for 8% revenue growth

Understanding Consumers



DRY HEAT
ROASTING CO.

Convenience



Secure Revenue



E-Commerce Site Coffee Beans

Insights:

10% 2021% increase units sold
(expected 5% revenue growth)

13% 2021 % increase units sold
(expected 8% revenue growth)

Consumer Insights



DRY HEAT
ROASTING CO.

More Coffee Drinkers

Daily coffee consumption nationwide has overall increased

-2020: 43.33%

-2021: 46.33%



Local Growth

Tucson is experiencing new levels of growth

-4,400 new jobs estimated for 2021

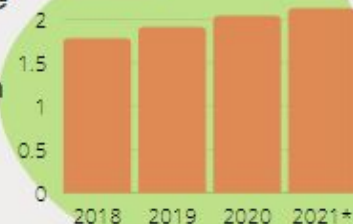
-Downtown expansions



More Online Shoppers



2021 has seen a 4.4% increase in the amount of people shopping online, 2.14 billion in total.



Growing Ecommerce

Ecommerce share of all retail sales has grown from 12.2% in 2018, to 18.1% in 2021

Secure Revenue



Subscription-based services provide recurring revenue for the business

-Greater revenue predictability

-Increases company valuation

-Access to useful consumer data



Closing Statement

Consulting Agreement:

Service Provided: Client engage in agreement working alongside *advisement* of Consultant.

Term of Agreement: Beginning of *November 8, 2021*, towards the end of *November 8, 2022*. (1 year)

Performance: Agree to do everything to *ensure* the terms of Agreement *take effect*.

Confidentiality: Agree to *not disclose* any information, and will remain protected after Agreement has *ended or terminated*.

Signature: By signing this Agreement, both parties *abide* by the terms listed above.

CONSULTING AGREEMENT

BETWEEN:

Dry Heat Roasting Co. ("Client")
&
Eller Consulting Company ("Consultant")

Service Provided:

1. The Client and the Consultant hereby engage to perform the following service in accordance to the terms and conditions that have been set forth in this agreement, working with the advisement of the Consultant.

Term of Agreement:

1. The Agreement will begin on [November 8, 2021] made between the Client and the Consultant through the end of [November 8, 2022] agreed upon project.
2. The term may be extended or altered, with written notice and consent from all parties involved in this Agreement.
3. The term of this Agreement will be in full effect until the completion of the Services.

Performance:

1. Parties agree to create changes and do everything that is necessary to ensure a high quality performance in this Agreement to take effect.

Confidentiality:

1. The Client and the Consultant have agreed to refrain from disclosing any Confidential Information from the project including but not limited to advisement created by the Consultant.
2. Parties agreed to not disclose any business process, accounting records, and client records.
3. Any information relating to the project will remain protected as Confidential, after the Agreement has been concluded or terminated.

Signature:

By signing this agreement, both parties agree to abide by the terms and conditions that have been listed above.

The date of signature is the **8th day of November of 2021**.

Dry Heat Roasting Co. (Representative)

Eller Consulting Company (Representative)