

Category ROI / GMROI Analysis

Building Materials & Hardware

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Computes GMROI (gross-margin return on inventory investment) by category from discrete inputs — margin, turnover and average stock — so you know which categories earn their space and capital and which trap cash. Use it to optimise your mix and stock. For margin management use the Margin Management & Analysis tool.

Purpose of this tool & output

Find which categories actually earn their shelf

How the output is used

Use it to find which categories actually earn their shelf — a GMROI analysis that shows return on the cash tied in each category.

Who should vet it

Your accountant, to confirm the category margins and average inventory used in the GMROI.

Important cautions

High-margin tiles can still be a cash-trap if they turn slowly; GMROI (margin x turnover) shows which categories truly earn their capital — manage stock accordingly.

Companion documents

- Store P&L Modeller
- Working Capital Planner
- Break-Even Analysis
- Cash Flow Management Plan
- Landed Cost & Margin Model
- Building Materials Business Valuation

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.