Performance Assessment Report 1

Student’s Name

Institution

Date

**Introduction**

Fast Truck is a logistic and repair and maintenance company. It offers a variety of services to the market and over the last three years, the company has experienced fluctuation in its performance. It has invested in marketing, R&D and efficient management, which has been some of the key factors of its performance. This report, therefore, presents the financial analysis of Fast Truck for the last two financial years. It analyses key indicators of performance and then provides better recommendations, which Fast Truck could adopt to improve its market performance.

**Analysis**

The financial status for year 1 and 2 indicates an improvement in performance. Fast Truck’s total equity for year 1 is 17,397 and 19, 686 Proforma and actual respectively and year two is 27, 577 and 31,071 for proforma and actual. Based on the performance indicated the Fast Truck's total equity increased by almost 25% between 1 year and 2 years. It means Fast truck has a good debt-equity ratio and therefore, there should be no alarm to shareholders of the company. The financial record also reveals that the sales of Baker Sales reduced by almost 10% between year 1 and 2. The reduction of sales could be attributed to the lack of effective marketing or promotion tool, which is being applied by the company.

However, the increase in equity could be attributed to the efficient management of asset and liability to make a profit. Fast Truck’s total sales and net income have also increased by almost 20%, which indicates a better performance for the company. However, Fast Truck experience challenges with its cash from operation and net cash charge. In year 1 and 2, it is evident that it registered negative in proforma. It could mean that it has a lot of overhead expenses and therefore, it registers a negative result. It is also evident that received no sales of bagel during the first year and few sales during the second year. It means that the company does not have an effective marketing plan or strategies and therefore, it takes long before the products are known into the market.

**Recommendation**

It would be important for the company to improve its sales since both year 1 and 2 indicates low net income. Fast Truck should, therefore, focus on marketing its services and products so that it can compete with its rival in the market like Balwin and Chester. Effective marketing would improve its market share hence performance. The market analysis indicates that there is a huge demand for repair and maintenance services. Through effective marketing, it would be the best action to improve sales and general performance of the company. The performance of the company could be improved through effective marketing strategies, increased production, and efficient financial management.

**Summary**

Fast Truck R&D needs improvement to realign it with the market demand. The poor performance being registered on sales could be as a result of ineffective R&D and improvement will increase its sales. Its marketing strategies also require improvement since it does not perform well. It is noted that it has low net income and total sales, therefore, improve marketing strategies would be the best decision. The production is also low. This is because the company registered negative sales of Bagel and low sales of the baker for both year 1 and 2. The negative cash from operation and net cash change also indicate that Fast Truck does not have good marketing and product strategy. It shows that it has been producing fewer products than expected and therefore, it registers poor sales. Compared to its competitors, Fast Truck requires improvement to increase its market share and productivity.