

ISSUE / PROBLEM

According to Forbes, more than 80% of fashion startup companies fail within their first year of operations due to a lack of planning and analysis of their market and product fit.

FBS has experienced an area of stagnation and is unable to identify its true profit and revenue correlations.

RESPONSE

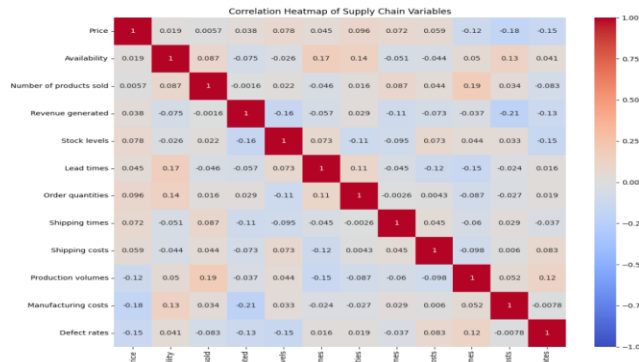
Conducted an extensive descriptive analysis of FBS' revenue generators and provided recommendations to improve the supply chain operations and maximize profits within the organization.



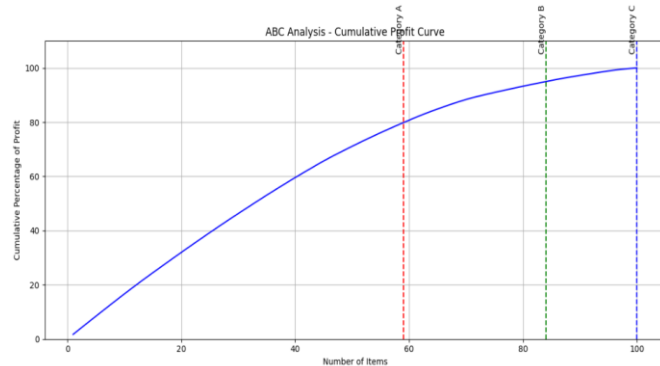
IMPACT

The descriptive analysis provides a sound price, product, and revenue correlation to assist in bottleneck prevention and scalability management.

To showcase the efficacy of supply chain optimization, I included an Correlation Heatmap and an ABC Analysis identifying the correlation between product variables, price, and revenue.



Alt text: Correlation heatmap identifies the relationship between various supply chain variables.



Alt-text: ABC Analysis identifies the high, medium, and low value items and their approximate percentage of total profit.

Category A (High-Value Items) (Skincare): Represents 59% of the total items (59 products) These items contribute to approximately 80% of the total profit.

Category B (Medium-Value Items) (Haircare): Represents 25% of the total items (25 products) These items contribute to approximately 15% of the total profit (from 80% to 95%).

Category C (Low-Value Items) (Cosmetics): Represents 16% of the total items (16 products) These items contribute to approximately 5% of the total profit (from 95% to 100%).

KEY INSIGHTS

- The profit distribution follows the Pareto principle (80/20 rule) closely, with a small number of products contributing to a large portion of the total profit.
- The top 10 most profitable products include items from all three product types (haircare, cosmetics, and skincare), suggesting that high profitability is not limited to a single product category.

Next Steps:

- Implement strict inventory control for Category A items to ensure they are always in stock. Consider using just-in-time inventory management for Category C items to reduce holding costs.
- Develop strategies to cross-sell Category B and C products with Category A products to increase overall sales and potentially move some products to higher categories.