

Urban Decay Cosmetics Supply Chain Optimization

Transforming challenges into strategic advantages through data-driven insights

By

Bukola Adesuji



The Growth Challenge

Urban Decay's rapid expansion across U.S. markets has created unprecedented demand, but success has brought new complexities. While customers love the products, rising shipping costs, frequent stockouts, and delivery delays are threatening the brand's reputation.

Leadership recognized that their supply chain needed strategic attention to support sustainable growth and maintain customer satisfaction.

Critical Issues Identified

Stockout Risk

High-demand SKUs showing low availability despite strong order volumes, creating lost sales opportunities

Supplier Dependency

Over-reliance on Supplier 3 (63,000+ units) creates vulnerability to disruptions

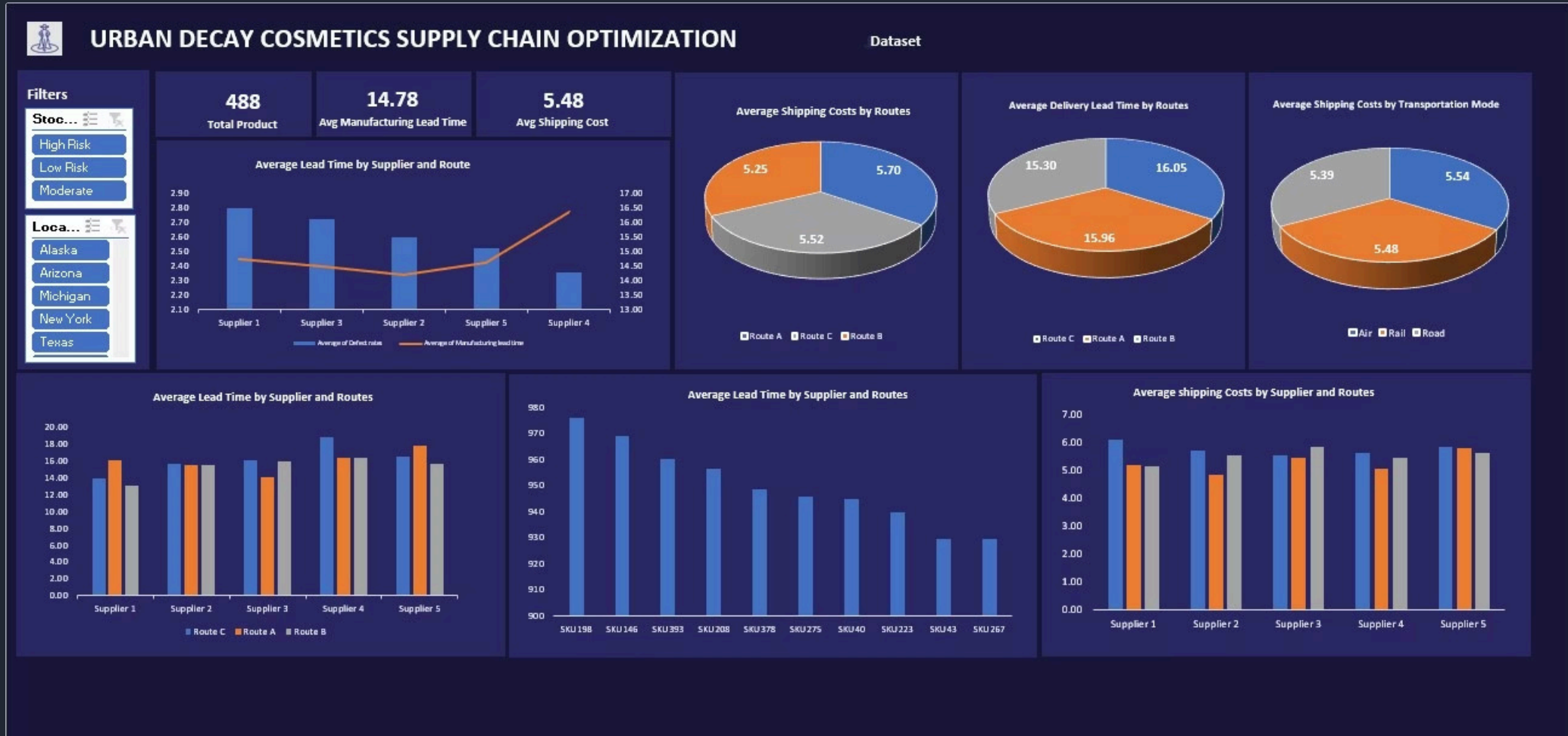
Quality Concerns

Defect rates exceeding 200% threaten product integrity and customer trust

Urban Decay PivotTable

Row Labels	Average of Shipping costs		Average of Shipping costs	Average of Manufacturing lead time	Count of SKU
Route A	5.70		5.48	14.78	488
Route C	5.52				
Route B	5.25				
			5.48	14.78	488
Row Labels	Average of Lead times				
Route C	16.05				
Route A	15.96				
Route B	15.30				
Average of Lead times	Column Labels				
Row Labels	Route C	Route A	Route B		
Supplier 1	13.96		16.09	13.12	
Supplier 2	15.69		15.52	15.50	
Supplier 3	16.08		14.03	16.00	
Supplier 4	18.78		16.34	16.39	
Supplier 5	16.57		17.91	15.67	
Average of Shipping costs	Column Labels				
Row Labels	Route A	Route B	Route C		
Supplier 1	6.10	5.20	5.14		
Supplier 2	5.69	4.83	5.53		
Supplier 3	5.51	5.42	5.81		
Supplier 4	5.62	5.04	5.43		
Supplier 5	5.81	5.77	5.60		
Row Labels	Average of Defect rates	Average of Manufacturing lead time			
Supplier 1	2.80	14.73			
Supplier 3	2.72	14.49			
Supplier 2	2.60	14.20			
Supplier 5	2.53	14.60			
Supplier 4	2.35	16.35			

Dashboard For Insights and Visualization



Operations Overview

488

Total SKUs

Products analyzed across
the entire portfolio

14.8

Avg Lead Time

Days for manufacturing
processes

\$5.48

Avg Shipping Cost

Per unit across all routes
and modes

\$475

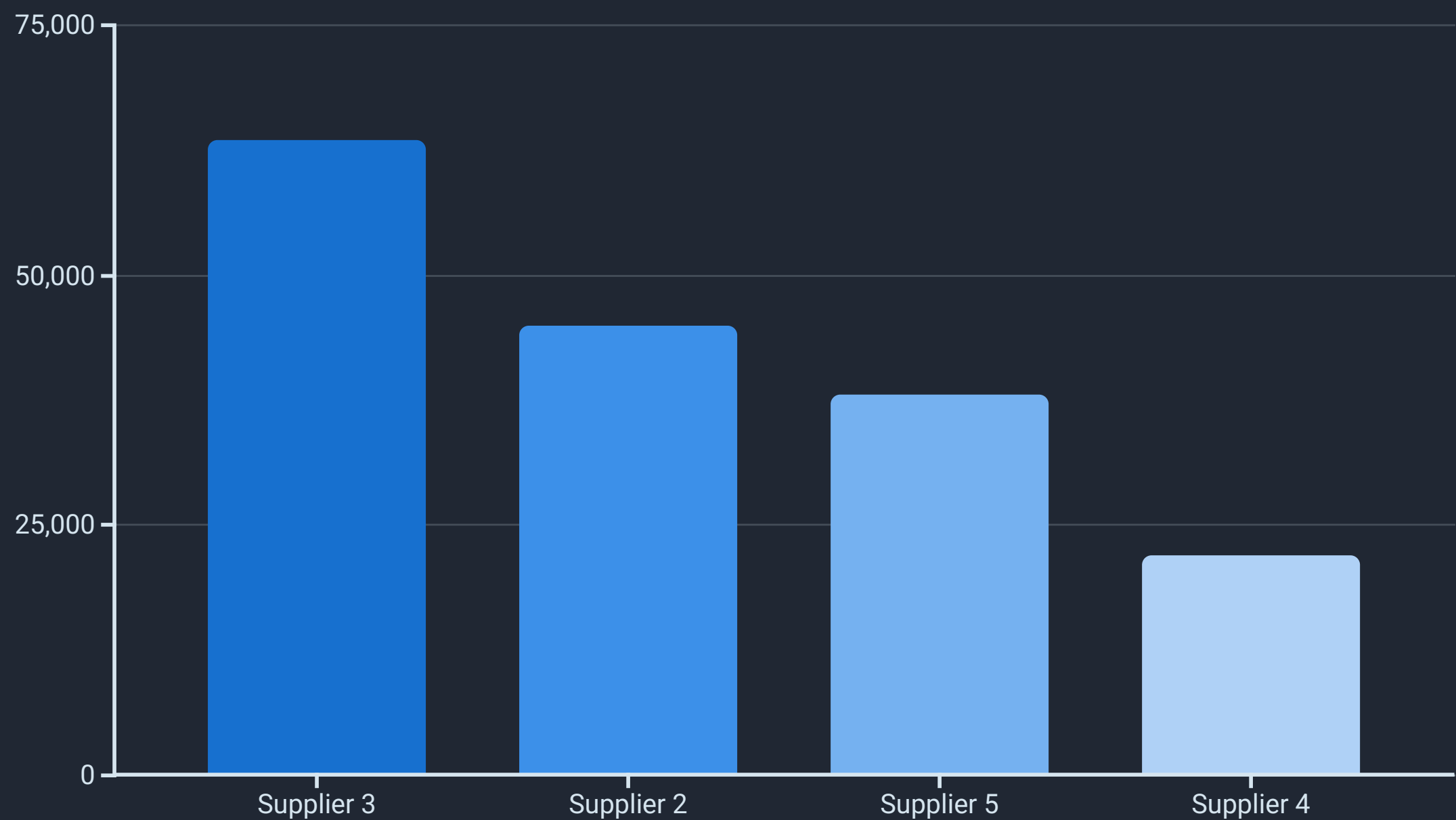
Avg Profitability

Per SKU with wide variation
by product type



Supplier Performance Analysis

The data revealed significant imbalances in supplier relationships that create both opportunities and risks for Urban Decay's operations.



Heavy reliance on Supplier 3 creates a critical dependency risk, while Supplier 4's low volume and slower lead times indicate need for performance improvement or reassessment.

Shipping Route Trade-offs



Route A

Fastest: 15.3 days

Cost: \$5.70 per unit

Premium option for urgent shipments



Route B

Balanced: 15.9 days

Cost: \$5.52 per unit

Middle ground for standard orders



Route C

Cheapest: \$5.25 per unit

Speed: 16.1 days

Cost-effective for bulk shipments

Clear cost-speed trade-offs require strategic allocation based on market priorities and product margins.

Transportation Mode Comparison

1 Air Transport

Cheapest option at \$5.39 per unit, but may have capacity constraints for large volumes

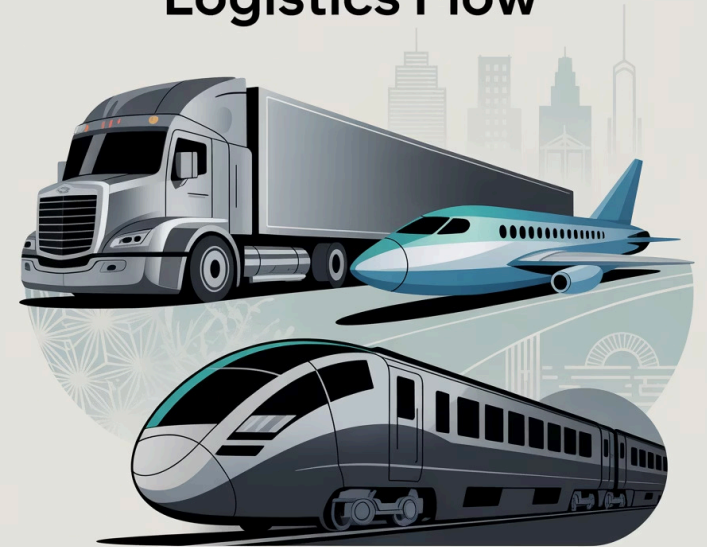
2 Road Transport

Balanced middle option at \$5.48 per unit with reliable capacity and flexibility






3 Rail Transport

Most expensive at \$5.54 per unit, suitable for specific route requirements

Logistics Flow



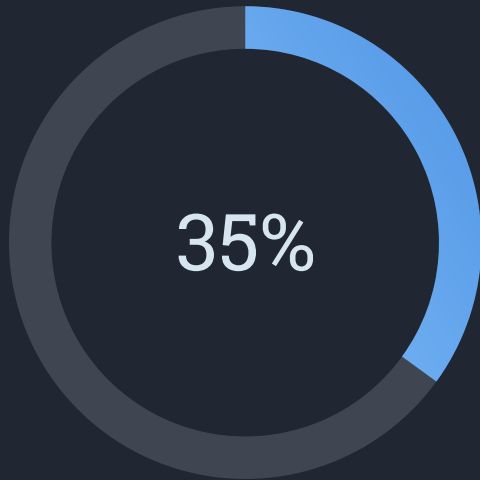
Top Revenue Markets

	Texas \$55.4K - Leading market performance
	Alaska \$53.2K - Strong remote market presence
	Washington \$50.7K - Consistent urban demand
	Arizona \$47.2K - Growing southwestern market
	Michigan \$44.8K - Solid midwest performance

Texas and Alaska represent critical growth markets requiring prioritized supply chain attention to protect revenue and brand reputation.

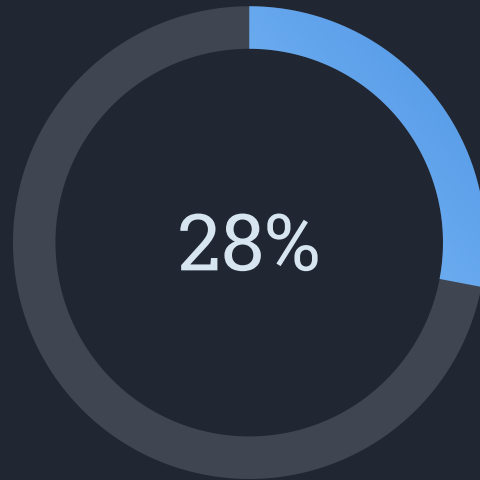
Stockout Risk Assessment

Several high-demand SKUs show dangerous inventory imbalances that threaten sales performance and customer satisfaction.



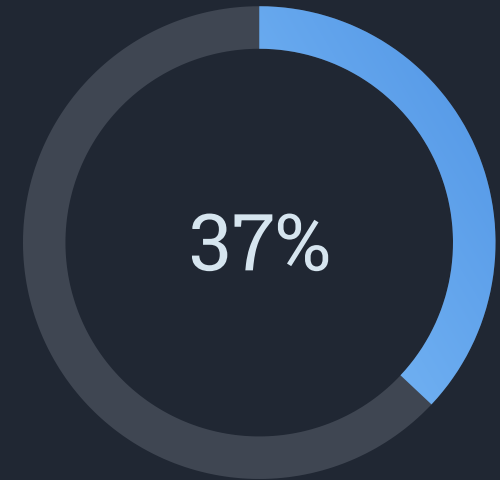
High Risk SKUs

Products with critically low availability despite strong demand



Moderate Risk

Items requiring inventory buffer strategies



Low Risk

Well-balanced inventory levels

Strategic Recommendations



Optimize Route Usage

Prioritize Route A for Texas & Alaska (highest revenue), use Route C for bulk shipments to balance cost and service



Diversify Suppliers

Reduce dependence on Supplier 3 by reallocating volumes to Suppliers 2 & 5, improve or replace Supplier 4



Strengthen Quality Control

Validate defect rate metrics, implement standardized inspection reporting and supplier quality audits

Profitability-Driven Shipping Strategy

Premium SKUs

- Route A (fastest delivery)
- Air transport priority
- Texas & Alaska focus
- Enhanced quality checks

Standard SKUs

- Route B (balanced option)
- Road transport efficiency
- Cost-optimized delivery
- Bulk shipment strategies

Aligning shipping modes with product margins ensures optimal resource allocation while maintaining customer satisfaction across all market segments.



Risk Management & Scenario Planning



Supplier Disruption

What-if modeling for Supplier 3 failure scenarios and contingency activation plans



Cost Fluctuations

Impact analysis of 10% freight cost increases across different transportation modes



Safety Stock

Strategic inventory buffers for high-risk SKUs to cushion demand shocks

Strategic Roadmap



Implementation Roadmap

1

Phase 1: Immediate Actions

Validate defect rate data, implement Route A for Texas/Alaska, begin Supplier 4 performance review

2

Phase 2: Strategic Shifts

Rebalance supplier volumes, establish quality audit protocols, develop safety stock strategies

3

Phase 3: Optimization

Deploy predictive analytics, complete scenario planning models, establish continuous improvement processes

Expected Impact

Implementing these strategic changes will transform Urban Decay's supply chain from a cost center into a competitive advantage that drives sustainable growth.



Reduced Risk

Diversified supplier base eliminates single points of failure and strengthens operational resilience



Smarter Decisions

Data-driven shipping allocation protects revenue in top markets while optimizing costs elsewhere



Enhanced Quality

Improved quality control processes reinforce customer trust and brand reputation



Scalable Growth

Optimized supply chain becomes a strategic enabler for future expansion and market penetration

Strategic Success

Urban Decay's supply chain transformation represents more than operational efficiency; it is about building a foundation for sustainable growth, customer satisfaction, and market leadership in the competitive beauty industry.

By addressing supplier dependencies, optimizing shipping strategies, and implementing robust quality controls, Urban Decay positions itself to scale confidently while protecting profitability and brand reputation.

