

Zorinthia

These examples illustrate the structure, depth, and type of output produced during a Phase 1 diagnostic. They are anonymised and provided to support decision-making — not as case studies or endorsements.

Cosmetic Manufacturing & Retail: Data Fragmentation Assessment

Independent Assessment for Multi-Channel Manufacturers and Retailers

Background Context

The organisation operated across three layers: manufacturing of cosmetic products, physical retail stores nationwide, and e-commerce sales through its own website. **The industry** — beauty and personal care — combines manufacturing, wholesale, retail, and direct-to-consumer in a single business. **The operational size** included multiple regional warehouses supporting both store replenishment and online fulfilment.

Revenue was growing. Product demand was stable. Brand recognition was strong.

The governance condition was the central issue. Despite multiple systems and rich operational data, leadership faced a persistent frustration:

"We have data everywhere, but no single view that answers the questions we actually care about."

The finance director struggled to reconcile retail cash deposits with recorded sales. The operations team could not clearly measure sell-through by region. E-commerce performance was analysed separately from in-store sales. Inventory movement across warehouses lacked real-time clarity.

The systems were functioning individually. Insight was not.

An independent data strategy advisor was engaged to diagnose the issue and define a structured path forward.

Executive Summary

This document summarises an independent assessment of data fragmentation in a national cosmetic manufacturer and retailer. The business operated across manufacturing, retail stores, e-commerce, and multiple warehouses — but had no unified view of revenue, cash, inventory, or channel profitability. The diagnostic identified disconnected systems (POS, e-commerce, warehouse management, finance) and governance gaps: no unified definition of revenue across channels, manual cash reconciliation with limited audit trail, and inventory movement tracked but not linked to batch-level margin. The advisor did not recommend replacing systems. Instead, the focus was on five foundational elements:

- Critical data asset identification
- Master data alignment
- End-to-end data lineage mapping
- Cash governance strengthening
- Integrated channel performance model

After governance alignment and structured integration planning, retail and online sales were reported under unified definitions, cash reconciliation lag reduced, warehouse aging became visible, and product profitability by channel became measurable. Visibility followed governance — not the other way around.

Executive-Level Assessment Dimensions

The assessment is framed around five key dimensions:

- **Executive level pattern** — Clarity on which data assets, if ungoverned, prevent leadership from answering critical business questions
 - **The organisation** — Manufacturing + retail + e-commerce; three revenue streams, multiple warehouses, complex cash flow
 - **The industry** — Beauty and personal care; multi-channel, inventory-intensive, margin-sensitive
 - **The operational size** — National retail footprint, regional warehouses, own e-commerce platform
 - **The governance condition** — Fragmented definitions, weak master data, manual reconciliation, no end-to-end traceability
-

The Scenario

The Business Questions That Could Not Be Answered

Leadership wanted clarity on specific operational and financial questions:

- What is true product profitability by channel (retail vs. online)?
- Which stores consistently over- or under-perform relative to foot traffic?
- How long does stock sit in each warehouse before sale?
- Where are shrinkage or unexplained variances occurring?
- Is cash collected in stores fully reconciling with bank deposits?
- What is the true cost-to-serve for e-commerce orders versus in-store sales?

The organisation had reports. It did not have integrated answers.

Fragmented Data Landscape

The diagnostic identified multiple disconnected systems and processes.

Retail Store Systems

Element	Status
POS system	Tracks in-store transactions
Cash handling	Manual daily counts; physical deposit preparation
Card transactions	Summaries recorded separately
Reconciliation	Manual; variances investigated retrospectively

Cash was counted at store level, recorded in spreadsheets, and handed to a security van service for deposit. Variances were investigated manually. No single identifier linked a store sale to a bank deposit.

E-Commerce Platform

Element	Status
Transactions	Online database
Payments	Gateway records
Fulfilment	Order and shipping data
Performance	Reported independently from retail

Online performance was analysed in isolation. Channel comparison was not apples-to-apples.

Warehouse Systems

Element	Status
Inventory	Management system per warehouse
Transfers	Logs between warehouses and stores
Adjustments	Stock adjustment records
Manufacturing link	Batch tracking exists but not integrated to final sale

Each warehouse operated with slight variations in process. Inter-warehouse transfers were inconsistently coded. Batch profitability was not linked to final sale channel.

Finance Systems

Element	Status
General ledger	Bank deposits, supplier payments
Manufacturing cost	Tracked separately
Channel revenue	Defined differently (retail at POS; e-commerce at payment confirmation)

No single identifier linked: a manufactured batch → a warehouse allocation → a store sale → a bank deposit.

The Governance Gaps Identified

The issue was not absence of technology.

It was absence of structured data governance.

No Unified Definition of Revenue

Retail and e-commerce revenue were defined differently:

- **Retail revenue** — recognised at point of sale
- **E-commerce revenue** — recognised at payment confirmation
- **Returns** — processed differently by channel

Comparisons were not apples-to-apples. Channel profitability analysis was unreliable.

Cash Handling and Deposit Reconciliation Risk

Cash processes involved:

1. POS transaction recording
2. End-of-day physical count
3. Manual spreadsheet entry
4. Security van pickup
5. Bank confirmation

Reconciliation was manual and retrospective.

Risks included: - Timing mismatches between count and deposit - Human error in count entry - Lack of automated exception detection - Limited audit trail across systems

Leadership had no real-time visibility of cash exposure between store and bank. Cash-in-transit was a governance blind spot.

Inventory and Warehouse Disconnect

Stock movement from manufacturing to warehouse to store was tracked, but:

- Batch profitability was not linked to final sale
- Inter-warehouse transfers were inconsistently coded
- Online orders fulfilled from different warehouses were not easily compared

As a result, management could not answer:

- Which warehouse is most efficient?
 - Where is stock aging excessively?
 - Which products perform differently by geography?
-

What the Advisor Focused On

The advisor did not recommend replacing systems.

Instead, the focus was on five foundational elements.

1. Critical Data Asset Identification

Leadership agreed to prioritise governance around:

Asset	Owner	Purpose
Revenue by channel	Finance	Unified definition; comparable across retail and online
Cash-in-transit exposure	Finance + Operations	Visibility and accountability
Inventory aging	Operations	Warehouse efficiency; stock turnover
Batch-level cost and margin	Manufacturing + Finance	Product profitability; margin leakage
Warehouse transfer accuracy	Operations	End-to-end stock traceability

These were defined as decision-critical data assets requiring documented definitions and change governance.

2. Master Data Alignment

The business lacked harmonised master data for:

- Product codes — same SKU referenced differently across systems
- Store identifiers — no consistent mapping for cross-channel analysis
- Warehouse identifiers — variations in naming and coding
- Customer segments — retail vs. online not aligned

Without consistent master data, cross-channel analysis was unreliable.

The advisor recommended establishing controlled master data ownership and change governance — a single source of truth for products, stores, and warehouses before building integrated analytics.

3. End-to-End Data Lineage Mapping

The team mapped two critical flows:

Retail flow: Manufacturing batch → Warehouse receipt → Store allocation → Retail sale → Cash deposit → Bank confirmation.

E-commerce flow: Manufacturing batch → Warehouse pick → Online sale → Payment confirmation → Shipping cost → Return handling.

This mapping identified transformation points, reconciliation gaps, and where manual intervention occurred. It revealed that no single identifier traversed the full chain — a structural barrier to integration.

4. Cash Governance Strengthening

Rather than replacing systems, improvements focused on:

- Formalising reconciliation checkpoints (daily, weekly, monthly)
- Creating automated variance thresholds with exception alerts
- Assigning accountability for cash-in-transit and variance resolution
- Defining documentation standards for adjustments and write-offs

The objective was **control before automation** — establish discipline and visibility before investing in further technology.

5. Integrated Channel Performance Model

By aligning:

- POS sales
- Online transactions
- Inventory movement
- Manufacturing cost

Leadership could model:

- **True channel profitability** — retail vs. e-commerce with comparable cost attribution
- **Cost-to-serve by region** — logistics, labour, and fulfilment costs by geography
- **Stock turnover efficiency** — warehouse and store-level
- **Product-level margin leakage** — where returns, shrinkage, or misallocation eroded margin

This required structured data integration and governance discipline, not wholesale system replacement.

What Changed

After governance alignment and structured integration planning:

Before	After
Retail and online reported separately	Unified revenue definitions; comparable by channel
Cash reconciliation lag; retrospective	Reconciliation lag reduced materially; defined checkpoints
Warehouse aging opaque	Warehouse aging visible at executive level
Product profitability unknown by channel	Product profitability by channel measurable
Reactive reconciliation	Proactive visibility

The organisation moved from reactive reconciliation to proactive visibility.

Success Metrics (Post-Governance)

1. **Revenue definition** — Single, board-endorsed definition; retail and e-commerce comparable within 4 weeks
2. **Cash reconciliation** — Daily exception report; variance resolution within 48 hours
3. **Inventory aging** — Monthly report by warehouse and product category; aging >90 days flagged
4. **Channel profitability** — Quarterly report: cost-to-serve by channel; margin by product and geography

5. **Master data** — Product, store, warehouse codes harmonised; change governance in place

Risks & Mitigation

Risk 1: Governance Becomes Bureaucracy

Problem: Master data and definition processes slow down operations; teams resist.

Mitigation: Start with decision-critical assets only; involve operations and finance in definition; keep change governance lightweight.

Risk 2: Integration Complexity Delays Benefits

Problem: Data lineage reveals so many gaps that the integration plan feels overwhelming.

Mitigation: Phase by business question: "Channel profitability" first; "Cash visibility" second; "Inventory aging" third. Deliver incremental value.

Risk 3: Systems Replaced Prematurely

Problem: Leadership concludes that new systems will solve the problem; governance deprioritised.

Mitigation: Document that the issue was governance, not technology. New systems without governance replicate fragmentation. Governance first; technology second.

Takeaway

In multi-channel manufacturing and retail businesses, data problems rarely stem from absence of systems.

They stem from:

- **Fragmented definitions** — Revenue, cost, and margin defined differently across channels
- **Weak master data governance** — No single source of truth for products, stores, warehouses
- **Manual reconciliation dependencies** — Cash, inventory, and sales reconciled in spreadsheets
- **Lack of end-to-end traceability** — No identifier links batch to sale to deposit

The role of independent data strategy advisory was not to recommend new platforms.

It was to create clarity across manufacturing, retail, logistics, and finance — enabling leadership to see the business as one integrated system rather than separate operational silos.

Visibility followed governance.

Not the other way around.