



## CASE STUDY 03

### Strategic SKU Selection & Global Sourcing Feasibility for Eco-Friendly Retail Products (US & EU Markets)

#### Client Situation

We launched a strategic product-sourcing and market-entry initiative to identify commercially viable, eco-friendly SKUs for potential private-label, sourcing, and retail partnership opportunities across the US and EU markets.

The objective was to build a highly disciplined, execution-ready product selection framework focused on:

- retailer shelf reality,
- sourcing feasibility,
- scalability,
- compliance risk,
- private-label potential,
- and long-term commercial viability.

The study covered:

- Eco-Friendly Toys
- Eco-Friendly Home Décor
- US retail ecosystem (Walmart, Target, Costco)
- EU retail ecosystem (IKEA, Montessori.store)

---

#### Problems Identified

##### Excessive SKU Complexity & Selection Risk

The initial product universe included 40 shortlisted eco-friendly SKUs across:

- toys,
- Montessori products,

- home décor,
- utility storage,
- and eco-friendly lifestyle categories.

The client lacked:

- a structured decision framework,
  - retailer-fit assessment logic,
  - sourcing realism,
  - and risk-based commercial prioritization.
- 

### **High Risk of Emotion-Driven Product Decisions**

Many shortlisted products appeared attractive aesthetically but faced:

- poor retailer economics,
- low scalability,
- compliance complexity,
- weak sourcing advantage,
- or low shelf velocity.

There was a strong need for:

**data-driven SKU rationalization.**

---

### **Lack of Retail Shelf Intelligence**

The project identified major differences in:

- retailer merchandising behavior,
- private-label dominance,
- shelf velocity,
- price-band dynamics,
- and eco-product positioning across US and EU markets.

Without retailer-specific analysis, SKU selection risk remained high.

---

## **Unclear Sourcing Feasibility from India**

A critical challenge was evaluating whether India could realistically compete against:

- China,
- Vietnam,
- Eastern Europe,
- and Turkey

across cost, scalability, compliance, and supply-chain performance.

---

## **Actions Taken**

### **Developed End-to-End Multi-Stage SKU Selection Framework**

A structured commercial evaluation methodology was designed covering:

1. Shelf Mapping & Retail Reality Check
  2. White-Space Analysis
  3. Category Risk Comparison
  4. Sourcing & Geography Feasibility
  5. Weighted Scoring & Decision Governance
- 

### **Conducted Retailer-Wise Shelf Mapping Analysis**

Detailed SKU-level evaluation was performed across:

- Walmart,
- Target,
- Costco,
- IKEA,
- and Montessori.store.

The analysis evaluated:

- shelf location,
- price bands,
- private-label intensity,

- shelf velocity,
  - material positioning,
  - and retailer merchandising behavior.
- 

### **Performed White-Space Opportunity Assessment**

A structured gap analysis identified:

- missing eco-friendly price bands,
- underserved customer segments,
- retailer assortment gaps,
- and untapped usage categories.

Examples included:

- eco-friendly Montessori toys at lower impulse price points,
  - mid-priced sustainable storage products,
  - and eco-friendly home-office aesthetics.
- 

### **Conducted Global Sourcing Benchmarking**

Comprehensive sourcing feasibility analysis was performed across:

- China,
- Vietnam,
- India,
- Eastern Europe,
- and Turkey.

Evaluation parameters included:

- FOB cost,
- landed cost,
- retailer margins,
- compliance complexity,
- scalability,

- logistics risk,
  - and manufacturing maturity.
- 

### **Designed Weighted Scoring Decision Model**

A quantitative weighted scoring framework was implemented using:

- gross margin potential,
- retailer fit,
- compliance risk,
- India advantage,
- and scalability.

This enabled:

- objective SKU prioritization,
  - removal of selection bias,
  - and defensible commercial decision-making.
- 

### **Executed Systematic SKU Rationalization**

Out of 40 shortlisted SKUs:

- 38 SKUs were strategically rejected,
- with documented commercial and operational reasoning.

Rejected products were eliminated due to:

- weak retailer economics,
  - low scalability,
  - high compliance risk,
  - operational complexity,
  - private-label saturation,
  - or poor sourcing competitiveness.
- 

### **Quantified / Strategic Outcomes**

## **Reduced SKU Universe from 40 → 2 Execution-Ready Winners**

The project successfully narrowed the portfolio from:

**40 shortlisted SKUs → 2 commercially validated execution-ready SKUs.**

Final selected SKUs:

- Wooden Building Blocks (US)
  - Bamboo Storage Bin (US)
- 

## **Created Data-Driven Product Selection Governance**

The project established a structured SKU selection system enabling:

- transparent decision-making,
  - retailer-aligned prioritization,
  - sourcing realism,
  - and scalable commercial planning.
- 

## **Identified High-Probability Retail Success Factors**

The analysis identified critical success drivers including:

- shelf velocity,
  - repeat purchase behavior,
  - low operational complexity,
  - retailer-fit alignment,
  - and scalable sourcing ecosystems.
- 

## **Established Global Sourcing Strategy Framework**

The engagement provided:

- country-wise sourcing strategies,
- risk assessments,
- diversification pathways,
- and operational scalability insights.

Key findings:

- China best for eco-toys scale
  - Vietnam strongest for bamboo décor
  - Eastern Europe ideal for EU Montessori and glass utility products
  - India viable mainly for niche/story-led positioning
- 

### **Improved Strategic Decision Discipline**

A major outcome was:

**replacing emotional product selection with commercially defensible decision frameworks.**

This significantly reduced:

- sourcing risk,
  - retailer mismatch risk,
  - operational complexity,
  - and inventory exposure.
- 

### **Key Capabilities Demonstrated**

- Commercial Strategy & SKU Rationalization
- Retail Shelf Intelligence
- Global Sourcing Strategy
- Product Portfolio Optimization
- Retailer Behavior Analysis
- Weighted Scoring & Decision Frameworks
- Supply Chain Risk Assessment
- Private-Label Product Strategy
- Cross-Regional Market Analysis
- Operational Feasibility Assessment
- Data-Driven Business Decision Making

---