K.I.E ADVISORY · CASE STUDY · DTC BEAUTY

€40,820 in misallocated capital, surfaced in a single audit cycle.

A SKU-level profit audit for a 10-product DTC beauty portfolio, turning an unstructured P&L into a kill / reduce / scale decision framework with parameter-driven scenario simulation. Built end-to-end in Power BI Desktop on a single Excel input.

€33,500
Ad budget identified as reallocatable to high-ROAS SKUs

2 of 10
SKUs flagged as structurally loss-making at current unit economics

+44%
Modeled net contribution uplift without launching a new product

Donald Ezeaka
Power BI · K.I.E Advisory · kenezeaka@gmail.com

Simulated portfolio piece. Methodology demonstration on synthetic Shopify-tier unit economics. No client data used.

01 · THE PROBLEM

A profitable-looking portfolio hiding a €40K leak.

The portfolio looked healthy on the surface. **€412.55K in revenue**, a **blended ROAS of 2.87x**, and a **49% gross margin**. Numbers any DTC operator would sign off on without a second look.

Underneath, the picture was different. Two of the ten SKUs were burning ad budget on negative contribution. Three accessory SKUs, the actual profit engine of the business, were receiving **6.6% of the marketing budget while generating 41% of profitable contribution**. And the entire wig category was running at a 0.3x cushion above its breakeven ROAS, meaning a single bad month of ad performance would wipe profitability.

None of this was visible in the reporting the operator had access to. There was no SKU-level P&L, no breakeven threshold per product, no way to simulate *"what happens if we cut COGS 10% and pause SKU10."* Every decision was being made on top-line ROAS and gut feel.

> **THE AUDIT QUESTION**
>
> Which SKUs are actually making money once ad spend, payment fees and shipping are accounted for, and where would I get the highest contribution lift if I reallocated tomorrow?

What the operator was working with

THE DATA THEY HAD

- One Excel export, eight columns: SKU, units sold, revenue, COGS per unit, shipping per unit, payment fee %, ad spend, product name.
- Ad performance reports from the ad platform (top-line ROAS only).
- Monthly P&L at the company level, not SKU level.

THE QUESTIONS THEY COULDN'T ANSWER

- Which individual SKUs are profitable after every variable cost?
- What is the minimum ROAS each SKU has to clear to make money?
- What happens to net contribution if I reallocate budget or cut COGS?
- Where is concentration risk hiding inside a healthy-looking portfolio?

02 · THE BUILD

An 8-page profit decision framework.

Rather than a generic dashboard, the audit was structured as a decision document. Each page answers a specific operator question, and the pages are linked by drill-through and shared filter context so that any question on one page can be investigated on another with one right-click.

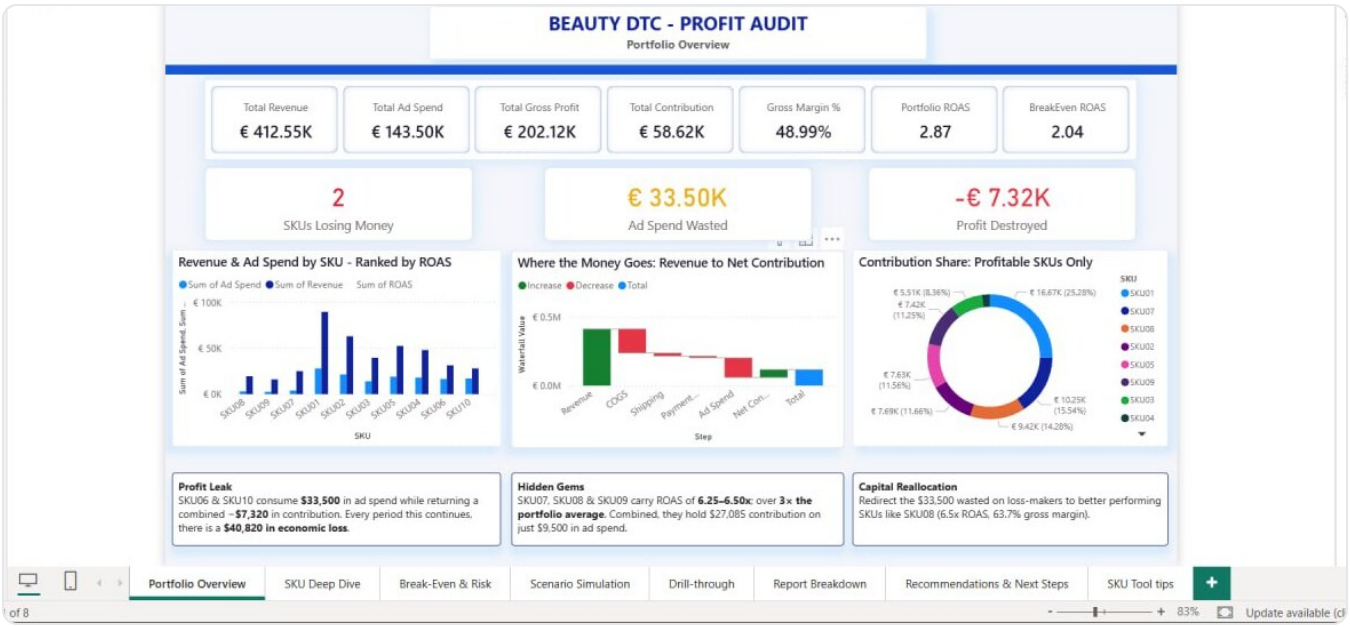

Figure 1 · Portfolio Overview. *The landing page surfaces the three numbers operators actually act on (wasted ad spend, profit destroyed, and the contribution share split) alongside the standard ROAS / margin KPIs. The eight tabs at the bottom show the full structure of the audit: Overview · SKU Deep Dive · Break-Even & Risk · Scenario Simulation · Drill-Through · Report Breakdown · Recommendations · Tooltip canvas.*

€412.55K	2.87	−€7.32K	€33.50K
TOTAL REVENUE	PORTFOLIO ROAS	PROFIT DESTROYED	AD SPEND WASTED

Profit Leak (surfaced on page 1)
SKU06 & SKU10 consume €33,500 in ad spend while returning a combined −€7,320 in contribution. Every period this continues, there is a €40,820 economic loss versus a "do-nothing-but-pause" baseline.

Hidden Gems (surfaced on page 1)
SKUs 07, 08 & 09 carry ROAS of 6.25 to 6.50x, over 3x the portfolio average. Combined, they hold €27,085 in contribution on just €9,500 of ad spend.

03 · THE DIAGNOSIS

Where the money is actually going.

The SKU-level views break the portfolio open. Margin destroyers get isolated. Star performers get named. The structural split between wig SKUs and accessory SKUs, the single most important insight in this audit, becomes visually unavoidable.

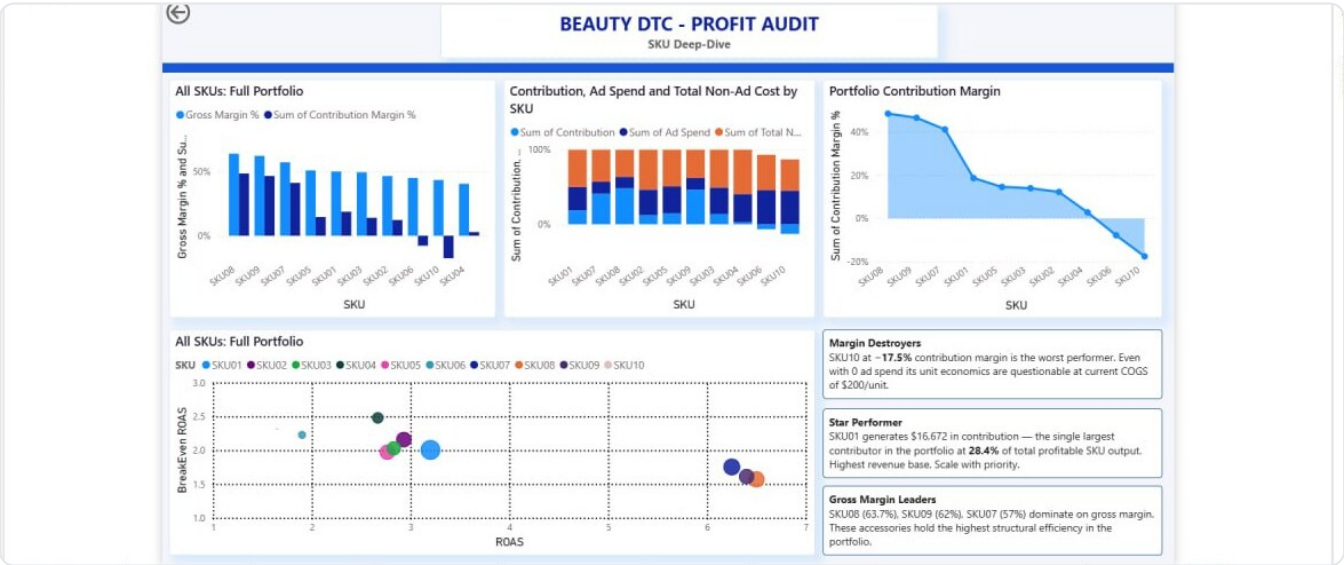

Figure 2 · SKU Deep Dive. *Gross Margin % vs Contribution Margin % per SKU, normalized 100% stacked cost decomposition, and a BreakEven ROAS vs ROAS scatter. Three angles on the same question of which products earn their slot in the catalogue.*

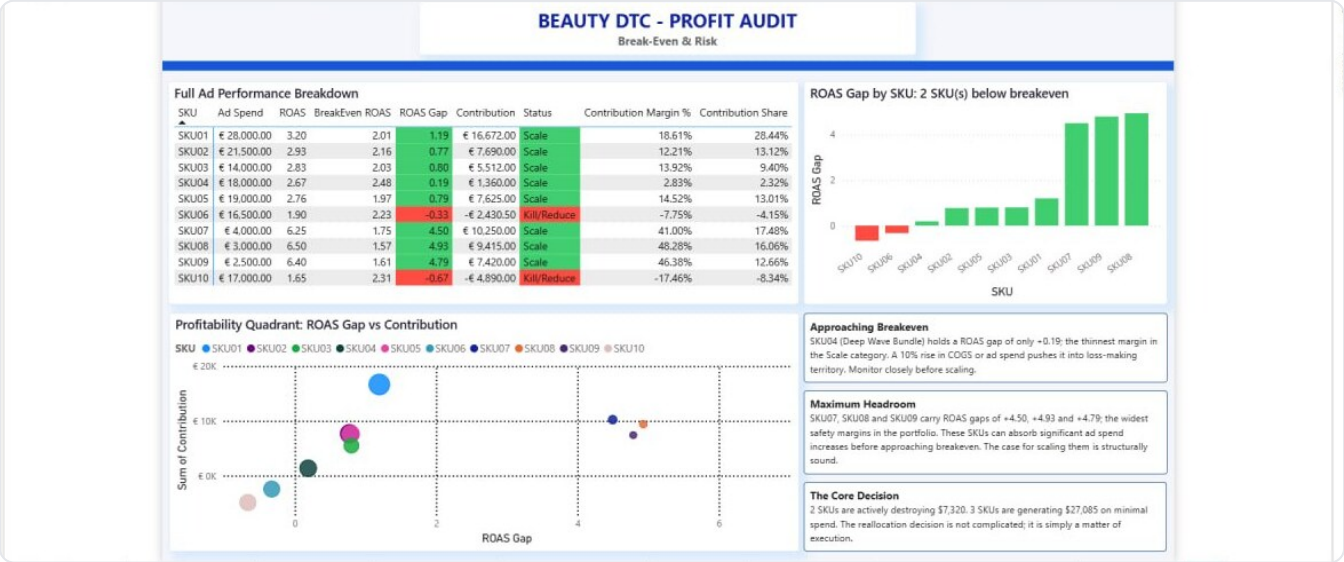

Figure 3 · Break-Even & Risk. *Every SKU placed against its individually-calculated breakeven ROAS. The Status column (Scale / Kill / Reduce) is a measure-driven decision, not a label. Change the underlying ad spend, COGS or revenue and the recommendation updates with it.*

> "2 SKUs are actively destroying €7,320. 3 SKUs are generating €27,085 on minimal spend. The reallocation decision is not complicated; it is simply a matter of execution."

04 · THE DECISION TOOL

From "what's wrong" to "what would happen if".

Most BI deliverables stop at diagnosis. The hardest part of an audit is the conversation that comes after: *OK, so what if I cut COGS 10%? What if I pause the loss-makers and improve ad efficiency by 20%? What does that actually do to my contribution?*

The Scenario Simulator was built to answer those questions live, in front of the operator, without a follow-up engagement.

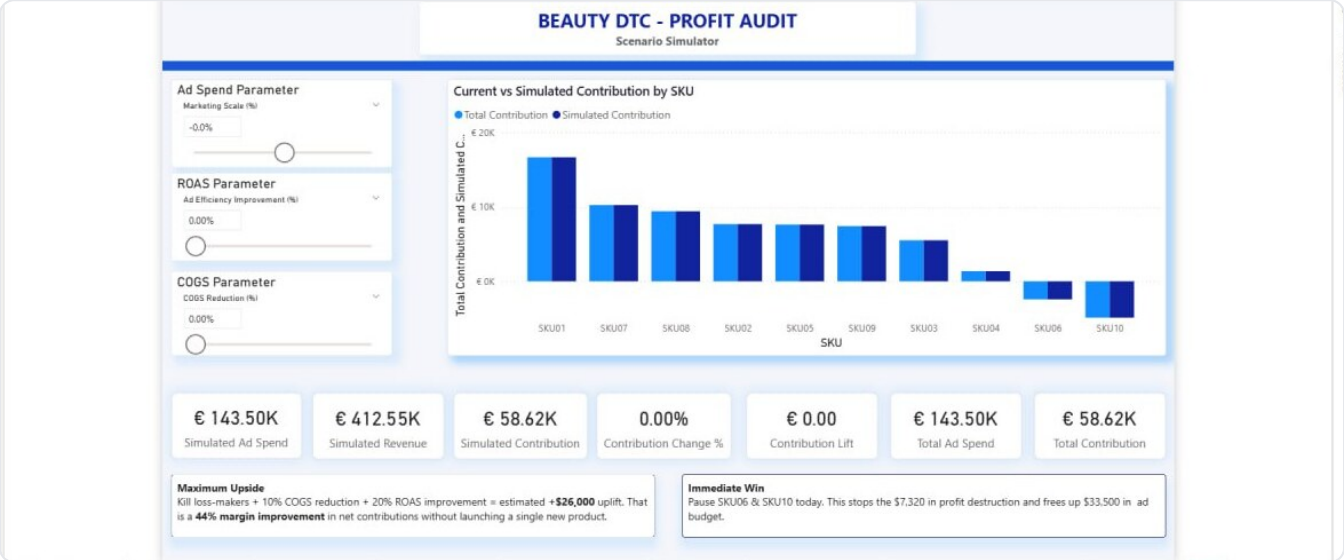

Figure 4 · Scenario Simulator. *Three What-If parameters (Marketing Scale, Ad Efficiency, COGS Reduction) drive a fully-recalculated set of contribution measures. Move a slider and every downstream number updates: simulated revenue, simulated contribution, contribution lift, and the dual-bar comparison vs current performance.*

> Maximum Upside (modeled output)
> Kill loss-makers + 10% COGS reduction + 20% ROAS improvement = an estimated **+€26,000 contribution uplift**. That is a **44% margin improvement in net contributions** without launching a single new product.

From the simulator, an operator can drill into any single SKU to see its full unit economics in one click: revenue, COGS, shipping, payment fees, and ad spend decomposed in a waterfall, with a measure-driven action banner attached.

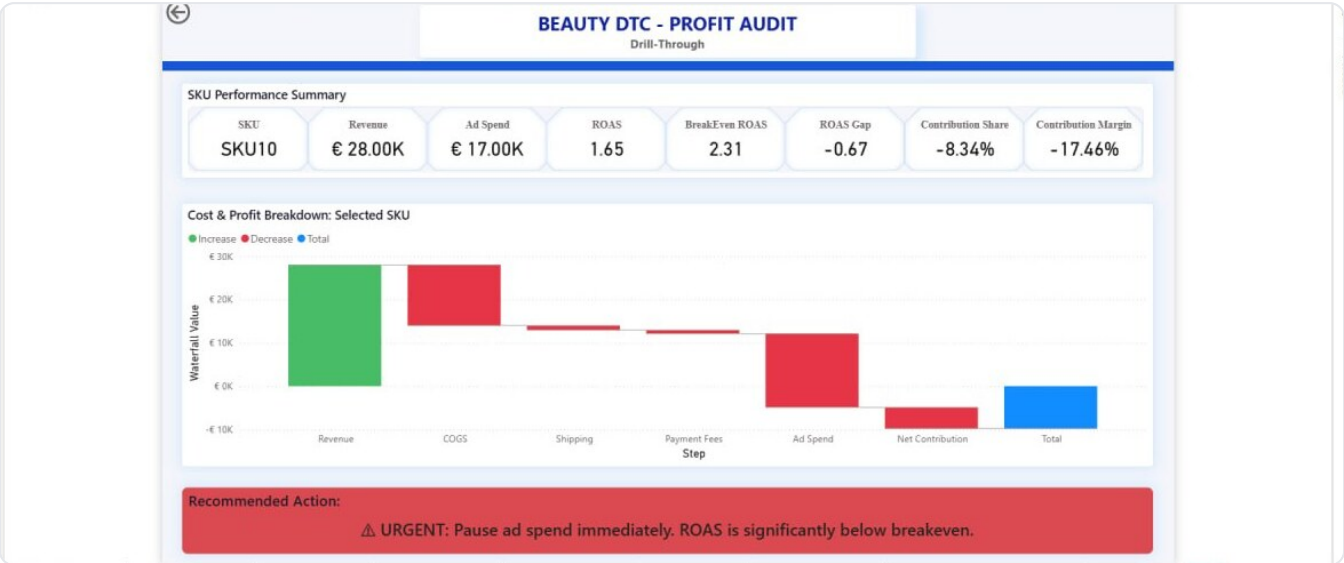

Figure 5 · Drill-Through (single SKU view). *Right-click any SKU on any page and land on this view. Full unit economics decomposition with a measure-driven action banner. One click from question to answer, no navigation required.*

05 · THE METHODOLOGY

How it was built.

The audit is built on a single Excel input: eight columns of raw transactional data. Every number on every page is a calculated measure, not a stored value. The full DAX architecture is summarized below.

MODELLING APPROACH

Layered measure design

Unit-level economics (revenue per unit to contribution per unit) feed portfolio-level aggregates via SUMX, keeping the raw table read-only and all logic in a dedicated _Measures table.

Disconnected dimension tables

A standalone Waterfall_Steps table drives the waterfall chart labelling, allowing the same measure to power both the portfolio-level and drill-through SKU-level waterfalls without modification.

Decision logic as a measure

The Status column (Scale / Kill / Reduce) is an IF on signed ROAS Gap, a measure, not a static field, so the recommendation updates automatically with any input change.

Parameter-driven simulation

Three What-If parameters (COGS Reduction, ROAS Improvement, Kill Underperformers toggle) feed VAR-driven simulated contribution measures aggregated via SUMX over the raw fact table.

KEY MEASURES

Contribution Margin %

DIVIDE with VAR declarations to avoid circular dependency on totals. True post-ad margin per SKU.

BreakEven ROAS

Revenue per unit ÷ Gross Profit per unit. The minimum ROAS required for the SKU to cover all non-ad costs.

ROAS Gap

Signed delta against breakeven. Negative = loss-making ad spend. Powers the Scale / Kill matrix and the page-3 risk scatter.

Profit Destroyed

SUMX + FILTER on negative contribution values. Quantifies total economic loss from underperforming SKUs in a single number.

Simulated Contribution

VAR-driven adjustment to COGS and ad spend per unit, gated by an IF on the Kill toggle that zeros out flagged SKUs when activated.

SKU Recommendation

SWITCH(TRUE()) on ROAS Gap magnitude returning a tiered action string (Urgent / Caution / Scale / Scale Aggressively).

REPORT ARCHITECTURE

- **Drill-through page** with Raw[SKU] in the field well. Right-click navigation from any SKU data point on any page.
- **Tooltip report page** sized to the Power BI tooltip canvas preset, registered via Page Information, assigned to key visuals on the SKU Deep Dive and Break-Even pages.
- **Conditional formatting** on the ROAS Gap bar chart (red below zero, green above) and the Status matrix column, using rule-based formatting so logic stays consistent if the data refreshes.
- **Dynamic measure-driven titles** across all primary visuals. Chart titles read the current filter context and embed a live below-breakeven count rather than static text.

Power BI · DAX · SUMX · SWITCH(TRUE) · VAR / DIVIDE · What-If Parameters · Drill-through · Tooltip pages · Disconnected tables · Conditional formatting

06 · THE OUTCOME

From dashboard to decision.

The deliverable does not stop at numbers. The final two pages of the report translate the analysis into a board-ready narrative and an executable action plan.

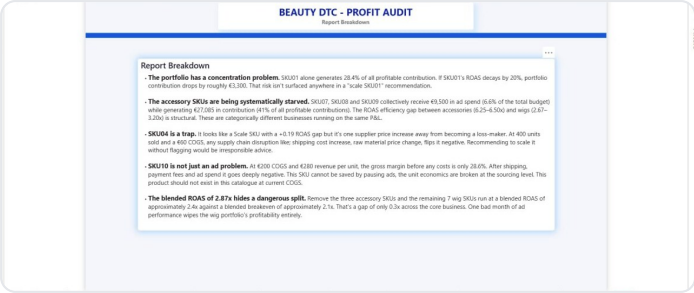

Figure 6 · Report Breakdown. *Five executive findings written in operator language, each tied directly to a measure on an earlier page so any claim can be re-derived live in a 30-second screen-share.*

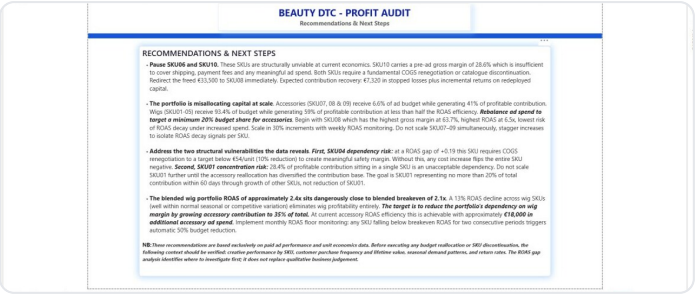

Figure 7 · Recommendations & Next Steps. *Specific, ordered, with execution detail. Not "rebalance ad spend" but "scale SKU08 first, in 30% increments, with weekly ROAS monitoring."*

THE FOUR HEADLINE RECOMMENDATIONS DELIVERED

- **Pause SKU06 and SKU10.** Structurally unviable at current economics. Redirect the freed €33,500 to SKU08. Expected recovery: €7,320 in stopped losses plus incremental returns on redeployed capital.
- **Rebalance accessory budget share to a 20% floor.** Begin with SKU08 (highest gross margin, highest ROAS, lowest decay risk). Stagger increases at 30% increments with weekly ROAS monitoring.
- **Address two structural vulnerabilities.** SKU04 needs a COGS renegotiation to a target below €54/unit. SKU01 (28.4% concentration) does not get scaled further until the contribution base is diversified.
- **Reduce wig portfolio dependency.** The wig category sits 0.3x above breakeven. Target accessory contribution at 35% of total. Implement automatic 50% budget reduction triggers on any SKU below breakeven for two consecutive periods.

Recommendations are based exclusively on paid-ad performance and unit economics data. Before executing any budget reallocation or SKU discontinuation, the following context is verified with the operator: creative performance by SKU, customer purchase frequency and lifetime value, seasonal demand patterns, and return rates. The ROAS gap analysis identifies *where to investigate first*; it does not replace qualitative business judgement.

07 · WORK WITH ME

If your P&L still lives in spreadsheets, you have an audit waiting to happen.

The Beauty DTC audit was built in Power BI Desktop from a single Excel export, with no enterprise data infrastructure required on the client side. Most DTC and small-3PL operators have everything they need to run this analysis on their business; they just don't have it in a form that produces decisions.

That is the gap I close. Audit-grade Power BI deliverables for ops-heavy companies that have outgrown their spreadsheets but haven't yet committed to enterprise BI tooling. You get a .pbix file you own, unit economics you can defend to your board, and no infrastructure burden on your side.

WHAT A TYPICAL ENGAGEMENT LOOKS LIKE

- **Discovery (free, 20 min).** What numbers do you make decisions on, what data do you actually have, and where is the biggest blindspot.
- **Profit / Ops Audit.** Same depth and structure as the deliverable in this document, scoped to your portfolio and your data shape. Delivered as a .pbix file you keep, no licensing dependency on me.
- **Optional retainer.** Monthly refresh, scenario re-runs, and quarterly review when your category or cost structure shifts.

Book a 20-minute discovery call.

Bring one report you currently use to make a decision. I'll show you what's missing from it and what an audit would surface. No commitment, no slide deck.

Email
kenezeaka@gmail.com

Phone
+31 6 458 11009

Website
kieadvisory.com

LinkedIn
Kenechukwu (Donald) Ifeanyi-Ezeaka

Based
Bratislava · CET

Beauty DTC: Profit Audit is a simulated portfolio piece built on synthetic Shopify-tier unit economics. All figures, SKU codes and findings in this document are derived from the simulated dataset. The methodology, DAX architecture and report structure are identical to those used on real client engagements.