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Cross-Border Ops Audit

Lumen & Co (anonymized sample)

AI-READINESS SCORE

1.3 / 5

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SECTION 1

Executive Summary

Lumen & Co is a growth-stage consumer brand generating US$5–15M in revenue across a China-sourced, US/EU-sold corridor. The operation is structurally fragile: a single freight forwarder, no inventory system, 12-day month-end close, ad-hoc FX exposure, and a founder who is the sole decision node for factory relationships. These are not inefficiencies to optimize around — they are failure modes waiting to trigger. The business cannot scale its current revenue band without resolving the stockout cycle, breaking the founder bottleneck, and establishing a minimum viable data layer. This audit identifies five findings across four dimensions; two are critical and require immediate action. The 30/60/90 opportunity register sequences a path from firefighting to a functioning cross-border operating system. The recommended next step is a full Lighthouse diagnostic to design and implement that system with operator accountability.

SECTION 2

AI-Readiness Assessment

OVERALL AI-READINESS SCORE

1.3 / 5

DIMENSION	SCORE	RATIONALE
Corridor operations	**1.5**	The China -> US corridor runs on a single freight forwarder relationship with no backup, no visibility tooling, and 45–60 day lead times that are not buffered by any safety-stock logic. The company has no PRC entity, meaning factory relationships flow through an SG bank and a part-time Mandarin-speaking agent — a single point of failure for the most operationally critical relationship in the business. The corridor functions, but only just.
Entity & money movement	**1.0**	USD revenue, CNY+USD cost exposure, ad-hoc spot FX, and manual supplier wire transfers create unquantified FX risk and operational fragility. There is no hedging policy, no payment schedule discipline, and no treasury function. The SG holding co pays PRC factories directly, creating potential withholding and documentation risk. This is the dimension most likely to produce a surprise loss in a volatile FX quarter.
Cross-border supply chain & fulfilment	**1.5**	Three contract factories, one freight forwarder, air+sea mix, and manual PO tracking via spreadsheet. Stockouts on the hero SKU are a documented, recurring outcome — not a one-off. There is no OMS, no WMS, no demand planning tool, and no reorder-point logic. The founder is the de facto demand planner by default. Supply chain is the primary revenue leak in the business today.
Systems & data integration across markets	**1.0**	Shopify holds sales data; QuickBooks holds financials; cost data lives in spreadsheets; factory comms live in WhatsApp. There is no integration between any of these systems. The 12-day month-end close is a direct symptom of manual reconciliation across four disconnected data stores. There is no single source of truth, no automated reporting, and no real-time margin visibility.
Team & operating model across timezones/cultures	**1.5**	A five-person team spanning Singapore and the US, with a 12–15 hour timezone gap and factory communications routed through a part-time agent. The founder holds all factory relationships personally, making every production decision a founder calendar dependency. The ops lead in SG has no systems authority. There are no documented handoff protocols, escalation paths, or decision rights frameworks.

DIMENSION	SCORE	RATIONALE
AI-readiness	**1.0**	No process documentation exists. Data is fragmented across four disconnected systems with no APIs or integrations. Manual seams between every system. There are no automation candidates that could be executed without first building a minimum data layer. AI tooling applied to the current state would automate chaos. Readiness score reflects potential, not current state.

Findings Register

F-001 CRITICAL — Cross-border supply chain & fulfilment · Spreadsheet (PO tracking) + WhatsApp (factory comms)

OBSERVATION & IMPACT

Hero SKU stockouts are recurring because there is no reorder-point logic, no safety-stock calculation, and no system that connects sales velocity (Shopify) to purchase order timing (spreadsheet). The 45–60 day lead time means a reorder triggered by a stockout event arrives 6–8 weeks after revenue was already lost.

Impact: US$50k–$200k/year in lost contribution margin at growth-stage revenue band; compounding reputational cost on DTC and retail channels.

RECOMMENDATION

Immediately calculate safety stock and reorder points for the hero SKU using last 12 months of Shopify sales data. Set a manual reorder trigger as a stopgap. In parallel, evaluate Cin7, Skubana, or Brightpearl as a minimum-viable OMS/WMS with Shopify integration. This is the single highest-leverage action in the business.

F-002 CRITICAL — Systems & data integration across markets · QuickBooks + Shopify + Spreadsheets (disconnected)

OBSERVATION & IMPACT

The 12-day monthly close is caused by manual reconciliation across Shopify revenue data, spreadsheet cost data, and QuickBooks. There is no single source of truth. By the time the P&L is available, 40% of the following month has already elapsed — making the data operationally useless for in-month decisions.

Impact: Indirect: decisions made on 6-week-old data in a business with 45–60 day supply chain lead times. Estimated management time cost: 3–5 days/month across founder and ops lead.

RECOMMENDATION

Integrate Shopify revenue and COGS into QuickBooks via an automated connector (e.g. A2X or Synder). Move cost-of-goods data from spreadsheets into a connected system. Target a 3-day close within 90 days. Weekly gross margin flash report is the intermediate milestone.

F-003 HIGH — Team & operating model across timezones/cultures · WhatsApp (factory comms) + founder calendar

OBSERVATION & IMPACT

All factory communication flows through the founder or through a part-time agent who reports to the founder. No factory relationship, production decision, or quality escalation can be resolved without founder involvement. This is a scaling blocker and a key-person risk — if the founder is unavailable for 2 weeks, the supply chain stalls.

Impact: High: founder time cost estimated at 8–12 hours/week on factory ops; opportunity cost of strategic work forgone. Key-person risk in a business with 3 active factory relationships.

RECOMMENDATION

Document all factory SOPs (ordering, quality hold, delivery dispute) in a shared system. Elevate the part-time agent to a defined ops role with documented decision authority up to a threshold (e.g. production changes <$5k, no founder approval needed). Introduce a weekly factory status standup the founder reviews asynchronously.

F-004 HIGH — Entity & money movement · SG bank (manual wires) + ad-hoc FX

OBSERVATION & IMPACT

The company has no PRC entity and pays CNY-denominated factory invoices via an SG bank account in USD, converted at spot with no scheduling or hedging policy. In a year with 5–8% USD/CNY movement, this creates unbudgeted cost swings of US$150k–$600k at this revenue band. Manual wires also introduce payment error risk and delay.

Impact: US$100k–$500k in unhedged FX exposure annually; additional operational risk from manual wire errors (missed deposits, wrong amounts).

RECOMMENDATION

Open a CNY-denominated account via a multi-currency banking provider (e.g. Airwallex, Wise Business) to reduce conversion friction and enable forward contracts. Establish a payment calendar aligned to production milestones. Consider a simple 3-month rolling hedge on 50% of forecast CNY spend once the close cycle is shortened enough to forecast reliably.

F-005 MEDIUM — Corridor operations · Single freight forwarder relationship

OBSERVATION & IMPACT

The entire China -> US corridor flows through a single freight forwarder with no backup relationship established. A forwarder capacity crunch, rate spike, or service failure (not uncommon in peak season) leaves the company with no alternative routing. There is also no tracking integration — shipment status is obtained manually via the forwarder's portal or WhatsApp.

Impact: Medium: corridor disruption during peak season could cause 3–6 week delay on hero SKU replenishment on top of existing 45–60 day lead time. Estimated stockout cost per incident: US$20k–$80k.

RECOMMENDATION

Qualify a second freight forwarder for the China -> US lane. Integrate forwarder tracking data into a shared ops dashboard (even a simple Notion or Google Sheet fed by forwarder API). Negotiate annual rate agreements to reduce spot-rate volatility.

Opportunity Register

OPPORTUNITY	EXPECTED IMPACT	EFFORT	HORIZON	DEPENDS ON
30-DAY ACTIONS				
Hero SKU safety-stock calculation and manual reorder trigger	Eliminate stockout revenue loss on best-seller; estimated US$50k–$200k margin recovery annually	LOW	30-day	12 months of Shopify sales data export
Shopify-to-QuickBooks automated connector (A2X or Synder)	Reduce month-end close from 12 days to under 5; enable weekly gross margin flash reporting	LOW	30-day	QuickBooks admin access
Qualify second freight forwarder for China -> US lane	Eliminate single-forwarder corridor risk; competitive rate pressure; faster re-routing in disruption	LOW	30-day	Ops lead owns outreach; no system dependency
60-DAY ACTIONS				
Factory SOP documentation and agent decision-rights framework	Remove founder from routine factory decisions; reclaim 8–12 hours/week of founder capacity	MEDIUM	60-day	Founder availability for 2-day SOP documentation sprint
Multi-currency banking account (Airwallex or Wise Business) for CNY payments	Reduce FX conversion cost; enable basic forward contract hedging; eliminate manual wire errors	LOW	60-day	SG company documents; factory invoice schedule
90-DAY ACTIONS				
OMS/WMS evaluation and pilot (Cin7 or Brightpearl)	Real-time inventory visibility across 3 factories and fulfilment; automated reorder triggers replacing manual spreadsheet	HIGH	90-day	F-001 stopgap in place; Shopify integration confirmed; ops lead bandwidth

SECTION 5

Recommended Next Step

This audit has surfaced five documented failure modes, two of which are actively losing revenue today. The 30-day actions above are executable without external support. However, the root problem — a fragmented operating system with no single source of truth, no process documentation, and a founder-dependent decision architecture — requires a more structured intervention than a findings list. The Lighthouse diagnostic engagement is the logical next step: a 4-phase, operator-led deep-dive that produces a documented operating system design, a sequenced implementation roadmap, and accountability through execution. It is the difference between knowing where the leaks are and having someone close them. Engage Signal Collective for a Lighthouse scoping call.