



CORTEFIEL

CORTEFIEL: 75+ years of heritage transformed by data

About Cortefiel

- **Founded:** 1945
- **HQ:** Madrid, Spain
- **Cortefiel.com**

Nextail Solutions

- Store Transfers
- Business Intelligence
- Replenishment demand forecasts

Impact at a glance

- Smooth change management for a quick go-live
- Immediate **€500K** sales lift
- Automated scenario results in **5 minutes** vs. hours manually

A top European retailer focuses on efficiency & automation

From a Madrid haberdashery to a global fashion group

Originating as a small Madrid haberdashery in the later part of the 19th century, the [Cortefiel](#) brand was incorporated in 1945 and has since become synonymous with the brand values of elegance, quality, and comfort in European men and womenswear.

Today, Cortefiel is part of the global fashion group [Tendam](#) (formerly known as Cortefiel Group) along with brands [Women'secret](#), [Springfield](#), [Pedro del Hierro](#), [Hoss Intropia](#), [Slow Love](#), [High Spirits](#), and [Fifty](#).

As the **principal Tendam brand**, Cortefiel is positioned within one of the top three Spanish retailers along with Inditex and Mango and as a leading retailer within Europe, and its **network includes nearly 300 points of sale in 34 countries**.

Holding on to history but time to move away from oversimplified, legacy logic

Until the brand adopted an agile inventory management approach, Cortefiel had been working with the same logic for decades, involving a large initial allocation and basic store transfers for further rebalancing.

Firstly, teams would allocate about 75% of their stock to stores, filling them without much other data to guide these decisions. Naturally, this would lead to high coverage levels and very little flexibility later in the season when inventory was tied up in stores.

Later on in the season, only 2-3 store transfers would be executed for sales or following a basic south to north, or north to south, logic. Furthermore, the Planning and Distribution teams had to carry out these store transfers entirely manually, forcing them to spend time on tedious work which often created even greater inefficiencies. The accuracy and benefits of store transfers were sacrificed as transfer scenarios were calculated at a highly aggregated level (e.g. by family) to reduce calculation complexity on teams.

But Cortefiel knew there was a better, more agile way to manage their in-season inventory. Not only would they be able to gain much deeper insight through data for decision making, they'd also be able to **automate these processes to simultaneously alleviate teams and increase efficiencies**.

So, they began searching for an AI provider who could help them automate and optimize their processes and improve their internal organization.

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Cortefiel was ready for a change. Due to the complexity of our business in which mid-to-high and high-range products are frequently changing, we needed to find a solution that would allow us to automate this tedious manual work and allow teams to drill down to a finer level of detail.

LUIS MIGUEL VARO MESA

Director of Planning & Distribution for Hoss Intropia, Cortefiel, Pedro del Hierro at Tendam

Cortefiel (and later, Tendam!) meets Nextail

Cortefiel's search for a solution stopped when they found Nextail. The Nextail AI solutions, particularly Store Transfers, suited the immediate and long-term needs of the brand. Thus, the Cortefiel-Nextail partnership began in 2018 with a Store Transfers pilot in 22 Madrid and Barcelona stores.

The collaboration was so successful (read more about this further on) that just a few years later in 2020, the partnership expanded across the Tendam Group. Today, **Nextail also works with additional Tendam brands Women'secret, Springfield, Pedro del Hierro, and Hoss Intropia.**



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After our initial partnership, both head office and stores - where information is actually received and the work actually takes place - were happy with the results, both in terms of the implementation, the numbers, and the impact it was having on our operations. From that point on, the partnership expanded to other Tendam brands.

MARÍA JOSE BRAZO GUERRA

Planning & Distribution Coordinator (Menswear) for Cortefiel & Pedro del Hierro at Tendam

Today, in addition to managing **Store Transfers** and **Business Intelligence** insights and smart reports, Nextail also provides Tendam brands with **replenishment demand forecasts** in order to **improve their omnichannel decision making**. With these very granular, hyperlocal forecasts, the brands are able to better replenish their Hub stores which are used to support physical and online sales.

Thoughtful change management allows teams to benefit from data fast

From training to action in just 3 weeks

Even with a brand's best intentions, adopting digital transformation and more agile ways of working can be tough. It isn't easy to challenge traditional ways of thinking to put trust into advanced technology, even if brands are ready to take what feels like a leap of faith.

The **Nextail team of retail experts, specialized in change management**, worked very closely with Cortefiel, helping them to better understand how hyper-local and granular data delivers decisions and to forecast demand at the SKU-store/point of sale level. The Cortefiel team was able to see for themselves that Nextail is not black box software, and rather than a leap of faith, they were making an informed decision to transition to data-driven decision making.

This change management process not only allowed Cortefiel to **begin working with the solution just three week after training began**, it also allowed them to **internally reorganize and clarify roles, teams, and ways of working** to adjust to new, more agile processes enabled by this SaaS technology.

BENEFIT SPOTLIGHT Nextail Academy



Retailers that work with Nextail are able to access the Nextail Academy which is an online learning platform that includes videos and other resources for understanding the logic behind, and solutions included, in the Nextail platform.

The Academy helps to streamline the initial learning processes as well as it allows users to refresh their knowledge on Nextail solutions and functionalities whenever they need to!

By the time Nextail began working with the larger Tendam group, the change process was even faster as a data-driven mentality had already permeated other areas of the organization, in addition to the Cortefiel brand. Teams were quickly able to define roles and responsibilities from the very beginning of the implementation process, as they were already familiar with this process.



It was really easy to work with the Nextail team which is fantastic. Our teams were truly open to change, but implementing new technology is not simple, especially when it affects our daily work to such a degree. The Nextail team took the time to help us understand the logic of the solutions and the real benefits in terms of time and management that we would achieve.

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In addition to team collaboration, **Tendam brands also credit the user-friendliness of Nextail for helping to streamline and quicken user adoption.**



In comparison with other tools and solutions we've seen, Nextail is the easiest to use and is much more user-friendly. You can clearly understand what you're doing and the results of your choices which helps to optimize results. Other solutions we've seen can actually make things more complicated and confusing, which makes you less prone to want to use them. That's not the case with Nextail.

LUIS MIGUEL VARO MESA

Director of Planning & Distribution for Hoss Intropia, Cortefiel, Pedro del Hierro at Tendam

Initial Store Transfers led to an immediate €500+k sales increase

In terms of the operational and bottom-line impact that Cortefiel received from Nextail Store Transfers, results were apparent after the very first scenario launch.

By the end of 2018, Cortefiel saw a total of more than €500K in increased sales as a result of bi-weekly transfers as opposed to the two to three per season that were previously being carried out. These increased movements have allowed Cortefiel points of sale to continue selling more products at full price since they are able to forecast SKU-point of sale demand up until the end of the season or a product's lifecycle and can reunite broken size sets.



We achieved higher revenue quickly because stores were able to continue selling bestsellers for longer periods, and it wasn't just the larger stores that were benefitting. Since Nextail accounts for all stores and products, smaller stores also have the opportunity to receive and redistribute products to continue selling bestsellers that they might not be able to otherwise.

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And Cortefiel was also able to drastically reduce the time it took teams to carry out this valuable work. By automating store transfer scenarios, **teams have saved hours of time** when it comes to understanding what products will have a higher likelihood of sale in one location versus another.

Instead of dedicating days and hours to manually calculating such complex scenarios or having to sacrifice levels of detail, **Cortefiel (and now other Tendam brands) can run Nextail Store Transfer scenarios that deliver results in approximately 5 minutes.**

Fruit of a strong collaboration: Enhancing the Actual Sales Increase (ASI)

The level of collaboration necessary for successful change management of this degree meant that Cortefiel and Nextail formed a deep partnership with ties that continue to grow stronger.

And like any partnership, the benefits are not one-sided. In fact, Cortefiel also had a very positive impact on Nextail, and thereby all other retailers working with Nextail, namely by inspiring enhancements to the ASI functionality available in the Store Transfers solution.

When a user creates a Store Transfers simulation, Nextail calculates the Estimated Sales Increase (ESI) that the retailer can expect to achieve by carrying out such a scenario. If the user then decides to launch the scenario, Nextail will then provide the ASI on a daily basis, demonstrating the true benefit the scenario is bringing in terms of sales.

BENEFIT SPOTLIGHT **Actual Sales Increase (ASI)**



The ASI benefits all retailers using the Store Transfers solution. It provides the true impact that their store transfers are having on their bottom line as it calculates the difference between real (actual) and hypothetical sales that would have occurred had no units been sent or received.

While the ASI has always been available to Store Transfers users, the Nextail partnership with Cortefiel has actually led to enhancements of the functionality. For example, thanks to Cortefiel's insights, Nextail now gathers current product prices for even further accuracy, instead of just relying on the original price of the product on the day a store transfer was executed.





When we started working with Nextail, both companies had things to learn from one another. The business operations and constraints of each retailer are different, so understanding Cortefiel's business helped Nextail to iterate and further enhance the ASI to the benefit of both companies.

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Additionally, instead of considering all external sales when calculating ASI, Nextail limited the calculation to only those units moved by Store Transfers to increase accuracy and avoid counting duplicate units a store might receive, for example, from a replenishment scenario. That way, ASI will not count more sales than units moved.

Today, **all agile retailers working with Nextail Store Transfers have access to a stronger ASI calculation** thanks to a strong partnership with Cortefiel and the rest of the Tendam Group.

About
nextail

Nextail is a platform of end-to-end inventory management solutions that delivers customer-centric, data-driven decisions so that brands and retailers can sell more with less stock. By leveraging the power of AI and advanced algorithms, Nextail increases stock efficiency across all of a retailer's channels through hyper-local demand forecasting and process automation. That way, they can automate the science of retail and dedicate more time to the art.

Nextail is currently working with over 30 international brands and retailers including Versace, River Island, and Pepe Jeans.

Recognitions

 WORLD ECONOMIC FORUM Technology Pioneer	 RWRE DISCOVERY 50 Top 50 Global Retail-Tech Startup	 BUSINESS INSIDER Top 15 European AI Startup	 Gartner "Hype Cycle for Retail Technologies", "Market Guide for Retail Assortment Management Applications: Short Life Cycle Products"
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