



Iconic Fashion Retailer, Mavi, Achieves 9.6% Revenue Growth with Invent Analytics



Case Study

KEY RESULTS



Revenue growth



Gross margin growth

SOLUTIONS

- Allocation Optimization
- Replenishment Optimization
- Markdown Optimization
- Transfer Optimization



With Invent Analytics, we have achieved remarkable business results. Invent Analytics delivers speed to value, understands our operational constraints, and uniquely tailors their inventory optimization solutions to meet our needs."

Sinan Sefai

Chief Sourcing & Supply Chain Officer
Mavi



At a glance

With a presence in 33 countries including, the USA, Canada, Germany, Russia, Australia, and Turkey, Mavi is among the leading premium denim brands. To increase availability, have flexible allocation management and efficient inventory visibility, Mavi needed superior inventory and markdown optimization capabilities. The retailer also aimed to increase gross margin and sell-through.

To achieve its mission, Mavi turned to Invent Analytics, a global provider of AI-powered retail supply chain solutions dedicated to the retail industry.

Mavi rolled out Invent Analytics' AI-powered inventory optimization solutions, including Allocation Optimization, Replenishment Optimization, Transfer Optimization, and Markdown Optimization. As a result, leading fashion retailer has maximized profitability, increased availability, and reduced lost sales with better inventory planning and markdown optimization.

About Mavi

- **Number of Employees:** 4060
- **Number of Stores:** 439
- **Number of Points of Sale:** 4500
- **Website:** www.mavicompany.com

The challenge: increasing inventory optimization efficiency

Founded in 1991 and selling its products through approximately 4,500 sales points, including 439 stores, Mavi is recognized as one of the highly successful global lifestyle brands. As a leading premium denim company, Mavi runs an omnichannel model. It offers its products through a directly operated retail network with stores located in major international fashion centers, department stores, and online retailers, including Bloomingdale's, Nordstrom, Simons, Amazon, Zappos.com, Zalando.com, and David Jones.

To keep the customer experience at a high level with an increasing store and product count, Mavi needed much more agile and fast decision-making systems. Invent Analytics supported these decisions with maximum profitability, minimum time spend and more reliable conclusions.

Choosing Invent Analytics' Inventory Optimization Solutions

Mavi had the vision of offering new products to their customers without compromising accurate inventory management. With that, the company aimed to strengthen its brand loyalty, gain new customers, and increase sales.

To bring its ambitious goals to life, Mavi needed a new set of solutions with:

- **Deeper Analytics:**
User-friendly systems to drill down to data flexibly and improve decision making,
- **New Dimensions:**
AI-based advanced analytics for better inventory optimization,
- **Autonomous Systems with the Advanced Reporting Capabilities:**
To avoid man-hour spent looking into historical data and focus on exception management.

Following extensive market analysis and assessment cycle to select a partner for this project, Invent Analytics was chosen as the best option, aligning to Mavi's goals.





Invent Analytics provides tailor-fit solutions to retailers' problems. Its fashion-retail industry-specific expertise and dedicated data analytics team are some of the other reasons behind our decision to partner with Invent Analytics."

Sinan Sefai

Chief Sourcing & Supply Chain Officer
Mavi



Fast implementation, fast results

Mavi implemented Invent Analytics' AI-powered Allocation Optimization, Replenishment Optimization, Markdown Optimization, and Transfer Optimization solutions.

Invent Analytics delivered speed to value and did a fast implementation where data transition was handled carefully. There was an enormous data load during the initial implementation. And after going live, Mavi revised their internal infrastructure and data warehouse four times. Invent Analytics successfully adapted to the changes, including the data transition process for SAP implementation. During all the revisions, Invent Analytics' systems worked flawlessly.

The Impact Profit-optimizing allocation and replenishment

Mavi was quick to see the benefits of the solutions. Using Replenishment Optimization Solution, Mavi upgraded its inventory decisions from a judgment-driven, KPI-measured process to a financial optimization-driven and measured process.

Through automatic decision-making, the system now creates replenishment orders at the size breakdown. It takes into account various parameters, including sales history, lost sales, stock amount, and future events (such as special days, local events and markdowns) for each option.

Invent Analytics provides quarterly post-mortem product distribution and suggestions on which stores to increase the number of options from which product and price group and where to decrease, considering the sales, ST, GMROI, store type, MD, ITR, and store capacity.

Thanks to Allocation Optimization solution, specific size assortment and quantity for every single store are provided depending on their KPI performances and product attributes during the initial allocation. As a result of the sophisticated allocation and replenishment systems, Mavi successfully optimizes inventory, achieves higher availability all *while* minimizing cost.

KEY BENEFITS

- **Granularity:** Forecasting on a size level, product attribute-based forecasts
- **Increased Forecast Accuracy:** Bias & MAPE
- **Scenario Planning:** Maximizing Gross Margin or Sell Through



KEY INNOVATION

Pre-allocation / Flow-through: As pre-allocated shipments from vendors arrive at the DC's of the retailer, new product forecasts at the store-size level are revised using the most recent sales data of products with similar attributes.

This way, products flow to the stores fast without entering the DC, preventing the formation of backlogs at the DC's, and allocations are reoptimized to better match customer demand at the store-size level.

Proactively rebalancing inventory across locations

With Transfer Optimization, Mavi rebalances inventory across locations for maximum efficiency. The retailer makes optimized transfer decisions for more than 2000 options and 325 stores and improves sales for non-moving options.

"Invent Analytics' Transfer Optimization helps us dynamically manage the inventory imbalance between the stores. As a result, we can now sell products with higher turnover, higher GMROI, and lower markdowns and lower logistics costs." says Sinan Sefai of Mavi.

Increasing availability and reducing lost sales

Mavi treats lost sales as missed opportunities for higher growth in the following season. The retailer uses Invent Analytics' out-of-stock item lost sales analysis as an input in the pre-season planning phase. Mavi tracks lost sales by each category and sends ten lost sales by each category weekly to category and planning teams so that the teams can take immediate operational actions.

KEY RESULTS

Margin and revenue growth

With Invent Analytics, Mavi has achieved striking results and increased its revenue growth by 9.6% and gross margin growth by 10,6%.

The future with Invent Analytics

Mavi has ambitious goals for the future.



We value our partnership with Invent Analytics a lot. For us, it's much more than a client/vendor relationship. We are partners working together to push boundaries in retail operations today and tomorrow."

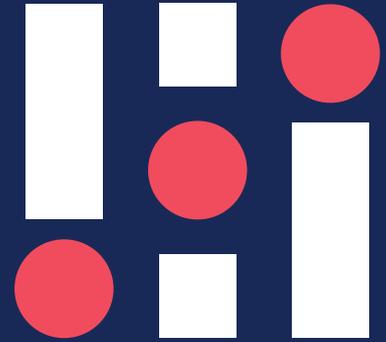
Sinan Sefai

Chief Sourcing & Supply Chain Officer
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The iconic retailer plans to implement omnichannel analytics, assortment planning and optimization in partnership with Invent Analytics.





About Invent Analytics

Invent Analytics' Omni-AI **delivers significant financial improvement** by empowering retailers to **profit-optimize** their supply chain. It orchestrates a retailer's entire supply chain **by unifying network planning, inventory and price optimization, and fulfillment in one framework.**

Invent Analytics puts your **omni-customers at the heart of its tailor-fit solutions.** It **proves the financial benefits** with pre-go-live simulations and rigorous **A/B testing.** Invent Analytics' over 30 clients have experienced a **2-6% increase in profitability.**

Invent Analytics' Omni-AI SaaS solutions are:

- Omni-Network Design
- Omni-Plan Suite
 - Omni-Demand Forecasting
 - Omni-Store and DC Replenishment Optimization
 - Omni-Allocation Optimization
 - Omni-Transfer Optimization
 - Markdown Optimization
 - Assortment Optimization
 - Dynamic and Competitive Price Optimization
- Omni-Fulfillment

Invent Analytics has been selected as the **Supply Chain Technology Company by Retail Industry Leaders Association (RILA)** and **won the 2020 Innovation Awards for Supply Chain.**



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