

# Conquering Inventory Complexity with AI: Inside Desigual's 12% Revenue Lift

## HIGHLIGHTS



Automated rebalancing process for company-owned stores in five countries



On track to deliver additional revenue in the € millions



Generated 12% revenue lift during Q1

### Customer Profile

Desigual is famous for the individuality and unique character of its creations. Established in Barcelona in 1984, the company aims to bring positivity and authenticity to anyone who wants to express the best version of themselves. Desigual operates more than 400 company-owned stores internationally and supports both online and department store channels.

### Challenge: Supporting complex combinations with distributed inventory decision making

Desigual offers a product assortment known for its uniqueness. As a result, sell-through rates can significantly vary from store to store. To manage inventory risk, the company sends limited quantities in its initial allocation and then quickly moves merchandise to the locations where it is selling fastest. This maximizes revenue and reduces both stockouts and mark-downs.

Desigual product managers are responsible for all aspects of inventory management, including rebalancing from store to store. Before Syrup, manual rebalancing processes meant **up to three hours per week spent on analysis alone**. This Excel-based system defaulted to backward-looking analysis based on the previous 7-15 weeks of sales, with limited ability to do granular analysis based on style, color, and size.

"Our transfer proposals lacked insight into the future," says Pablo Escalada, leader of the team of product managers. "With more than 700 style/color combinations, we could not take sizes into account in our models."

### Solution: AI-powered, truly predictive rebalancing processes

Desigual's technology innovation team partnered with Syrup to develop an AI-powered rebalancing process that would be more accurate and easier for product teams to use. "We saw the potential of artificial intelligence to optimize our inventory levels," says Eva Sirera Constanti, technology innovation leader. "The Syrup platform gives us the ability to forecast



demand at the item and size level, which is what we need for store-to-store rebalancing."

After a successful pilot project, the company rolled out Syrup to company-owned stores in five European countries. Syrup has delivered more than 215,000 rebalancing recommendations to move products to stores where they will sell faster. "Instead of spending hours pulling together data and running models in Excel, we can just review the recommendations in Syrup, verify they make sense, and send them out," Escalada says.

### Results: Empowered decision makers, 12% revenue lift

Transfers based on Syrup recommendations drove **12% total revenue lift in the test quarter** from transfers alone, fed by reduced stockouts. This freed up space in its stores, leading to improved overall cash flow.

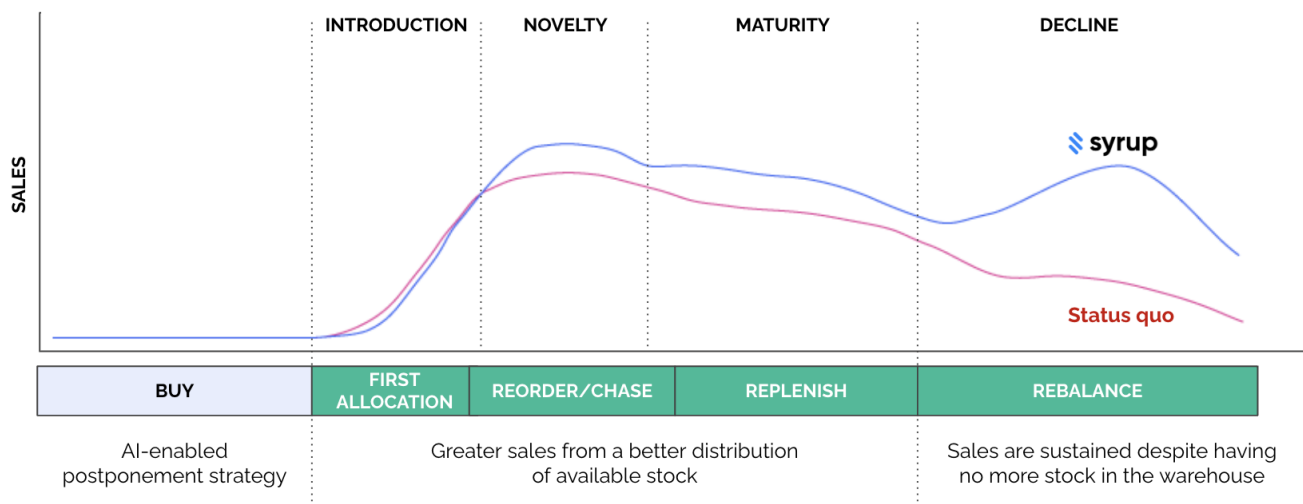
"The best sellers may be the same SKUs in different stores, but the most important thing is to get that best seller to the store that is selling it the fastest," Escalada notes. "Syrup helps us do this."

### What's next: A continued focus on looking ahead

Syrup helps Desigual bring its distinctive products to the places where they will sell best — based on forward-looking projections, not just past performance. The future holds immense promise, and the Desigual team is keeping their eyes locked forward.



## Syrup improves sales and margin throughout the product life cycle



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