

Rapid Scale or Optimal Inventory Levels? Faherty Proves There's No Need to Compromise

HIGHLIGHTS



Improved inventory efficiency during a period of 30%+ sales growth



Increased net margins by 3.6% due to Syrup-powered allocations



Boosted in-stock rates by 8.4% year over year through Syrup-powered inventory recommendations



Spent less time on manual allocation and forecasting tasks, giving the planning team more time to build sophisticated analyses

Customer Profile

Faherty is one of the fastest-growing apparel brands in the country. Founded in 2013, the company offers classic casual men's and women's collections created in partnership with Native American designers. Its multichannel business spans 57 retail stores (and counting) across the US.

Challenge: Maintaining brand-defining inventory control across new stores with limited sales history

Faherty follows a seasonal buying calendar but does seasonless merchandising. "We're in the slow fashion business," says Lambros Papadatos, vice president of omnichannel planning and allocation. "We're creating apparel with amazing fabrics so our customers can count on longevity and practical uses on multiple occasions."

The company's retail locations are in eclectic and energetic neighborhoods where stocking capacity is limited. "We need to keep the right flow of goods into the stores to create a shoppable experience that's vibrant and new," Papadatos adds.

While adopting Syrup, the company was opening 18 doors over 12 months. With no store history to rely on, the team sought out Syrup's AI-powered inventory optimization to maintain the superb store experiences that define their brand.

Solution: AI-driven forecasting at the item level

Papadatos and his team of six allocators and planning managers use Syrup to support initial allocations, reorders, and store replenishments. Using Syrup makes it possible to build a granular demand plan, down to the style, color, and size level. Syrup has now delivered more than 500,000 recommendations to the Faherty team.

"We're seeing stores retain in-stocks and sell-throughs through a longer time frame than we previously had. That's a critical win."

Lambros Papadatos, Vice President of Omnichannel Allocation and Planning, Faherty



"Doing a demand plan for every single item gives you more insight into the future than you would get from looking at top-line trends alone," Papadatos says.

But technology alone is not sufficient to deliver the outcomes Papadatos and team are after. "It's important that the humans interact with the AI to deliver a better output," Papadatos explains. "In Syrup, we configure our specific business rules, such as store minimums for aesthetics, which means we can focus our human effort on analyzing the predictions, instead of manual number crunching."

With Syrup, Faherty's allocators and planners are spending less time performing allocations and more time evaluating the accuracy of the forecasts upon which those allocations are based. "Monday morning is not about pushing 1-2-2-1 on a replen plan anymore," Papadatos jokes. "Now we're spending that time asking why the demand is changing."

Results: 18-store growth while boosting in-stock rates by 8.4%

Faherty is not just reaping the benefits of an engaged workforce tackling higher-level problems. While the company **grew by more than 30% and opened 18 new stores**, Syrup recommendations for initial allocations and replenishments have helped the company **improve in-stock rates by 8.4% year over year** — corresponding to a **3.6% margin increase**.

The end result? **Service levels increased to 93%**, above Faherty's target. "We did buy more inventory for some styles because we wanted to keep more stores in stock," Papadatos reports. "Having Syrup really helped us quantify the impact of those decisions and see that they worked. Traditional replenishment planning techniques could have potentially missed those opportunities for sales."

Looking ahead: Moving beyond allocations to support continued scale

For high-growth brands, inventory efficiency is crucial for success. According to Papadatos, you must know how your allocations tie into your sales plans at all times. "When you're growing quickly, mistakes will show themselves quickly," he says. Going forward, Faherty is planning to use Syrup for inventory rebalancing — which requires accounting for shipping lead times and transfer costs. "Syrup doesn't just give us awesome allocation and replenishment recommendations that are powered by AI, but also a future-looking view of the business."

Learn more about Syrup: www.syrup.tech

