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ZARA AND ITS FAMILY

This case has been elaborated by the Division of Research of Instituto Internacional San Telmo, Spain. Developed by professor Enrique Garrido Martínez of Instituto Internacional San Telmo, with the cooperation of Ms M^a Isabel Lora Martín, research assistant, for class purposes only, and not to illustrate any judgement on the adequate or inadequate management of a specific situation.

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ZARA AND ITS FAMILY¹

Flogging fashion is like selling fish. Fresh fish, like a freshly cut jacket in the latest color, sells quickly and at a high price. Yesterday's catch must be discounted and may not sell at all.

Amancio Ortega, Founder of Grupo Inditex.

In 2015 Inditex was among the highest growing firms worldwide². According to incumbent chairman Pablo Isla, its international presence and business model were key to the firm's sustained growth in sales. And the ceiling, he said, was still far:

"We see great growth potential in our commercial formats in different markets. Moreover, the potential development of online sales is yet to be assessed.

We will continue to restructure our stores, both blending in the new image, and having bigger stores absorb smaller ones; however, the key factor in our business is to maintain the gist of what brought us all the way here: we need to keep a fast y flexible connection between manufacturing and demand".

Among the main challenges Inditex faced for the following years was the design of a sustainability model for the firm. The Supply Chain needed to develop towards some aspects whose specific weight grew each day: a code of ethics, the environment, and occupational health and safety issues. All this materialized in "Right to Wear" a strategic plan for the development of a sustainable supply chain 2015-2018.

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² Deloitte's *Global Powers of Retailing* Report gathers data on the 250 largest retailers worldwide, whose sales are over \$3.800 million. In whole, they made \$ 4,35 billion, reaching a threshold growth of 4,1%. By and large, numbers reflect retailer sales only.