

PRESSINFO

wortmann
GROUP

„I don't believe in panic“

In an interview with schuhkurier, Wortmann CEO Jens Beining describes how he sees the topic of sustainability, what he expects from 2020 and why he is counting on new cooperations.



Jens Beining (Picture: schuhkurier)

Mr Beining, how did 2019 turn out for your company - nationally and internationally?

2019 has gone very well. We are quite satisfied with the development of the whole group. We are doing very well nationally and internationally and have found our way again, especially with Tamaris. We recognized what needed to be corrected and implemented this quickly. It is good to see that this is not only noticed and rewarded by the trade, but also by consumers.

Our most important and largest export markets are developing well, such as France, Russia, Benelux and Greece. But Germany is also developing positively again. Our export share is 53%, so both segments are important for us. The individual brands perform slightly differently, but overall we are very satisfied.

What corrections have you made?

Our actions primarily concern the product, for example the issue of value for money: more value, a better fit, better qualities, more functionality and a not so high fashion level. This is also the overall group strategy. We have focused more on the aspect of saleability. I like to call it modern shoes - not fashionable shoes. Fashionable can mean that a design can sometimes become too extreme: the heels too high, the lasts too pointed, the colors too extreme. For a while we did this too much. But we have tamarized again. In addition, we have launched various new product lines and innovations in the individual companies.

What were the biggest challenges for you?

The speed of change in all areas is a challenge: from structural change in retail to digitalisation. The issues themselves are not surprising. The pace sometimes is. It is also challenging to always provide the best possible range of goods at the right time. Especially if you produce internationally and open up new procurement markets. Another point is that our trading partners are increasingly making decisions based on financial in tense situations. This is also a challenge for us as a supplier. We have a much more intensive exchange with our partners on these issues.



Tamaris-Look Autumn/Winter 2020/21: "modern" instead of "fashionable". (Picture: Wortmann)

Which development was particularly pleasing from your perspective?

Not only Tamaris, but also Marco Tozzi, Caprice and Jana are developing well. But we still need to work on our brand S.Oliver. With this brand, we must continue to work on getting better and getting back on track for success. But I am very confident that we will succeed in this, as the decisive course has already been set. The first templates for A/W 20 were already very promising.

We are pleased that for Tamaris the system partnerships are again developing in a clearly positive way. We can see from the figures that the majority of Tamaris stores are performing better than the multi-label trade. This area is growing again, and new stores are being opened together with partners, not only in France or in export markets, but also in Germany. In addition, many stores are being converted to the new concept. However, we are also aware that the multi-label trade must be strengthened. We are working on this every day. In this context, I would like to express my thanks to our team, which is working with great commitment and motivation. I often require a lot from our people. But together we can be happy about the positive results.

Do you believe in stationary retail?

I am convinced that good trade will be able to inspire. There will always be stationary retail. But it will change. It must create more worlds of experience, improve the quality of advice. Which of course is in high contrast to the employment situation. Retail must also become more digital. In the end, consumers will not care where they buy. It must function in a flow and without limits. The consumer is always better informed. He knows more and more precisely what he wants - and above all what he does not want. It used to be easier for a really good salesperson to sell the customer an alternative if the desired product was not available. That is much more difficult today. I would also like to see Germany becoming a little more innovative. In France we have the first stores without a checkout now. There, mobile payment is done by handheld. This has been working very well for a year now.

At the latest since the Fridays for Future movement, the issue of sustainability has reached the whole society. How do you see this development?

First of all, it must be clarified how sustainability is defined at all. In my view, the term is being overused in the same way as digitalisation. Basically, as a family business we are committed to sustainability from day one anyway. And we have been living this for 52 years. I like to use the word responsibility as an alternative to the term sustainability. The entire economy, the industry, we as a company are obliged to take responsibility. Responsibility for what we all do. I don't believe in symbol politics or the panic that is sometimes stirred up. But the issue itself is extremely important - and we as a company have always felt obliged to be as sustainable as possible.

To what extent can - and must - a company like the Wortmann Group become more sustainable?

I see sustainability in ecological and also in economic terms. As a family business, we have to keep a good balance and always find an optimal way. That is management issue. Incidentally, I am convinced that family-owned companies make decisions with a long-term vision anyway - unlike perhaps the management of a publicly traded company, which has to satisfy quarterly reports. We have had a Head of Sustainability in the company for over ten years, who is a real expert in his field. We are a founding member of CADS. We work according to BSCI

standards. As a shoe manufacturer, we talk about carbon footprint, production sites, logistics and the components of our shoes. In my opinion, the biggest problem with sustainability is that many people are not well informed. And it is also an extremely complex issue. I am convinced that many people want to act sustainably to the best of their knowledge and belief. And they don't do so in certain actions. Is e-mobility sustainable in Germany's energy mix or in the overall balance? Are PET bottles really generally worse than glass bottles? I think it always depends on how you handle them. Due to the complexity and intricacy of the issue, you have to look very closely.

What specific measures have you initiated?

We have a motto in our company: We do our best. Some time ago we started the project 'Green Walk' in our house. Sustainability is not a marketing topic for us. It is important for us to take responsibility – not to use it as a marketing instrument. The Green Walk is a marathon for us, not a sprint. This often means longer-term goals and processes. This begins with switching off the lights and ends with the question of whether and when an entire company can be carbon neutral. We have involved all employees in the Green Walk. I asked them how they see the issue of sustainability, where there are good approaches and what could be improved. There was a huge response. We collected over 300 ideas. There are small things that can be changed - and big projects. We can clearly see that many are dealing with this topic. That is very good. We enjoy getting better: We do our best! But panic does not help us.

We also see ourselves challenged on the product side. In various collections in our group we offer shoes with recycled as well as sustainable material and also vegan shoes are part of the offer on the market.

It sounds easier than it is, if you want to meet your own requirements. This is a much more complex issue for shoes than it is for textiles. There are many GRS-certified textile manufacturers, for shoes we are here at the beginning. We work intensively with the certification authority and start with RCS. This is new and a huge success, because we also want to clearly prove that what we offer is also included in the shoe.



Shop-in-Shop concept of Tamaris. (Picture: Wortmann)

Do you think that leather could be discredited in the wake of the sustainability issue?

Not a single animal has ever been slaughtered for one of our shoes. The skins are a waste product of the food industry. If at some point meat is no longer eaten, we will have to think about something new. But that may take some time. When leather is properly processed, it is recyclable and biodegradable. I'd say it's more sustainable than vegan shoes. We work almost exclusively with LWG*-certified tanneries, ideally with the highest 'Gold' rating. It is not only about tanning processes, but about the way a tannery works, how transparent the processes are and how well equipped the facilities are. Water consumption, for example, also plays a role. This certification gives us a very high degree of security. In addition, the proportion of shoes made of vegetable-tanned leather is increasing. Tamaris will have a capsule at A/W 2020, which will be called "Green Line". This line is not explicitly

marketed. These are shoes that are timelessly designed, so they will not go out of fashion. They are made with LWG Gold rated leather. The lining materials are 51% recycled materials, the bottoms 31%.

*Leather Working Group

Growth and speed at any price have had their day. This was said by HDS/L chairman Carl-August Seibel during the HDS/L symposium in Mindelheim. It is time to reposition oneself, to question old thinking patterns and to become more courageous and sustainable. Do you agree?

Yes. Absolutely. A mind like "cheap is cool" is long gone. We have been active and for years in the direction that our products must become more valuable. This includes our entire corporate strategy.

Which fairs are relevant for the Wortmann Group in 2020?

Even though the exchange of figures and data allows a great deal of information to flow, we still believe that personal communication is indispensable. However, it is important to us that people stay focused. We would like nothing more than a really strong platform for the entire industry. GDS was such a place to be at the time. I am convinced that the fragmentation of events has not helped the entire industry at all. Our task is of course to be where our customers are. That is why we focus. The most important trade fair for us will be the Micam. We will also be at Expo Riva Shoe and various other events abroad that are relevant to the respective market.

You have declared the Wortmann Group's farewell to Gallery Shoes. Retailers argue that a trade fair should not be measured solely by the volume of orders generated at it. Rather, at the end of an order round, after several events, it must be examined whether it is successful overall. Do you consider this assessment to be wrong?

To see trade fairs exclusively from the aspect of written orders has not been an issue for some time now. Trade fairs are important for exchange. The time of the order has been postponed. Writing is done in the SOCs or at other dates. Trade fairs have a different role today, which cannot be measured in orders. But they have to be attended. Perhaps a new platform must also go in the direction of a congress

You have been a member of the HDS/L board since this year. What impulses do you want to set there - and what do you want to receive from this activity?

First of all, I am very pleased that I have been asked to play a role in this body. I had to think about it before I made my decision, because I also have to manage a company that demands all my strength. Nevertheless, I hope to be able to give impulses in HDS/L that can serve the entire industry. My wish is that we, as an industry, join forces for the benefit of all. There are various areas in which an industry solution can be beneficial for everyone.

This year's system partner workshop focused on the networking of online and offline. There you announced the cooperation of tamaris.com with ANWR/Qualibet. Was that a milestone? If so - why?

For us it was definitely a milestone. We have opened our system even further for retailer. The integration between online and offline is thus significantly strengthened once again. We have a highly integrative solution that will be further expanded step by step. It is developing well and we are adding new partners almost daily. I believe it was also a milestone for the ANWR Group, because for the first time they have opened up to non-members. I could imagine that even more could be created from the things that were pushed there. You have to cooperate and work together in the right places. Times have changed. One has to go new ways.

Will this cooperation be continued after Günter Althaus has left the ANWR Group and Alexander Hock and Gregor Bernhart will also give up their positions there?

Yes, of course. Although I regret these three personal details.

From time to time there is criticism from the trade that the Wortmann Group is too far away from the needs of its partners. There is talk of too much "flight altitude". What do you say to this criticism?

This criticism affects us, and me personally, very much. Because this impression is certainly not our intention. I know that we certainly don't do everything that may be required of us. That can contribute to the fact that we are perceived in this way. However, it is my and our entrepreneurial duty to be a strong, healthy and reliable partner for all our customers in the long term. I would like this impression to be directly reflected in the way we are perceived. Then we would be able to react immediately. We have been doing a lot for our partners, especially recently, to be a strong partner for them. We give them something in hand - primarily good collections

- to generate good sales. Our business is based on cooperation with our retail partners. We live from our wholesale business! Therefore, in everything we do, be it Tamaris.com or the platform with the ANWR, we want to take our retailers with us and give them solutions that help them. A good product is always the absolute basis for a good business. But it may not be enough in the end. That's why we have one or two topics on the agenda that may seem a little "distant".

This year you have invested considerably in technical developments, relaunched your online shop and started the Needle pilot project with Etos. What projects are you planning for 2020?

The focus is on the integration of offline and online, so that we can offer our customers an even better service; both in the B2B and B2C sectors. However, the topics that we have on the agenda at the moment are clearly B2B-driven. The focus is on the question of how we can provide our specialist dealers with even better, faster and more service-oriented support. In addition, we are strongly promoting the topic of digital collection development. Our brand "Jana" is at the very front of this. Incidentally, this is also a topic that belongs in the complex of sustainability. At s.Oliver we are planning an offensive with men's and children's shoes. And this year, Caprice will also be presenting new products in the technical area. At Marco Tozzi there will be a very exciting cooperation with a strong testimonial.

Do you believe in an end to the sneaker boom?

We once thought that the sneaker theme was a boom. We clearly underestimated its real importance. Because sneakers are not a boom, but lifestyle. The sneaker is the jeans in the shoe sector. And while for a while it was thought that sneakers could only be placed on the market by the usual sports shoe brands, there are now also exciting sneakers by fashion brands. I think this is also a good development for the specialized trade, because they can earn money with these products. The sporty low shoe has become indispensable. Nevertheless, in forward-looking social media one sees a slight trend towards more femininity and thus more gallantry again.

Outlook 2020: Experts believe that the coming year could be a catastrophic year for the shoe industry. The threat of a "death of retailers" is having an impact on the industry. What scenarios do you expect and how are you arming yourself?

2020 will certainly not be easy. Structural change will continue and perhaps even accelerate. I am also concerned about another development: 2018 was an extreme year in terms of weather. 2019, in contrast, was a normal, good year in terms of the season. The seasons were as they should be. Nevertheless, you have to admit that the plus figures in retail are not what you would have expected. It would have done us all good if there had been better results here. But you always have to see the opportunity in all changes. I hope that the hard work that is done here every day will get us through 2020 well. We have a great team that is passionate and committed to helping to ensure that the coming years will be successful for our industry, despite all the challenges. Despite the sustainability issues just discussed, probably very few people will walk around barefoot. So there are always opportunities.

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