

The NAKED Truth

With a focus on transparency and honesty, Nudie Jeans is building on its global brand and becoming a force for good in the retail space.

Images courtesy of Nudie Jeans

Nudie Jeans hopes to leave an indelible stitch on the world, not just the retail space. The company, which boasts a presence in 26 markets around the world, is determined to lead by example and make a difference in the global market.

The CEO Magazine Europe spoke to Nudie Jeans' CEO Palle Stenberg about the exceptional growth of the business, its core philosophy, and the people who make up this unique company.

The CEO Magazine Europe: What led you to establish Nudie Jeans?

Palle: I am one of three partners of Nudie Jeans Marketing AB who started the company in 2002. In the beginning, we didn't have a CEO because the company was very, very small. It was just three of us, and my brother worked with us as well. I was responsible for all sales and marketing, which means I travelled around the world for seven years meeting people and finding partners, distributors, agents, sales people, and retailers.

Maria Levin, who is the founder, works at our home office or in

Italy and works with the brand, develops the products, works with the production, and makes sure that we have the products delivered on time. Joakim Levin, who was the third partner, was trying to find ways to pay for all the jeans and take care of the warehouse and logistics. The company grew extremely fast from zero to almost one million jeans per annum in only a few years. Today, we are based in 26 markets around the world, with our head office in Gothenburg, Sweden.

I became CEO around four years ago when we had to expand our management structure. I took over the role from Joakim, who became the chairman of the board. It was a natural way to develop the company and it was the next step for me as well. We have quite a flat organisation. Maria, Joakim, and I make most of the big decisions together and then it's my role to make sure it happens.

How you have seen the retail industry shift in recent years?

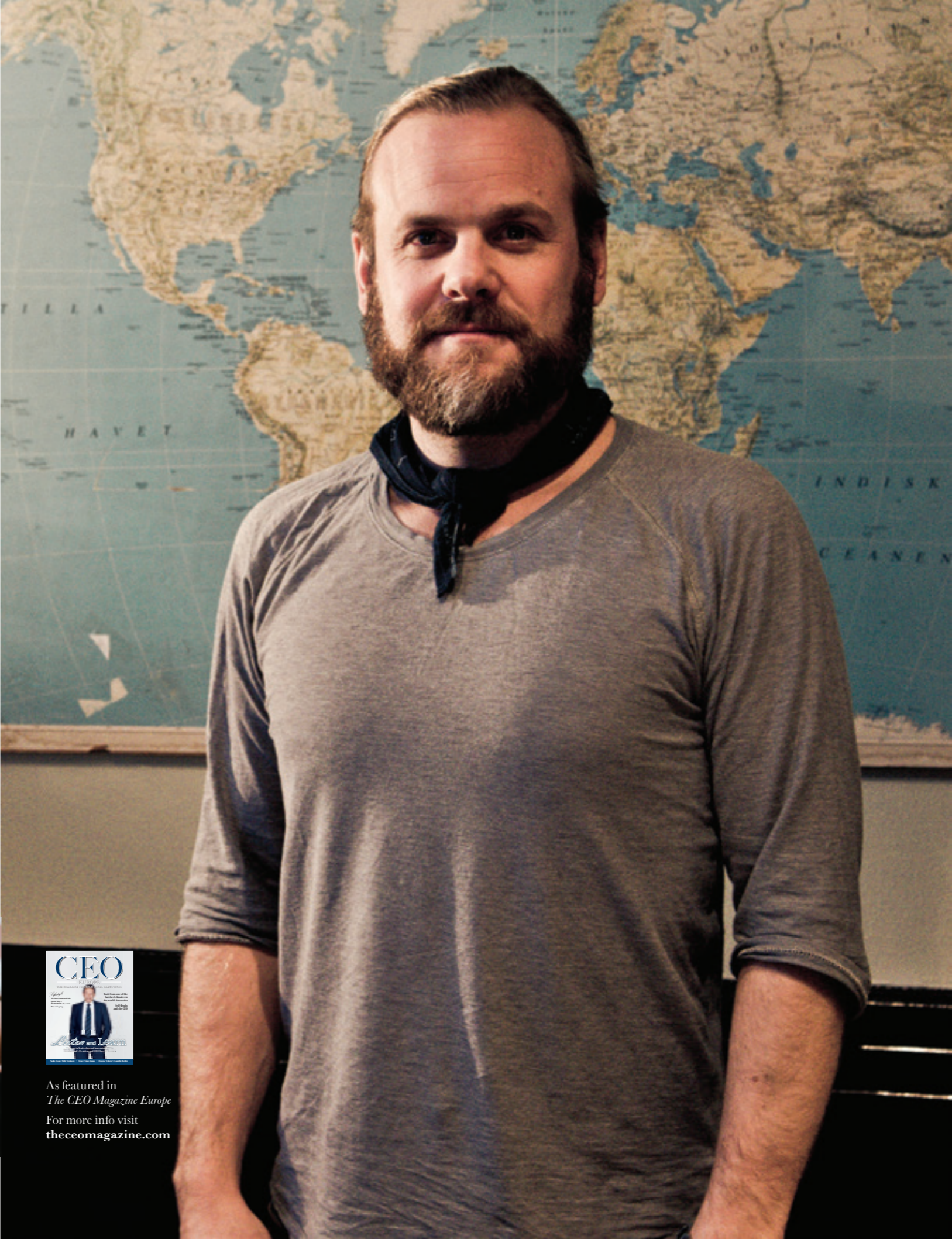
The world is in constant development, so every year something changes and something happens. I'm not 100-per-cent sure if I agree, but I've heard a lot of

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people talk about how multi-brand independent retail has had a hard time over the past three to four years, which I think is true. Some people think it will be more like single-brand stores in the future. I am not sure about that because I think it's like after a few weeks of sunshine when you have a bit of rain.

I think the world is much smaller now than a few years ago because of the internet and the information world that we're living in. A lot of things are happening in retail at the moment, but it's not necessarily a bad thing. Something good could come out of it. A typical store owner has to add other services and other things into their store to >



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make it interesting. I think that soon people will venture out of their house just to get a hug and have some human interaction. It can be quite lonely behind your screen.

What have been your greatest achievements since the company was established?

It’s very hard to speak about yourself, and I also think it’s quite hard to speak about the company and what we have done, but I am very proud of the idea and philosophy that we discussed almost 13 years ago when we started Nudie Jeans. We sat down and said, ‘Let’s do jeans in the way we want to do jeans and not do it just to sell as much as we can’. We wanted to take our own ideas about how to make and create a denim brand. Of course, the fit and how they look is very important, which I think we are very good at, but we also decided to have this social and environmental responsibility.

Many years later, we haven’t changed anything, and we still think that’s something that sets us apart from many other brands. That is something I am very proud

of. I’m also very proud of the people who work with us, not only the 40 people who work here at the head office but also all around the world in the 26 markets we’re in.

Twice a year, we invite everybody to Gothenburg in Sweden because we want them to understand our heritage. We want them to understand us by visiting our home city where we live and work every day. It makes me so proud when the Spanish people meet the Japanese people, when the Korean people meet the German people, and when I look at these 120 employees, I feel so proud because it’s not only about doing business, it’s about doing good business; to be a nice friend, to be a nice partner, to look after your client in your market, and to take care of the people who work in your factories.

How did you turn Nudie Jeans into a global brand?

That’s a very good question. It gives me goosebumps, because that’s something that is very interesting, because some people see a Swedish brand, others see a national brand, but we’re really a global brand. When we started to call up different potential partners around the world, we never saw any borders.

It’s not that we had that in our business plan or anything; it’s just been a natural thing for us. We see the denim market as a global market. For us, Nudie Jeans has always been a global brand. We never said that Nudie Jeans was Swedish, but of course we use our Swedish heritage as a way to explain Nudie Jeans. That’s why we bring our international sales team to Sweden twice a year and spend a lot of money. We want them to feel our heritage because many people assume we’re based in the United States. >

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We are denim specialists...



...sewing your way to success.



The IDEA MODE team is composed of denim specialists as researchers, patternmakers, creatives, customer service, production planning and laundry technicians. Our products are casual garments in denim and cotton fabrics woven with natural and organic fibres. Garments are developed in a large range of washes, treatments, and dyeings with full respect of environmental and energy savings. For us, research and development means creating garments using "made in Italy" know-how, originality, and typical handcraft: this is the strength of our culture.

We are able to develop your brand ideas with technical and innovative solutions with a balance between Italian quality and competitive price.

In 2007, IDEA MODE was one of the first Italian companies in the textiles area to have been granted the SA8000 Certification, witness of our engagement to the respect of human rights.

IDEA MODE S.r.l. Cannara (PG), Italy



The Blue Line Project was born in the so-called “Jeans Valley” of Urbania in 1976. The company’s Founder and Chairman, Franco Stocchi, established first an apparel sub-contracting company for the most prestigious Italian brands, and subsequently became a leader in the manufacturing of Made in Italy trousers for the most famous fashion brands in Europe. The company reached a production volume of 3million items with a turnover of 70 million Euros.

Francesco Lenti, the current company’s CEO, increasingly strengthened the relationship between Blue Line and Nudie Jeans, thanks to trousers fully designed, packaged and washed in Italy. His career began in 1998, first as an apprentice in the cutting

department, and later through a series of assignments that led him to acquire an overall and versatile vision of the company: administration, shipping department, scheduling, and since 2007 as CEO.

Despite the global economic crisis, Lenti has foreseen for Blue Line significant investments to promote the company’s expansion in knowhow and business volume. The first steps in this plan have been the acquisition of DressLines (women’s trousers) and the creation of Blue Line Extension (outerwear apparel) to create customer loyalty and acquire new clients in the near future.

www.blueline.it

Why is transparency and honesty important for you and your team?

It comes back to that philosophy we had from the beginning. We’ve seen that our consumers are interested in examining what they’re buying into, what’s happening in the world, and the products and companies they support. We want to give them the opportunity to find out everything, and we also think that it makes us better. The more people who know what you do, the more you have to better and more successfully communicate what you are doing.

We want to be transparent because if we can be good business people doing good business for our own brand while supporting initiatives that better our business and other companies emulate, we can make a difference in the world, both socially and environmentally. We want other brands to do the same.

How do you work with suppliers and other strategic partners to ensure the best products for your customers?

It’s quite simple. We are working with the same suppliers that we

worked with when we started. This helps the consumer. By working with the same suppliers day in and day out, we can ensure that our products are upholding our values and our quality, something that cheaper ranges might not buy into. It’s like a relationship—sometimes we are angry at each other and sometimes we love each other, but they know as much about the brand as we do because they have been with us from day one. That relationship for us is one of our success factors, and I think it’s quite unique.

We also have very long relationships with many of our retailers. We don’t swap retailers every season, because we think it’s bad practice. We want to work in the long term. I mean, we are still quite young. We are 12 years older than when we started, but we’re still quite young. We want to do this for many, many years.

I think our long-term thinking is also one of our success factors. Sometimes experts look in from the outside and don’t understand why we make the decisions that we do, but that’s the good part for us. We have three owners and no investors, and that’s the right that you have when you own your own

company. You can decide for yourself what you want to do. Yes, maybe we could increase the turnover or the profit if we did this or that, but how will that affect the brand in the long term? That’s the focus: the brand is the star. We have our own values, and everything we do takes us closer to that goal of transparency.

Where do you see Nudie Jeans and the industry going in the future?

I don’t ever make predictions about how big the turnover will be or how many million pieces we will sell, because that’s just our results. I think that the path we choose to walk is still one of the best secrets in the world. I am 125-per-cent sure that this path is the right path for Nudie Jeans. To make a difference, we will also make the brand more well known, and of course have a bigger turnover. That’s how we set targets; we don’t say we want to reach this turnover and then work back from there; we do it the other way around with our philosophy. We are still in the beginning of a great future, and with that great future, I hope we can also make the world a better place. •