

*Case Study:
Fashion Jewelry Manufacturer*

Company Overview

Founded in 1940, this company designs, manufactures and sells unique fashion, costume and boutique jewelry. They provide private label manufacturing to customer specifications and offer a wide variety of holiday and themed products. In the early 1990's, the company was transferred to a family member who maintains controlling interest. At its peak, it was one of the best known and most productive jewelry companies in its class.

Level Of Involvement

Chairman's View was hired in the winter of 2005 for a standard 3-month engagement. During this time, CV staff was placed within the company to gain a realistic sense of the delivery system, management structure and corporate culture. Simultaneously, their revenue pipeline and financial records were thoroughly examined, and the CEO's goals explored.

Initial Chairman Impression

Despite quality products and a history of prominence within the fashion jewelry industry, foreign competition, a weak sales effort, mismanagement, an inefficient delivery system, and a lack of focus on behalf of the CEO had put the company in peril. Chairman's View believed that the client could resurrect its position within the industry and reverse its negative sales trend. However, in order to accomplish this, and successfully implement the actions proposed by Chairman's View, the owner would have to commit his time, energy and presence to the effort.

Company & Owner Goals

Rebuild the company with a focus on Sales & Marketing. Install new processes and systems that allow the company to compete, secure the right clients, and reverse the negative cash flow.



Course Of Action

After three months of extensive interviews with the owner and key staff, Chairman's View identified and presented actions necessary to achieve the above stated goal.

Corporate Structure

- Create a board for accountability and institute routine board meetings
- Review Performance Dashboard at quarterly meetings
- Sell old inventory and unused commercial/storage facility to raise capital needed for systems development and implementation

Financial Organization

- Update accounting practices and establish financial reporting that reflects the business
- Establish 2005 as the base budget
- Standardized reporting (weekly and monthly) of financial position
- Install Performance Dashboard to reflect P&L and balance sheet against budget

Revenue Pipeline

- Conduct market needs assessment to determine current needs/ trends in the marketplace
- Design and document a clear and aggressive strategy for existing customer campaign/development and with new [larger] clients
- Emphasis on branding, with existing and new customers
- Internet presence/site development including traffic monitoring, re-organization of product categories, inclusion of online purchase option and direct contact to inside sales
- Direct mail campaign to existing and potential customers to "revive" the brand and promote new product line-up
- Cost-per-click advertising, the cross referencing of market needs assessment information, product line offerings and keyword traffic data will be used to focus the campaign
- Develop simple systems/metrics for monitoring revenue performance
- Establish inside and outside sales protocol
- Institute a process for review and accountability (Performance Dash Board)
- Re-alignment of "inside sales" position with initial emphasis on existing customer calls and market needs assessment
- Establish a "product line development team" including design, customer service and sales representatives

Delivery System

- Create a seamless, efficient and documented delivery system
- Cross-train staff on appropriate aspects of production
- Promote or hire a production supervisor for oversight, troubleshooting and training
- Integrate technology between sales, production, inventory and shipping to minimize inefficiencies
- Define and track success metrics and institute an operation dashboard to give the CEO control

Management Structure

- Define a clear and feasible organization structure
- Create job descriptions for key staff
- Define success metrics
- Institute accountability and a review process
- The CEO must play an active role throughout the restructuring and rejuvenating process, and be present during operational hours

Results

Change starts with the owner. In this unique case, the owner initially thought he wanted to revive his family's company. Despite CV having presented clear and feasible corrective actions, because the owner had become so removed from the operations of his company and imbedded into a lifestyle that ran counter to building value, no action was taken to safeguard the company's future.

CHAIRMAN'S VIEW

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