



MULBERRY

Presented By:

ANGELA NUNANA AHIAVEH

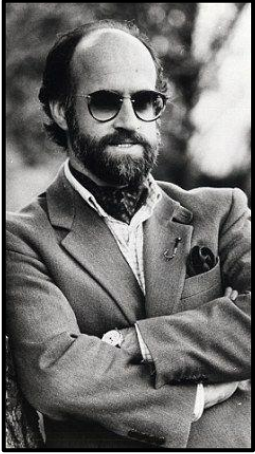
EMELIE PINE

MAZVITA MAWIRE

Agenda

- **About Mulberry**
- **The incident**
- **Management question**
- **Discussion**
- **Management decision**
- **Final reflections**

History



1971

Founded by Roger Saul & secured orders in luxury stores

Opening of first factory

1973

1976

Launched first leather goods accessories range

Became Britain's largest producer of premium leather goods

1988

1996

Floated on London stock exchange

42% of company sold to Christina Ong

2000

2002

51% share obtained by Ong

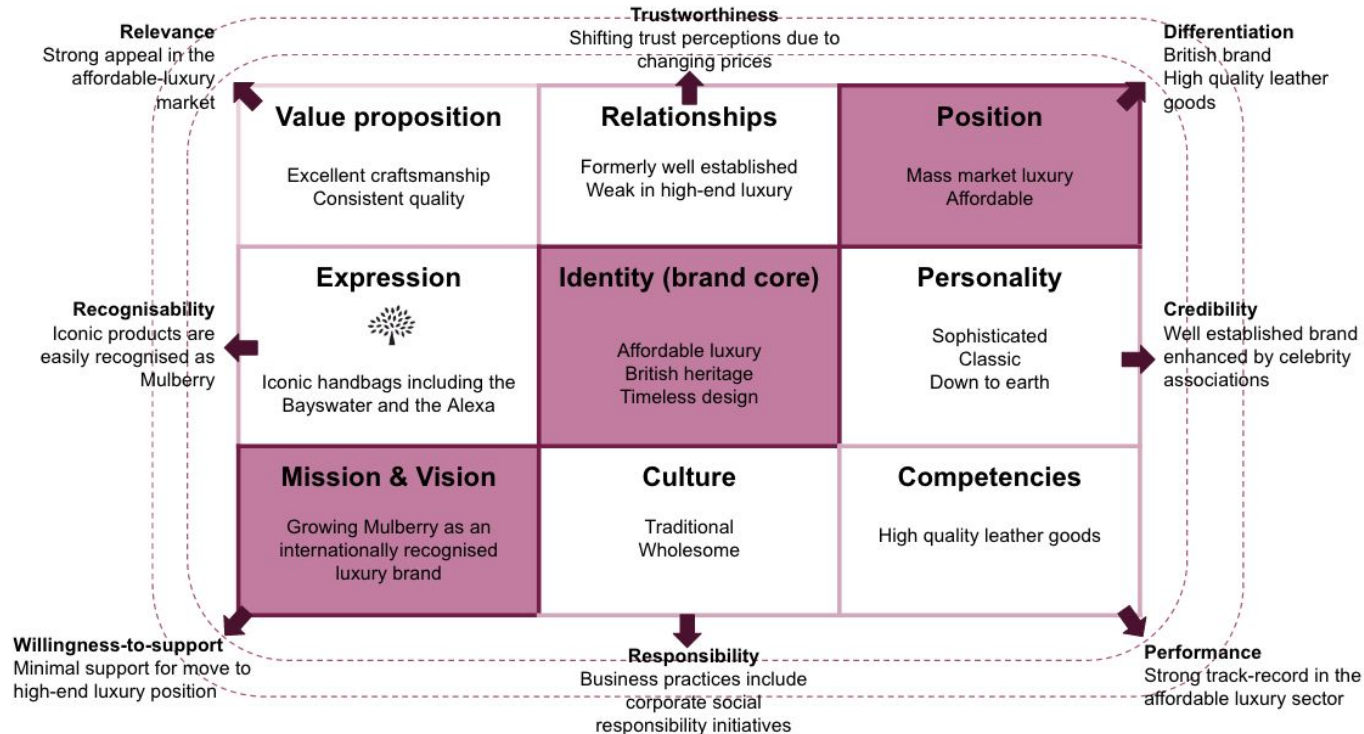
Saul forced to sell shares and step down

2003

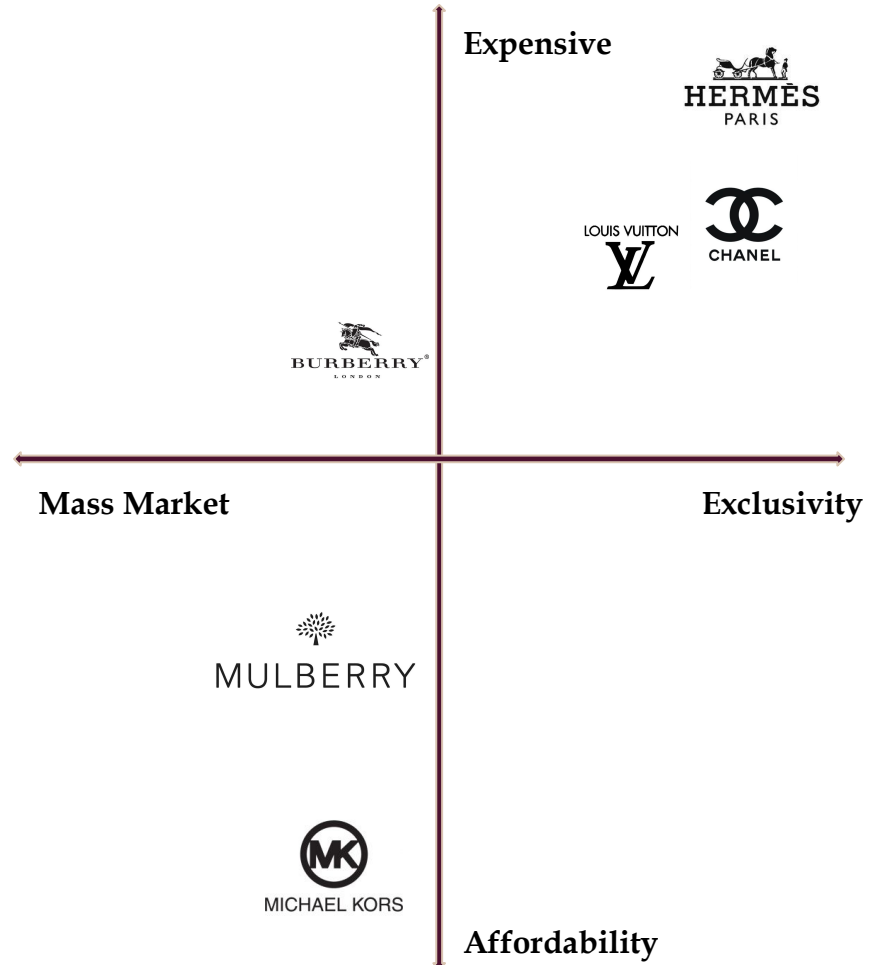
2008

Emma Hill joins as creative director

Corporate brand identity and reputation matrix



Positioning



The incident

March 2012
Appointment of
new CEO



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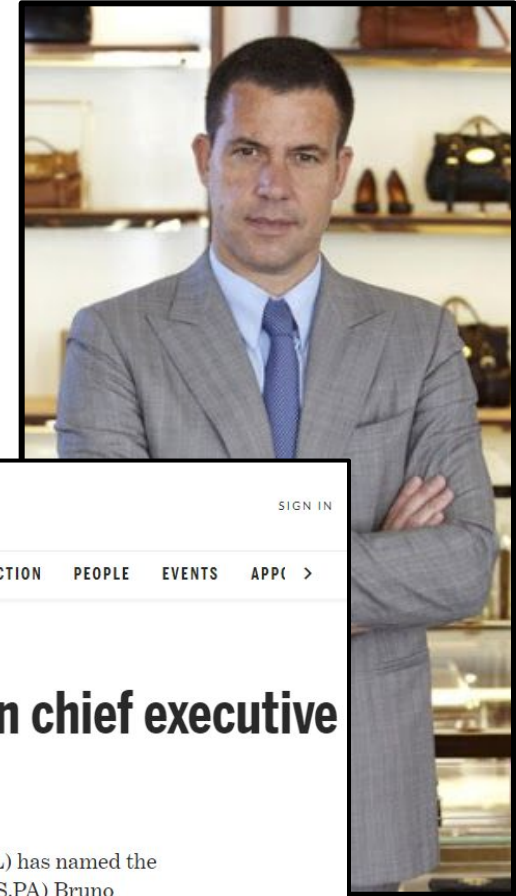
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Bruno Guillon named as new Mulberry CEO

Jamie Grierson |

British success story Mulberry executive.



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Mulberry names Bruno Guillon chief executive

British leather goods maker Mulberry (MUL.L) has named the managing director of Hermes France (HRMS.PA) Bruno Guillon as chief executive to replace Godfrey Davis who will move into a non-executive chairman role.



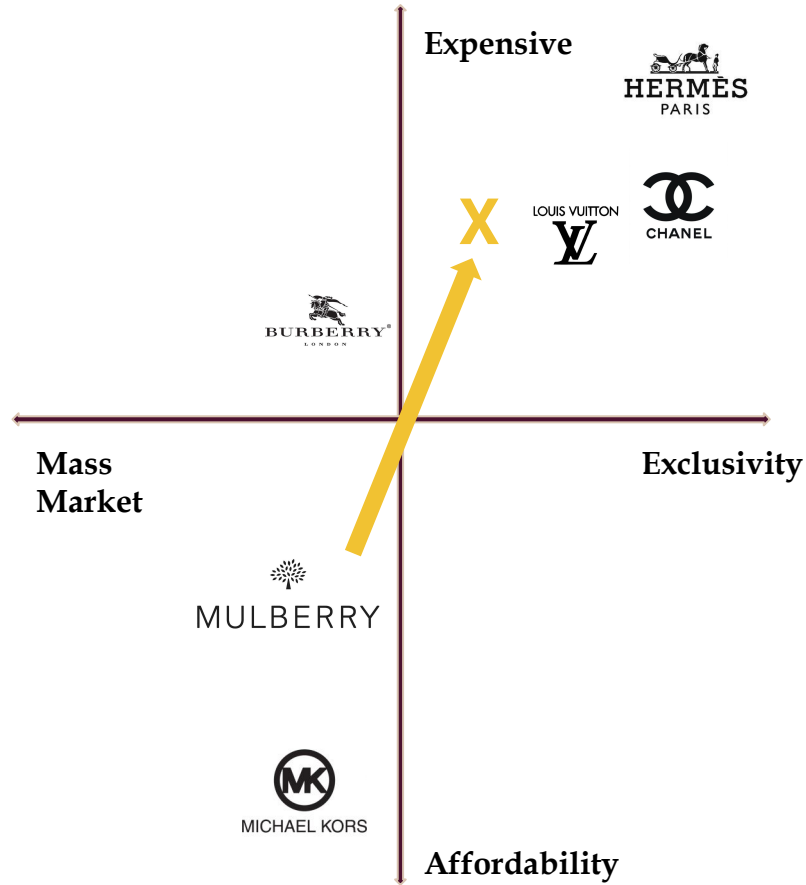
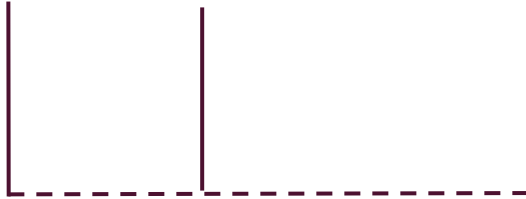
The incident

March 2012

Appointment of
new CEO

April 2012

Change in strategy:
Premiumisation



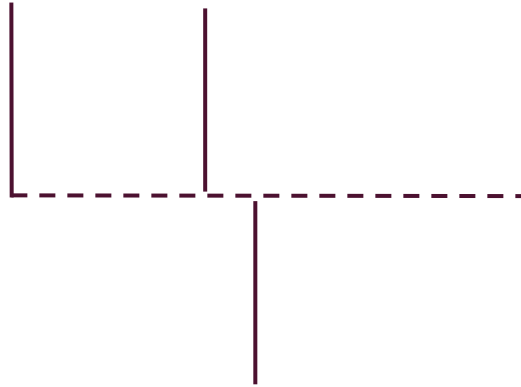
The incident

March 2012

Appointment of
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April 2012

Change in strategy:
Premiumisation



May 2012
Share Prices start
to drop



The incident

March 2012

Appointment of
new CEO

April 2012

Change in strategy:
Premiumisation

May 2012

Share Prices start
to drop

September 2012

1st Profit Warning

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Mulberry profit warning hits shares

🕒 23 October 2012

Shares in Mulberry, famous for its leather bags, have dropped by a quarter after the luxury goods firm issued a profit warning.

Slower-than-expected international sales growth and falling wholesale revenues meant this year's profits will be lower than last year's, it said.

Wholesale shipments had fallen because of lower orders from Asia and changes to its distribution network.



The Telegraph

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Mulberry out of fashion on profit warning

A slowdown in tourists spending their money in London has prompted a second profit warning in six months from Mulberry, purveyor of luxury handbags.



The incident

March 2012

Appointment of new CEO

April 2012

Change in strategy: Premiumisation

June 2013

Announcement of resignation of Creative Director Emma Hill



May 2012

Share Prices start to drop

September 2012

1st Profit Warning

June 2013

8% drop in share price as a direct result of Emma Hill's resignation announcement

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Mulberry

Shock over departure of creative director behind Mulberry's rise to top

Shares plunge 8% on news of Emma Hill's decision to quit after rumoured row with company's chief executive

Simon Neville and Lauren Cochrane

Mon 10 Jun 2013 22:56 BST



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▲ Emma Hill has announced her intention to quit Mulberry. Photograph: Mulberry

The woman widely credited with transforming Mulberry from a quiet British fashion house into a must-have global brand has shocked the luxury goods world, and the City, by announcing her intention to quit, in a move that wiped nearly £40m off the company's value.



The incident

March 2012

Appointment of
new CEO

April 2012

Change in strategy:
Premiumisation

June 2013

Announcement of
resignation of Creative
Director Emma Hill



May 2012

Share Prices start
to drop

September 2012

1st Profit Warning

June 2013

8% drop in share price as a
direct result of Emma Hill's
resignation announcement

September 2013

2nd Profit Warning



The incident

March 2012

Appointment of
new CEO

April 2012

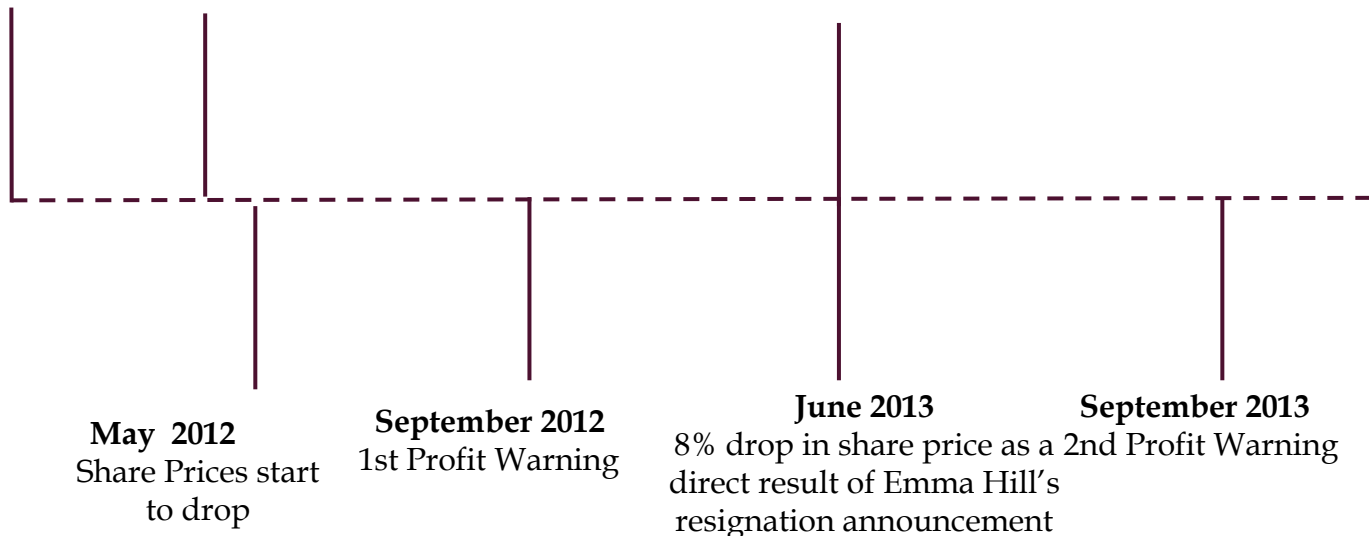
Change in strategy:
Premiumisation

June 2013

Announcement of
resignation of Creative
Director Emma Hill

September 2014

Creative Director Emma
Hill resigns



The incident

March 2012
Appointment of
new CEO

April 2012
Change in strategy:
Premiumisation

June 2013
Announcement of
resignation of Creative
Director Emma Hill

September 2014
Creative Director Emma
Hill resigns

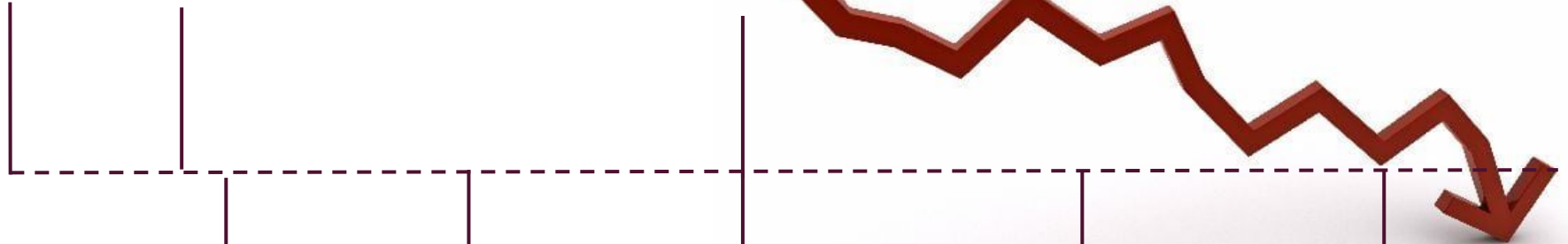
May 2012
Share Prices start
to drop

September 2012
1st Profit Warning

June 2013
8% drop in share price as a
direct result of Emma Hill's
resignation announcement

September 2013
2nd Profit Warning

October 2014
Third Profit Warning



The incident

March 2012

Appointment of
new CEO

April 2012

Change in strategy:
Premiumisation

June 2013

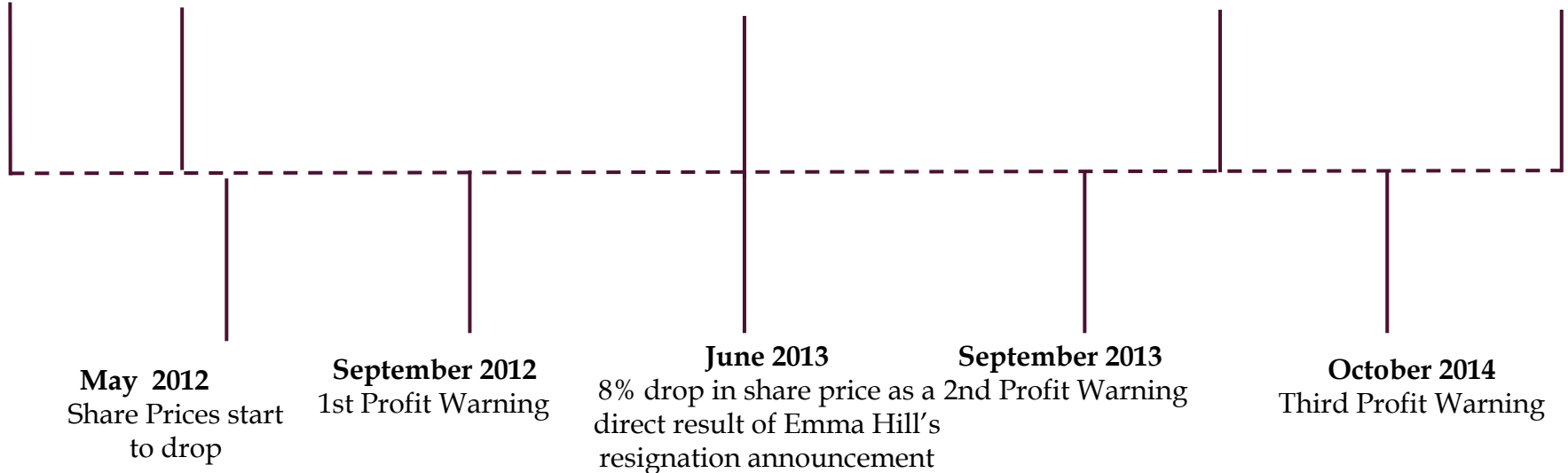
Announcement of
resignation of Creative
Director Emma Hill

September 2014

Creative Director Emma
Hill resigns

2014

68% drop in share
price





What do you do?

Management question

Consider that you are in a senior management position at Mulberry...

You are required to make a decision about the next steps following the walk-out of the creative director and the drop in share price following the repositioning...

What do you recommend?

Management Decisions

Abandoning their new premium positioning

GRAZIA

Mulberry Is Lowering The Price Of Its Bags, But They're Still Going To Cost You A Month's Rent

The British designer brand is lowering its prices, but they're still not as low as we'd like

the FASHION SPOT

STYLE BEAUTY CELEB NEWS COMMUNITY D

THE BUZZ / LATEST NEWS

Mulberry Is lowering Its Prices, While Burberry Is Raising Its Prices Further

by ALICE CUFFE © April 21st, 2014



Good news for Mulberry fans: Prices are slashed - because no one can afford them!

- Firm warns profits will disappoint for fourth time in two years, hitting shares 4%
- New strategy unveiled by former head Godfrey Davis, who oversaw success of Mulberry between 2002 and 2012

By ROSS DAVIES

PUBLISHED: 12:08 GMT, 17 April 2014 | UPDATED: 04:37 GMT, 18 April 2014



417
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Management Decisions

Mulberry CEO Guillon quits after turbulent two years

Kate Holton, Neil Maidment

4 MIN READ



LONDON (Reuters) - Bruno Guillon has quit as chief executive of British luxury brand Mulberry ([MUL.L](#)), bringing an end to a two-year tenure marked by three major profit warnings and a move to hike prices that is yet to pay off.

Mulberry CEO Bruno Guillon to Step Down

Move Follows Profit Warning for Luxury-Goods Maker

By *Jana Weigand* and *Christina Passariello*

Updated March 20, 2014 8:31 am ET

 PRINT  TEXT

LONDON—Mulberry Group PLC on Thursday announced the immediate departure of Chief Executive Bruno Guillon, whose strategy of moving the company's leather bags upmarket led to a profit warning earlier this year.

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Mulberry boss Bruno Guillon quits after profit warning
🕒 20 March 2014     Share

Management Decisions



Firing of CEO

Appointment of new
creative director,
Johnny Coca

Mulberry picks Céline's Johnny Coca to be its new creative director

18 months after Emma Hill left, British fashion house Mulberry has finally appointed Johnny Coca



Management Decisions



Appointment of new
CEO,
Thierry Andretta

Appointment of new
creative director,
Johnny Coca

Firing of CEO

Thierry Andretta announced as CEO of Mulberry

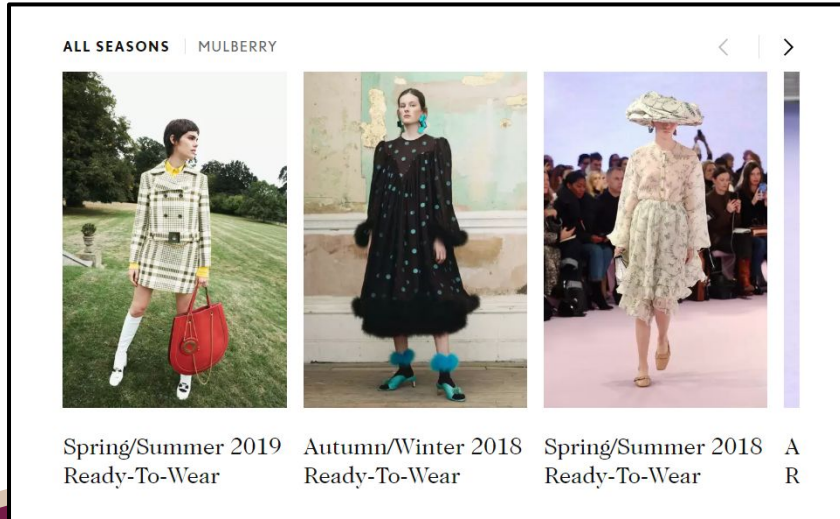
Former chief executive of Buccellati expected to continue handbag maker's strategy of returning to affordable luxury roots



Management Decisions



Expanding the affordable luxury bag and ready-to-wear range



Mulberry launches 'Tessie', a more affordable (ish), equestrian-inspired line

By Kate Bialowas Date May 28, 2014



Restoring Mulberry's affordable roots

Management Decisions

Expanding the affordable luxury bag and ready-to-wear range

Strategic Distribution Partnerships

VOGUE

FASHION BEAUTY ARTS & LIFESTYLE CATWALK NEWS VIDEO

MULBERRY has announced that it has agreed a new licensing deal with Japanese-controlled and Italian-based Onward Luxury Group to distribute its ready-to-wear and footwear collections around the world. The new deal means that the fashion house can cut its expenditure therefore keeping its cost prices low, according to reports.

Restoring Mulberry's affordable roots

Did they make the right decision?



Did they make the right decision?



Mulberry sales and profits slide as handbag prices are cut

Handbag maker says it lacked 'new and interesting products in the key price range of £500 to £800'

Zoe Wood and Julia Kollewe

Thu 12 Jun 2014 08:44 BST



▲ Mulberry said the new Tessie collection, with a small satchel priced at £495 and a tote costing £595, had been 'well received'. Photograph: Mulberry

The boss of **Mulberry** has admitted that turning around the troubled British handbag maker would be a "two year project" after an aggressive move upmarket triggered a slump in sales and annual profits.

Did they make the right decision?



Zoe Wood and Julia Kollewe

Thu 12 Jun 2014 08.44 BST



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The boss of **Mulberry** has admitted that turning around the troubled British handbag maker would be a "two year project" after an aggressive move upmarket triggered a slump in sales and annual profits.

Julia Kollewe

Thu 16 Jun 2016 11.55 BST



25 3

Mulberry bags larger profits after price cuts

Luxury handbag firm sees 8% rise in sales after wooing back customers, and plans to open more factories in UK



▲ Bags from Mulberry's latest collection. Photograph: Labyrinth/Mulberry

Profits at the British handbag maker Mulberry have recovered after it cut prices and spruced up its ranges to win back customers.

Mulberry's efforts to become a more affordable luxury brand appear to be paying off, following a disastrous move upmarket in recent years. It now intends to open more factories in the UK as revenues rise.



Thank You