



Leadership Succession at Achal: A Tough Nut to Crack

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Finanzas Corporativas

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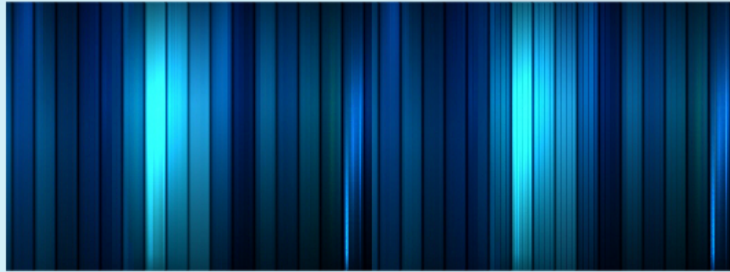
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Friendly Cards

Friendly Cards, Inc.

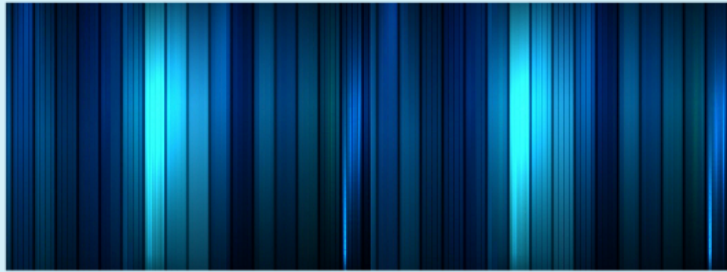
In 1978, Wendy Beaumont founded Beaumont Greeting Card Company in New York City with \$15,000. Shortly thereafter, she acquired the bankrupt Lithograph Publishing Company of Reading, Connecticut and moved all operations to the new plant. A year later, the renamed firm Friendly cards, Inc., went public through a stock offering at \$3 per share.

In the years that followed, Friendly expanded rapidly through internal growth and acquisitions.

Friendly Cards, Inc.

En 1978, Wendy Beaumont fundó Beaumont Greeting Card Co. en la ciudad de Nueva York con 15,000 dólares. Poco después, adquirió Lithograph Publishing Co. De Reading, Connecticut, que había quebrado y trasladó toda la actividad a las nuevas instalaciones. Un año más tarde, la empresa, ahora con un nuevo nombre Friendly Crds, Inc., lanzó su primera oferta pública de acciones a \$3 dólares la acción.

En los años que siguientes, Friendly experimento un proceso rápido de expansión a través del crecimiento interno y adquisiciones.



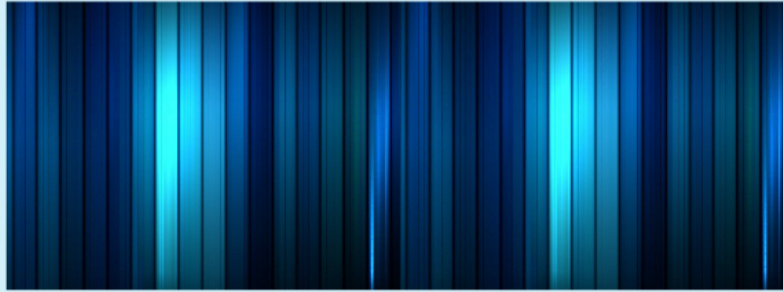
Friendly Cards

Financial Problems

According to Ms. Beaumont, Friendly had never been without financing problems. The business was capital intensive, and Ms. Beaumont attributed much of her success to the company's good relations with its banks and suppliers. Its line of credit with nearby banks totaled \$6.25 million.

Problemas Financieros.

Según Beaumont, siempre había tenido problemas financieros en Friendly. El negocio era intensivo en capital y Beaumont atribuía gran parte de su éxito a las buenas relaciones de la empresa con sus bancos y proveedores. Su línea de crédito totalizaba 6.25 millones de dólares.



Friendly Cards

POSSIBLE ACQUISITION OF “CREATIVE DESIGNS INC.”

Has advantages and disadvantages, for example:

VENTAJAS

Reducir coste de mercancías vendidas en un 5%.

Reducir gastos de Creative Designs en un 10%.

DESVENTAJAS

Durante el cambio de dueño las Ventas permanecerían estancadas.

ADVANTAGES

Reduce cost of goods sold by 5%.
Creative Designs Reduce costs by 10%.

DISADVANTAGES

During the change of ownership Sales remain stagnant.

Ms. MacConville was familiar with the background information on the greeting card industry and on Friendly Cards. Ms. Beaumont had also referred three other questions to Ms. MacConville:

1.- Should Friendly invest in equipment to enable the company to make rather than to buy its envelopes?

2.- Should Friendly Cards acquire Creative Designs, Inc., a small midwestern manufacturer of studio cards?

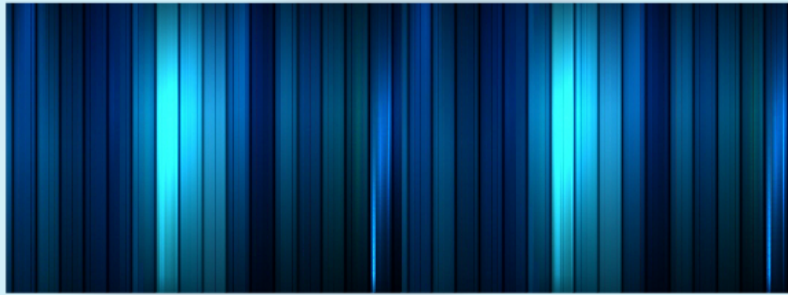
3.- Should Friendly go to the market to raise additional equity capital in order to relieve the pressure on its financial position?

MacConville
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3.- ¿Debía Fri
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Friendly Cards

La posible venta de nuevas acciones ordinarias

Para sostener el crecimiento rápido proyectado para los próximos años, y a la luz del escasísimo margen de maniobra que ofrecía la situación financiera de Friendly, Beaumont era consciente de que quizá tendría que conseguir capital propio adicional

Possible Sale of New Common Stock

In order to sustain the projected rapid growth for the next several years in view of Friendly's extremely tight financial position. Ms Beaumont was aware that she might have to raise additional equity capital.



Friendly Cards

In my opinión:

The acquisition of creative designs inc. is not a good decision, because frequently has good sales, acquire another company increases its debt with financial institutions.

En mi opinión:

La adquisición de creative designs inc. no es una buena decisión, porque Frecuenty tiene buenas ventas, adquirir otra compañía aumenta su deuda con las entidades financieras.