

QUESTION #5 (PART ONE)
HOW IS FAMILY OWNERSHIP AFFECTING ECCO?



QUESTION 4 SHOWS A HIGH LEVEL COMMENT ON THE COMPANY'S OWNERSHIP STRUCTURE AND THE IMPPLICATIONS FOR THE COMPANY AND THE OWNERSHIP. WHAT ALTERNATIVES EXIST?

AGREEMENTS

ADVANTAGES:

- 1) REDUCED COMMUNICATION
- 2) KEEPING HISTORY OF THE BUSINESS' CORE VALUES
- 3) RELIANCE ON FAMILY TIES TO KEEP FROM IMPAIRING BUSINESS

WHAT TYPE OF COMPANY IS ECCO?

OFFER EXPLAIN FROM THE VIDEO THE RECOGNITION MARK POSSIBLY BE TO SEE WHO'S OWNERSHIP FROM ALL OF THE VIDEO

- 1) LLC
- 2) LIMITED AND GENERAL PARTNERSHIP
- 3) CORPORATION



DISCUSS WHY ONE OR ALL OWNERSHIP STRUCTURES ARE THE CHOICES OR HOW APPROPRIATELY NOT FOR ECCO? PROVIDE

PROS... BUT WOULD BE BETTER

"A CORPORATION IS A LEGAL ENTITY WHICH HAS SEPARATE RIGHTS, POWERS, AND LIABILITIES SEPARATE FROM THOSE OF AN INDIVIDUAL."

ADVANTAGE: BUT USUALLY BE SUBJECTS TO DIFFERENT TAX SCHEMES AS NOT NECESSARILY HAVE BETTER PROFITS, BUT DIFFERENT

"CORPORATE OWNERSHIP HELD BY EMPLOYEES TO REMAIN COMPETITIVE SINCE THEIR JOBS ARE NOT GUARANTEED BECAUSE THEY DO NOT OWN PART OF THE COMPANY'S EQUITY SHARE"



OFFERING NEW POINT

DISAGREEMENTS

DISADVANTAGES:

- FAMILY MEMBERS MAY NOT BE:
 - KNOWLEDGEABLE
 - EXPERIENCED
 - QUALIFIED



PLUS:

HAVE ACCESSION ON THE FINANCIAL REPORTS OF THE COMPANY

JOIN COMPANY WILL BE FROM MULTIPLE, E.G. WOULD PROVIDE BY FAMILY OWNERSHIP

LET'S LOOK AT A DIFFERENT STAND POINT FROM THIS VIDEO:

"HOW TO MANAGING TO ITS CHANGING SCENE, COMP STRATEGIES TEND TO BE CONSERVATIVE AND BE HIGH RISK AS POSSIBLE"

MINUS:

COMPANIES MUST PERFORM DUE DILIGENCE IN MANAGING THINGS THAT AFFECT S/M IN HEALTH

HOWEVER:

SHOULD NOT ALWAYS BE HIGH RISK SINCE HIGH RISK CAN = HIGH RETURN
 WANT SEE NEW PRODUCTS/ADJUSTMENTS TO PRODUCTS??? - THEY ARE READY, FIRST WOULD BE WORTH BUFFETT DOING



OVERALL:

WE AGREE THAT FAMILY OWNERSHIP HAS BOTH ADVANTAGES AND DISADVANTAGES.

ALSO BELIEVE THAT IT HAS BEEN A SUCCESS FOR ECCO, BUT WE SUGGEST THAT FORMING AN LLC WOULD PROVIDE A BETTER BUSINESS ORGANIZATION FOR ECCO

WORTHY TO BE CONSIDERED:

1) IMPROVEMENT - SUPERIOR VIEWS CAN BE HIGH VALUE/LOW

2) PRIORITY PART OF QUESTION 5 RESPONSE:

DISCUSSION OF THE TEN PROBLEMS OF IMPLEMENTATION OF STRATEGIC CHANGE NEED A LOT OF STRENGTH TO IMPLEMENT

YOUR OWN POINT

IN REGARDS TO ALTERNATIVES, THERE ARE A LOT OF OPTIONS, AND WE WOULD BE MOST PRIORITY

BUT... WHAT IS YOUR RECOMMENDATION FOR THEIR COMPANY? (THINKING BEYOND WHAT WAS ASKED)

QUESTIONS???



ECCO A/S GLOBAL VALUE CHAIN MANAGEMENT



BLAKE BUTLER

HA SOOK KIM

CHUN LI

KINDRA O'CONNOR

CHRIS OKEKE

LESA THEU

THECASESOLUTION.COM

INTRODUCTION

CAME FROM HUMBLE BEGINNINGS

INVENTED BY KARL TOOSBUY IN BREDBRO, DENMARK - 1963



"INSPIRED BY THE OPEN AND HARSH LANDSCAPE OF SOUTHERN JUTLAND"

"A SHOE SO GOOD THAT YOU FORGET YOU ARE WEARING THEM"

**"YOU GET WHAT YOU PAY FOR"
USUALLY PRICED FROM 150-450 DOLLARS**

FIRMLY COMMITTED TO THE PERFECT SHOE

- 1) COMFORTABLE**
 - 2) WELL DESIGNED**
 - 3) PERFECTLY FITTING**
- REGARDLESS OF WEATHER CONDITIONS**

**BECAUSE OF THIS ECCO REMAINS A WORLD LEADER IN
PRODUCTION OF FOOTWEAR FOR WORK AND LEISURE**



PRIMARILY EXPORT TO:

U.S.

GERMANY

JAPAN



BEGINNING TO REACH INTO ASIA AND CENTRAL/EAST EUROPE

QUESTION #1

**DESCRIBE THE COMPETITIVE ENVIRONMENT OF ECCO AND
DETERMINE HOW WELL ECCO IS POSITIONED (VIS-A-VIS THE COMPETITORS)
TO TAKE ADVANTAGE OF CHANGES IN THE INDUSTRY**

ECCO'S MAJOR COMPETITORS

GEOX



CLARKS



TIMBERLAND



GEOX

TEAM 2:

- **GEOX INCREASED SALES BY 250 PERCENT WHILE ECCO ONLY INCREASED BY 4 1/2 PERCENT**
- **PERFORATED RUBBER SOLE**