

Evans heather hbs



**ASSIGN  
BUSTER**

What are the key factors for the success of this business? Answer No 1:

Heather Evans, a Harvard Business School graduate, had major interest in the fashion industry; as she had some background in the same industry, where she worked as a financial analyst at "Morgan Stanley" and as an assistant to a designer clothing firm. Because of the experience gained, she was sure and truly convinced that she could run a dress company.

The main aim of Heather Evans was to create a company that design clothing line for professional women who better fits their life-style, Its focus was to ell high-priced, high-quality dress-and- Jacket combinations for women, ages 27 to 45. Heather Evans has accomplished what she dreamt of, heather Evans label Is now serving accessories, leisure clothing, and office-wear for a different, wider customer group, and all at low-price. Few factors were very Important that lead Heather towards accomplishment. When she started her business It was an unmet and fast growing market. He recognized the need for a new look for professional women. She knew very well, the needs of those business women which she was targeting. She had an understanding of the appropriate limits in the formal office environments. She used her experience to encourage her customers. Another eve important factor was the increasing number of professional women who contributed to both, their own growth and to the growth of the market. She gave her customer choices depending upon their requirements in clothing. Social trends had also changed; more women had inclined towards working in offices.

She conceived a style of clothing, based primarily on dresses, which better fitted the life style of professional women. Heather Evans collection contained clothes appropriate for the conservative workplace, unlike other

designers. She also gained confidence of the target market through identifying her own background with their lives. She also worked as a model at fairs, so she had the experience to project herself through the media. Last but not the least competition was also considerably beneficial to Heather Evans.

Question No 2: What are the possible risks that you can foresee for Heather Evans? Answer No 2: The possible risks that I can foresee for Heather Evans are: 1. Design risk: The risk associated with the design process was that, the design process took 9 months, which was a long period. Which might delay the production process and it might also stuck all the further stages required for the manufacturing of other lines 2. Financial risk: To start a business, it is very necessary to get loans, and getting loans isn't an easy job.

Arranging loan for a new business is quite a tough job. 3. Sales risk: Ms. Evans cannot accurately predict future sales growth further than the introductory period because people might not like the design or the quality of the outfit. 4. Inflation risk: With the increase in inflation, the prices of all the other things associated with her business will also rise. Inflation risk is a major risk for her business that can affect her pricing strategy. 5. Liquidity Risk: The risk of liquidation of the company is also present, where she can lose more than what she has invested. 6.

Environment uncertainty risk: Changes in the general trend and reduction in the number of business women can affect the company's revenue. 7.

Seasonal risk: Because of the season collection, seen NAS nylon rills escalated Walt near Dustless, Owe to ten season hang, she has less time to

sell her clothes and when the season is about to end she would have to start the clearance sale which will reduce her profit. 8. Market risk: Any change in trend can cause problems for the business of Heather Evans, as her business is based on fashion industry, and she designs clothes keeping in mind the current trends.

And the presence of competitors following the same strategy can also cause trouble for her. Strengths. W. O. T. Passion - a prerequisite for any successful entrepreneur. Education- strong Harvard education as well as experience in industry. Successful first year - nothing better for an investor than a product that is already successful and already has orders for the next season.

Investors have reinvested the profits, showing support of the company S.

Weaknesses. O. T. Business plan - simply doubling the numbers is not sufficient. Bank financing and personally guaranteeing loans may cause desperate situation.

Rushing the design process may cause quality of clothes to deteriorate. By not sharing work load, causes doubt as to whether company is scalable. S. W. Opportunities. T. Much market attention and future sales. High demand offers possibility of expansion With all the cash flow from sales/reinvestment, opportunity to grow. Investors pushing for new hires, opportunity to ask for more investment. S. W. O. Threat. Fashion industry is fickle, what is " in" one year may not be the next. Low entry barriers to enter the fashion industry. Would you be on her board and what advice would you give her?

Team Platy would choose not to be on Heather Evans' board. Before accepting her offer, we would ask her to please let go some control of the

company. Her micromanagement may make her comfortable with the quality of the product but would hinder the scalability of it. If she feels is comfortable with delegating some work, she can focus on growing the company. Will the second line be as successful or more successful than the first? It is impossible to tell with certainty whether the second line will be as/more/less successful than the first because the nature of the fashion industry.

However, it can be inferred that because of the hastened design planning, the product may not be as fashionable as the first line. Even with a successful first line in the department store, the clothes will not sell as well if they are not fashionable. What is section 1244 stock and why have it?

Section 1244 stock allows losses from the sale of shares of small domestic corporations to be deducted as ordinary losses instead of as capital losses to a maximum of 50, 000 for individual tax returns and 100, 000 for joint returns. This would be useful as it could reduce the tax liabilities of the company.

How important is networking and why? In business, networking is infinitely important. Nothing is out of your reach if you have developed a strong network of mentors, colleagues, and business partners. Everyone has their own network they have built up over the years that you cannot even imagine. Then by what many call "chance" or "luck" you get connected to someone you have been looking for or a job offer or recommendation you have been trying to get. In this case specifically, it would benefit Heather because she does not have any of the top As.

Networking will give her a support system of allies as well as grow her knowledge of the industry. She will soon find out that fashion is about headlines and if you don't have the capital to buy the headlines, you have to know somebody who does. How important was the business plan? The business plan is important when used in appropriate situations, such as fleshing out the idea. More important is the feasible study done in order to complete a high quality business plan. In Heather's case, it is important she not feel tied down to her original business plan.

Was Heather successful? Depending on how "successful" is defined, Team Platy would say that Heather was not yet successful. Although she proved she can handle the industry with a profitable year, it depends on what she does with her accomplishment before she can be defined as successful. (Ninny Eyeless) Heather Evans is a smart, hard-working individual with a great business sense, and she has a keen understanding of the fashion industry from working as a model and as an assistant to the president of a woman's clothing company.

Combining these talents, Heather Evans was able to spot an undeserved market estimated at \$5 billion annually with significant growth prospects. Subsequently, Heather Evans is hoping to raise enough capital to launch a line of clothing to serve the 4.3 million women in a professional environments who would be prime candidates for a fashion label that is both functional and stylish. While Heather Evans has a great idea, there is a significant amount of work to be done before she can get her company off the ground.

Heather Evans has been bootstrapping the business so far but desperately wants to take the company to the next level. In order to get the first collection out of the door, she needs to find investors to finance her operations. Subsequently the most important task she is faced with is reviewing the various financing options that are available and deciding on an option that is suitable for her specific company at its current stage.

Concurrently, Heather Evans needs to assemble the key members of the management team to assist in guiding the company through its infancy.

Fortunately, Heather Evans has a strong network from business school and colleagues from the investment banking and fashion industry which should serve to provide a pool of individuals whom she can select from that share the same vision and passion for her business. The overall concept of the business is straight forward. Heather Evans' company plans to offer a "designer" line to fit the life-style of professional women. However, accomplishing a successful launch of this type of venture is dependent upon several Key Doctors. Hrs an