

Analysis of heather evans case study

Business



As a former department store sales associate, I know a little about how difficult it is to sell clothing when not properly presented. So when we talk about selling the idea of starting a clothing line in a flooded market of designers, I can only imagine how hard it would be. Investors are hard enough on extraordinary ventures that change the entire world.

So it makes sense as to why Heather Evans is having a hard time with this venture.

Problem Analysis Heather Evans is a very recent graduate from Harvard Business School and has been working on getting her venture off the ground for quite some time. She has the know-how and skill in her industry but not the funds. This is why she is seeking out investors. This is proving to be more difficult and time consuming than she had anticipated.

I think most people have this experience at one time or another especially if they are starting their own business. The great ideas of the world do not always get all the support in the world.

To make matters worse, Evans has invested plenty of her personal funds in the business and has hired a few employees. In essence she has put a lot of skin in the game. So there is no option of just deciding that the venture was not a success.

To put the icing on the cake it seemed for a little while that Evans had found a sole investor. However after seeing the unprofessional manner and lack of attention to Evans that was shown by the investor, Evans decided not to pursue the possibility of this investor.

Without fund Evans may be forced to abandon the venture. And time is pressing against her. With a lot of personal funds already invested she has a limited window of time that she will have before she will not have enough money to sustain herself while the business grows o where she could take a salary from it. And she has some pretty heavy reservations on how she wants the business financed which limit her options further.

Recommendations A number of things could be contributing to her lack of total interest from investors.

She has had up to this point a fragmented schedule and has been a student. One big red flag to investors is when the invested has little or no time to invest in the business. Although Evans had been trying to invest more time into her business than n school, most investors assume that Evans is unable to create a viable business cause she is a full time graduate student. In addition some of her decisions could be of concern to investors.

Her choice of where to place her business and then changing to a high profile office creates an unstable financial document where rents should be the same month to month.

And she hasn't made much in sales either. I Mould suggest that Evans concentrate all of her resources and time on making at least a little bit of a profit. This way she could prove that she has the ability to create and run this business. Further these early profits would help her negotiate having ore equity since the return on investment could come from sales and revenue rather trot an exit strategy.

Conclusion Most ventures have their bumps and most experience difficulty with the finance process most especially.

Credit is unproven and therefore these opportunities for financiers usually get put on the back burner. If Evans were to make a profit then that would push her proposal to the top of the pile. Her experience with the private investor in going skiing is a classic example of this. She isn't taken seriously enough to get offers. She is being watched but only till investors lose interest in her altogether.