

# Learning Lab

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## LBM Business Game Managing Luxury Business

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## Description

LBM Business Game is a managerial simulation on the growth strategy of a medium-sized company in the luxury business, based on a real case.

## Scope

Elaborate a growth strategy and make typical decisions of the luxury world about: products, distribution, marketing, communication and market coverage.

## Benefit

Experience and live a typical strategic decision-making process of a company in the luxury market.

## What it is

An innovative managerial simulation that helps elaborate a growth strategy of a medium sized company in the luxury market, under the constraints of profitability and brand value.

Participants have to make typical decisions of the luxury business world, regarding: products, distribution, marketing, communication and market coverage.

## Is aimed at

LBM Business game is aimed at:

- combine the theoretical concepts of the growths strategies in the luxury world with practical exercises;
- transform theoretical principles in practical decisions;
- understand the strategic logics of the luxury market and for their application in other contexts.

# LBM Business Game

LBM Business Game managing luxury business

Home Teacher Login

## PHASE 1: Starting Phase



1. Read the Case

**Scenario:** (hide box/show box)

Using the arrows, slide in the box below to collect the informations.



Documentation download

### Company Background

Mr. Antony Capex founded the firm with its own name back in 1951, at 32 years old. He was a very passionate watch-maker. He started creating unique timepieces that were sold directly to clients in its small atelier based in Geneva.

From the very beginning, each single piece was recorded with a reference number, engraved in the back of the case. In the Capex's books, many records have been associated with famous and powerful people.

Mr. Antony in 1959, as the watch business was still flourishing at that time, opened the Capex flagship store in Geneva, in Rue du Rhone n. 10.

During the watch most relevant crisis in the 60ies and 70ies, Capex decide to stay true to its roots and do not produce any quartz watch. They struggle to survive in a more competitive marketplace, dominated by Japanese producers.

However, when Mr. Antony pass the baton in 1981 to his son Lucas, the business was restarting as the market was showing a new wave of interest in the mechanical timepieces.


From mid 80ies to mid 90ies, they decided to serve the clientele directly in their own country. Capex started going international, opening new markets through key partners. They first opened a small workshop in Paris, run by Greg, a brother of Lucas. The New York point of contact, right in Fifth Avenue n. 125, opened few years later, followed by Hong Kong and Tokyo. These direct contacts boost the business and the sales. Capex decided, therefore, to enlarge their manufacturing capacity, moving to the Jura Valley.


The development of the business increases the complexity of managing it. Therefore, Lucas decided to hire John Cavas, as general manager, in 1997.


As the market seems very favorable to custom-made and highly priced timepieces, Lucas set quite challenging goals to be achieved in the period 1998-2002.

# LBM Business Game

EMEA Americas Asia Russia

**Boutiques:**  
No Boutiques chosen so far  
Budget remaining for boutiques: 75/75  
 > ADD New Boutiques

**Multibrand Stores:**  
No Multibrand Stores chosen so far  
 > ADD New Multibrand Stores

**Communication:**  
No communication choice made so far.  
 > DEFINE your communication strategy

2. Make your decision.

## Strategic decisions in product diversification:

Select if you intend to differentiate the offerings

Product category	Actions
Watches (core product)	

 > ADD New Product

## Upload your Action Plan:

Find the pptx template in the Documentation Package

Nessun file selezionato

Start Upload

3. Elaborate and upload your Action Plan.

# LBM Business Game

## Results:

### PHASE 1: Starting Phase (view decisions)

Download Action Plan

	Initial	Final
<b>Total revenues</b>	80.00	1601.32
<b>Operating costs</b>	60.00	294.69
<b>EBITDA</b>	20.00	1306.63
<b>Depr. &amp; Ammort.</b>	1.00	41.00
<b>EBIT</b>	19.00	1265.63
<b>Interests</b>	0.00	0.00
<b>Tax</b>	3.80	253.13
<b>Net Income</b>	15.20	1012.51

	Initial	Final
<b>Receivable</b>	0.00	0.00
<b>Inventory</b>	20.00	78.00
<b>Assets</b>	5.00	205.00
<b>Payables</b>	5.00	5.00
<b>Debt</b>	0.00	0.00
<b>Equity</b>	20.00	20.00
<b>Retained Earnings</b>	0.00	7.60

- **Revenues:** +1901.7%
- **ROE:** 36.69 (+4727.0%)
- **Brand Equity:** +3.1%



4. View your economic results.

# **LBM Business Game**

## **Managing Luxury Business**

<http://learninglab.sdabocconi.it/lbm>



# Contact

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