STRATEGY AND MANAGEMENT

TOD'S s.p.a

PROJECT WORK MADE BY

REMOTERS

INDEX

COMPANY HISTORY AND PROFILE

ICON OF MADE IN ITALY, TOD'S REPRESENTS A LIFESTYLE THAT COMBINES TIMELESS ELEGANCE AND UNCOMPROMISING QUALITY.

A LIFESTYLE INTRINSICALLY LINKED TO THE CONCEPT OF ITALIANNESS, GOOD TASTE, AND KNOWING HOW TO LIVE.

Tod's Group

EARLY 1900

Creation of a small cobbler, founded by Filippo Della Valle.

1970

Transformation into an industrial company by the grandson Diego Della Valle.

1983

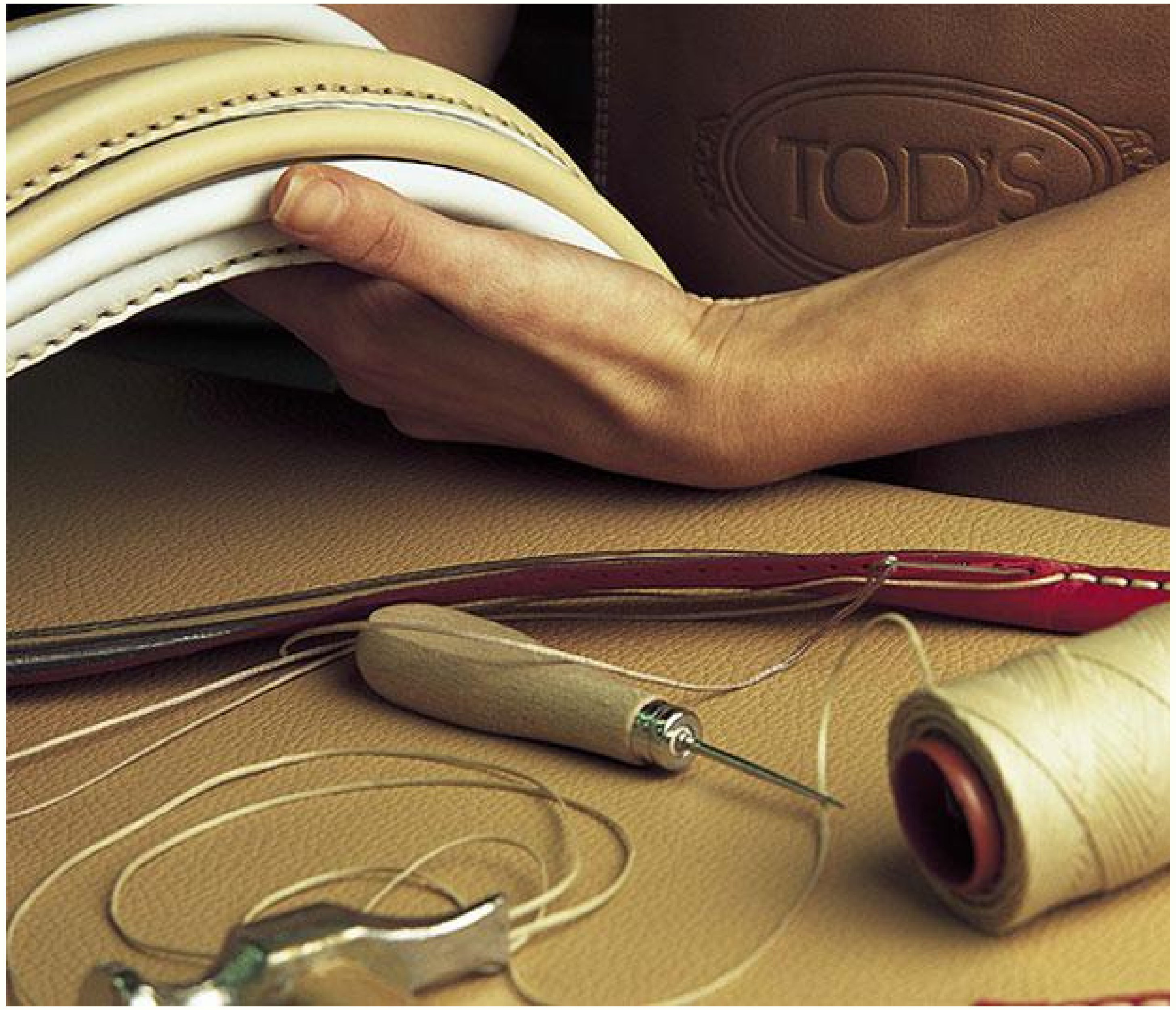
Creation and launch of the Tod's brand.

1998

Becoming an international Group

EARLY 2000

Licensing and acquisition of other brands, as Hogan, Fay, Roger Vivier



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BRAND FEATURES

TOD'S

MISSION:

The spread of its values all over the world: creativity, craftsmanship, tradition, enhancement of Made in Italy.

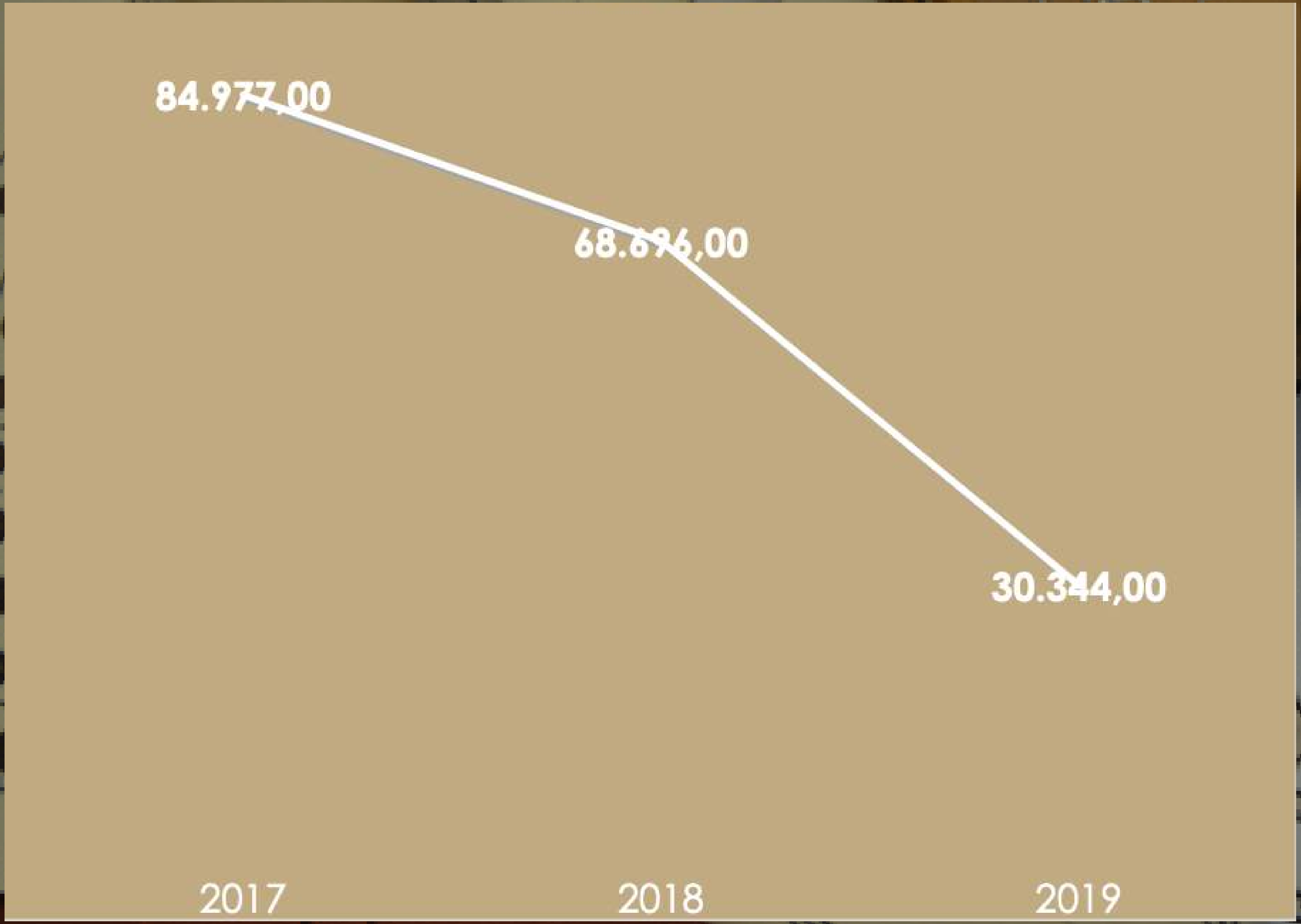
VISION:

Ability for the development of new products, without decreasing in the financial aspects.

VALUES:

- TRADITION
- QUALITY
- ETHICS
- EXCEPTIONAL CRAFTSMANSHIP
- MADE IN ITALY

PROFIT AND LOSS



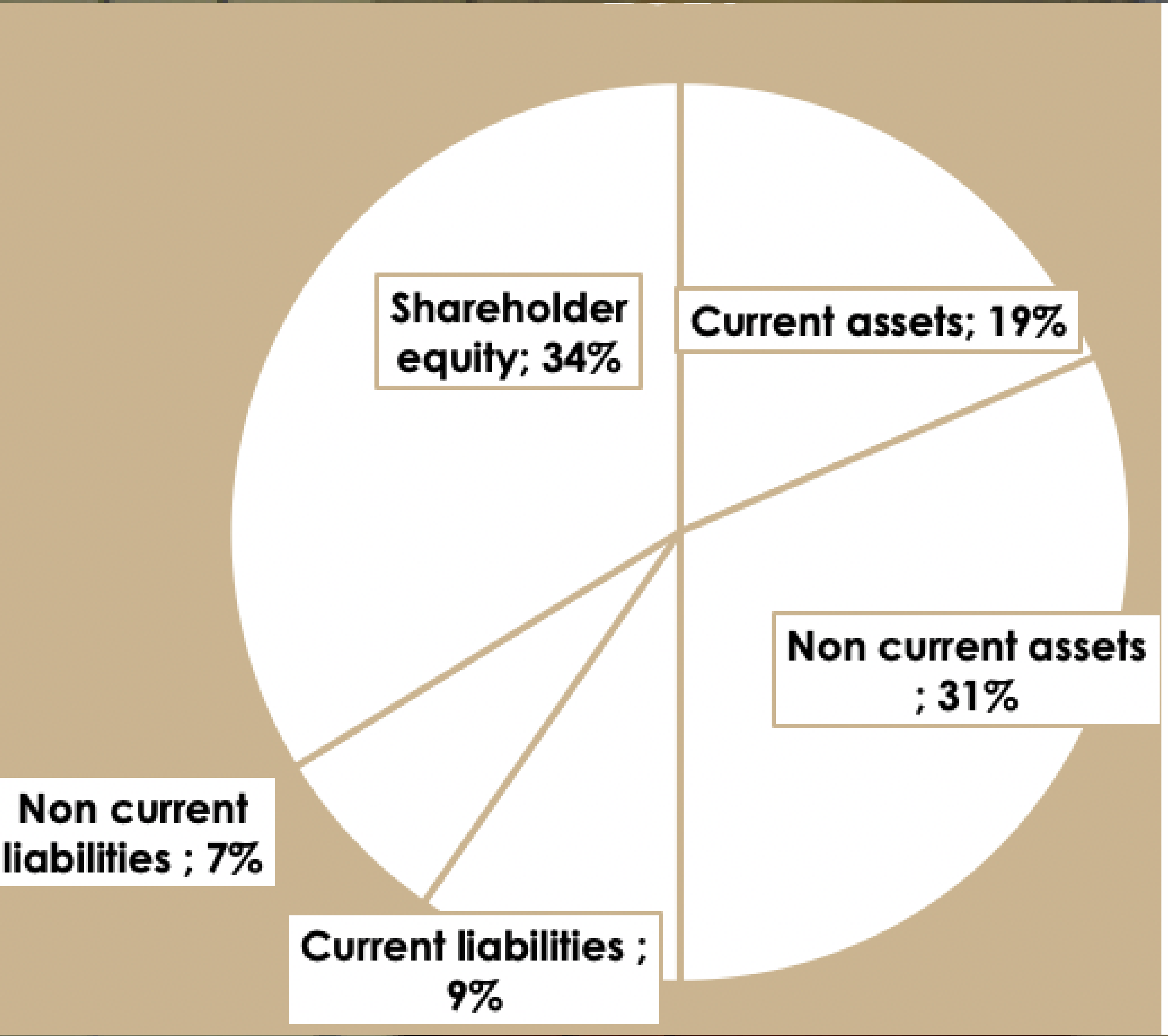
The decreasing of the profit is remarkable from 2017 to 2019, due to the decreasing of total revenues. Even though the company presents a negative trend, it is still profitable every year.

OPERATING COSTS

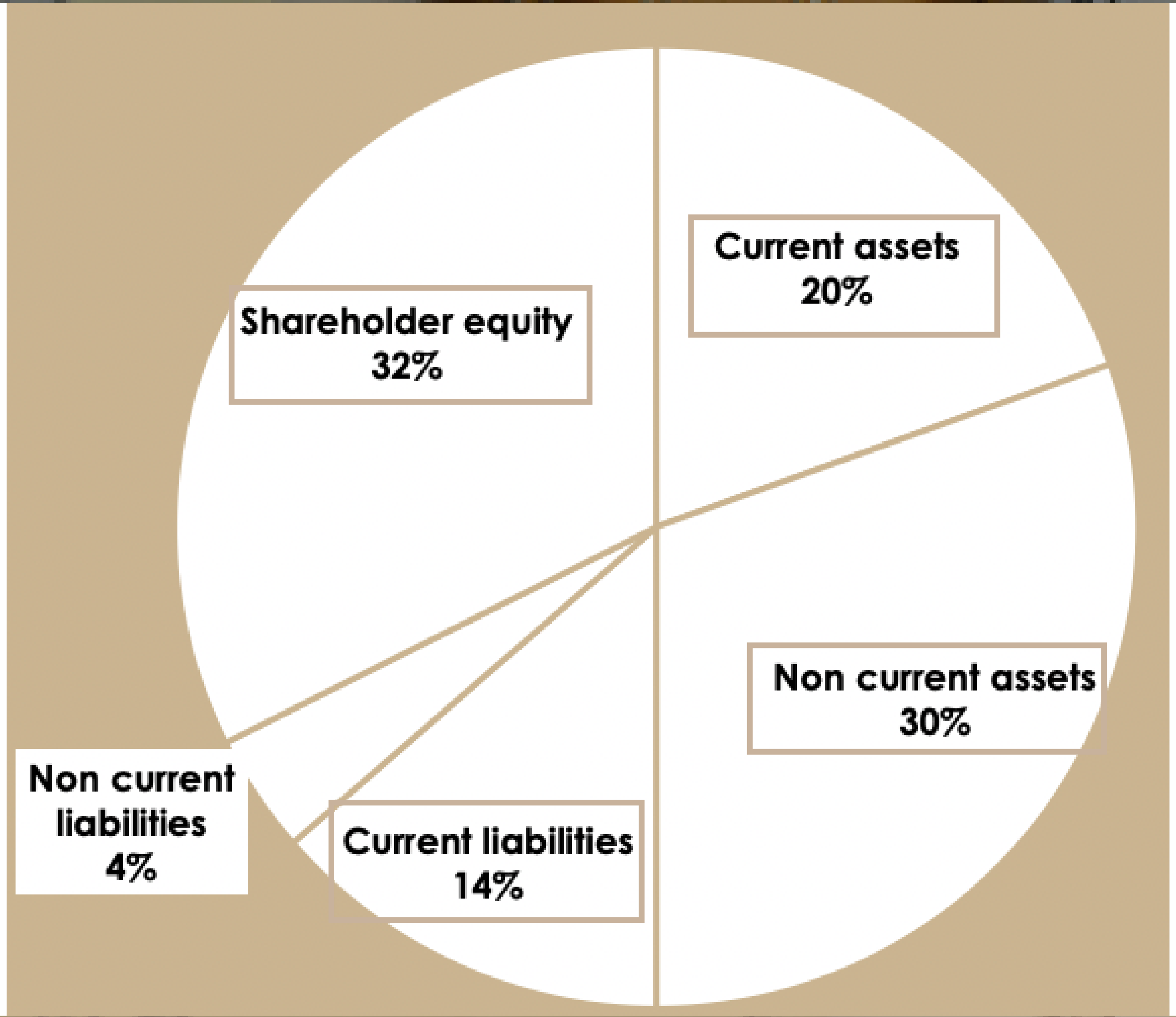
2017	-80,25%
2018	-82,97%
2019	-91,61%

ANALYSIS OF TOD'S BALANCE SHEET

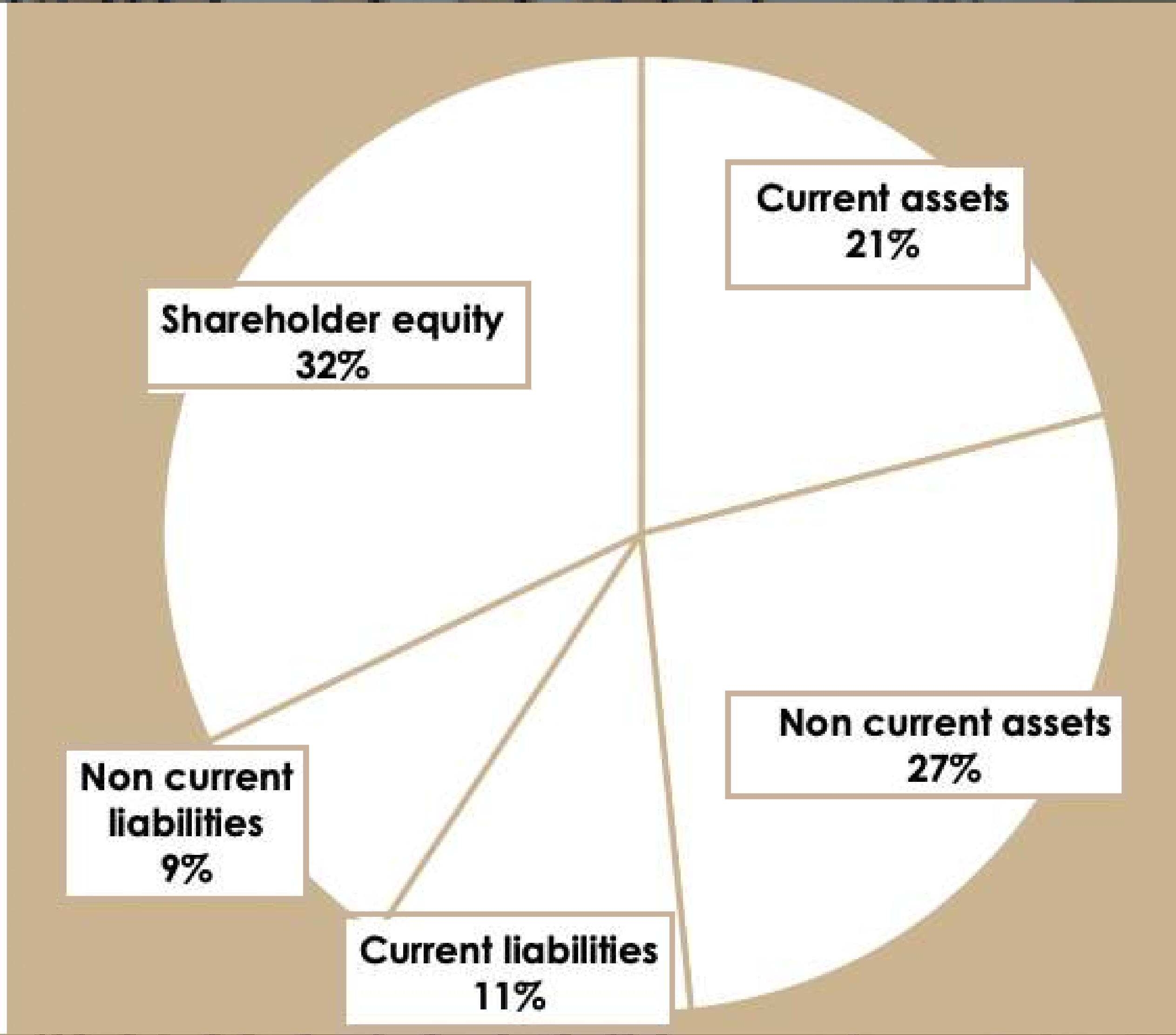
2017



2018



2019



LIQUIDITY E SOLVENCY ARE INCREASED IN THE LAST THREE YEARS, NEVERTHLESS THE DEBTS ARE HIGHER, TOTAL ASSETS CAN COVER THEM.

P

- Incentives for the restart and strengthening of the national ecosystem
- Support measures for the textile, fashion and accessories industry
- Protection of the Made in Italy brand and contrast to the “Italian sounding” with the 2019 Growth Decree
- New Budget Law 2021
- Obligation to label the composition of products that refer to the terms "leather", "leather" and "fur"

E

- A marked contraction of GDP is expected in 2020 (-8.3%) and a partial recovery in 2021 (+ 4.6%)
- Italian fashion is worth 1.3% of GDP.
- Italy is seventh in Europe in terms of tax burden (41.8%) and is second in terms ofcorporate taxes (59.1%).
- Italy ranks at the top of the world for trade balance with foreign countries for 372 products.
- The TMA is worth almost 100 billion euros (2019) and is the second sector for thenumber of employees.
- Collapse of the production of textiles, clothing, leather and accessories in 2020.
- Almost total closure of commercial channels, with the exception of online
- Counterfeiting in Italy causes damage of € 5.2 billion to products in the textile, fashion and accessories sectors.

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- The Covid-19 pandemic has generated a large reduction in purchases of clothing and footwear.
- 78% increase in the last six months in searches and purchases of sustainable clothing.
- Made in Italy has always been considered a guarantee of quality..
- 75% of millennials and more than 53% of generation X go to the store but leave without buying, and then complete the online purchase.
- The number of users who use social networks in Italy is around 35 million (58% of the population)

T

- New instagram section dedicated to e-commerce services.
- Smart Working: remote working is growing.
- The fashion world is approaching blockchain technology.
- Luxury brands land on Tik Tok

TOD'S PEST ANALYSIS

SWOT ANALYSIS

S

- HIGH QUALITY PRODUCTS
- ATTENTION TO EMPLOYEES, CONTINUOUS STAFF TRAINING
- COLLABORATIONS WITH OTHER ITALIAN COMPANIES
- THE USE OF THREE DIFFERENT CHANNELS
- CAREFULLY SELECTION OF THE SUPPLIER (MOST OF THEM ARE ITALIAN)
- COMMITMENT WITH THE COMMUNITY

W

- HOGAN AND FAY ARE MORE KNOWN IN THE ITALIAN MARKET
- HUGE DEPENDANCE ON EXTERNAL MARKETS
- HIGH OPERATIONAL COSTS
- LOW CAPABILITY TO MAKE PROFITS, THEY ATTRACT MOSTLY FOREIGN TOURISTS
- NO POSSIBILITY TO CHANGE ITS PRODUCTION LOCATION OR CHANGE SUPPLIERS
- MARKET SUCCESS ORIENTED ON SHOES

TOD'S

O

- EXPLOIT INCENTIVES FROM GOVERNMENT
- REDUCTION OF COSTS
- MORE INVOLVEMENT OF THE CLIENT
- EXPAND THEIR PRODUCT OFFER
- STRENGTHEN THE E- COMMERCE
- YOUNGER GENERATIONS AS POTENTIAL CLIENTS
- E – COMMERCE

T

- DEMAND CONTRACTION DUE TO COVID - 19
- HIGH COMPETITION IN THE ITALIAN MARKET
- REGULATIONS ON IMPORT / EXPORT OF GOODS
- EXPANSION OF OTHER BRAND'S BUSINESSES
- CHANGE OF STRATEGY FROM COMPETITORS
- COUNTERFEITING PRODUCTS

VALUE CHAIN

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SUPPORT ACTIVITY

SHAREHOLDERS' MEETING, BOARD OF DIRECTORS AND STATUTORY AUDITORS, EXECUTIVE, CONTROL AND RISK, REMUNERATION, INDIPENDENT DIRECTORS COMMITTEE

CODE OF ETHICS, PARENTAL LEAVE

CONTINOUS TECHNICAL/STYLISTIC REVISION OF ACTUAL MODELS, AND IMPROVEMENT OF THE PRODUCTS' MATERIAL. INITIATIVES FOR DIGITALIZATION AND OPTIMISATION TO MINIMIZE ENVIRONMENTAL IMPACT

ADOPTION OF BEST RAW MATERIALS AND BEST SUPPLIERS IN ITALY

MARGIN

PRIMARY ACTIVITY

- RAW MATERIAL SELECTION, VERIFICATION OF SUITABILITY, AND ACCEPTANCE
- MONITORING AND CONTROL OF PRODUCTION PHASES

- EXPERT CRAFTMANSHIP
- SELECTION OF PARTNERS
- WORKSHOP FOR PRODUCTION EMPLOYEES

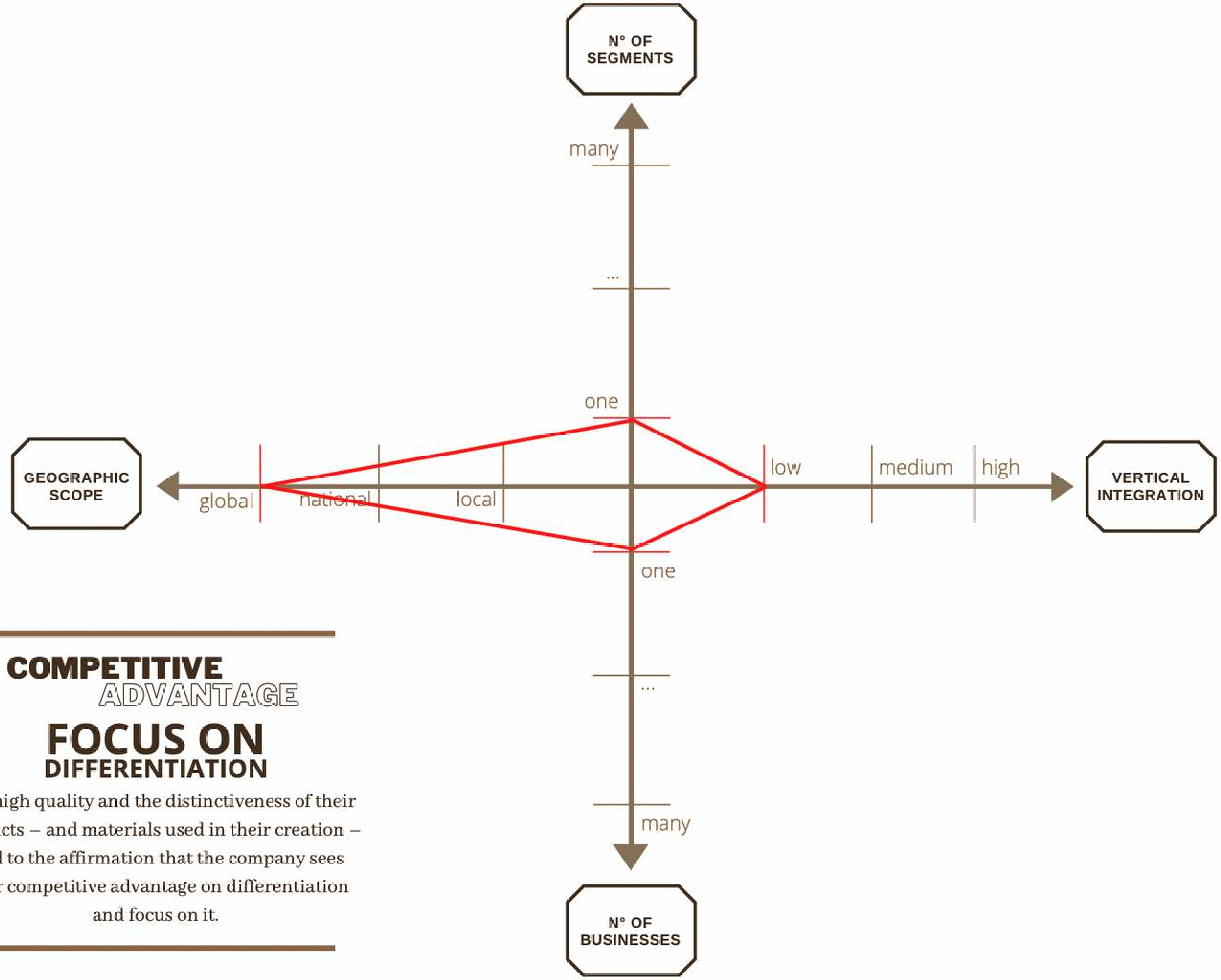
- DISTRIBUTION NETWORK BY SEA, AIR AND ROAD
- PARTNERSHIP WITH UPS COMPANY
- STRANDARD OR EXPRESS DELIVERY
- POLICY FOR CHANGE AND RETURN

- OMNICHANNEL BUSINESS MODEL WITH ALSO DIGITAL CHANNELS
- DOS, E-COMMERCE, FRANCHISING, INDIPENDENT MULTI-BRAND STORES

- TOD'S RETAIL SHAREPOINT
- CORPORATE APP
- RETAIL APP
- INTRANET

MARGIN

COMPETITIVE SCOPE



COMPETITIVE ADVANTAGE

FOCUS ON DIFFERENTIATION

The high quality and the distinctiveness of their products – and materials used in their creation – lead to the affirmation that the company sees their competitive advantage on differentiation and focus on it.

Desk analysis

01. Identification of the topic

Analysis of Tod's company, used to create our recommendation for future strategy

02. Identification of research sources

- Income statement and balance sheet
- Annual report
- Academic papers

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03. Collection of existing data

- COMPETITIVE SCOPE
- SWOT
- PEST
- VALUE CHAIN

04. Combination, comparation, analysis of data

- Examination and correction of data for the implementation of future strategy

Competitors analysis

	PRADA MILANO	Salvatore Ferragamo
FINANCIAL PROFITABILITY	• 2017- 10,8% • 2018- 40,8% • 2019- 13,6%	• 2017- 15% • 2018- 11% • 2019- 15%
GEOGRAPHICAL SCOPE	• GLOBAL	• GLOBAL
PRODUCT AND TARGET	• CLOTHING, FOOTWEAR, LEATHER GOODS, ACCESORIES, EYEWEAR, JEWELLERY,PERFUMES • MEN AND WOMEN	• CLOTHING, FOOTWEAR, LEATHER GOODS, ACCESORIES, EYEWEAR, JEWELLERY,PERFUMES • MEN AND WOMEN
STRENGHT	• HIGH INVESTMENT IN TECHNOLOGY • DOS	• CRAFTMANSHIP • WORLDWIDE BRAND AWARENESS
WEAKNESS	• POOR PERFORMANCE IN CHINESE MARKET	• HIGH DIPENDENCE ON EXTERNAL PARTIES IN PRODUCTION

Investment recommendations

1. Marketing
2. E-commerce
3. Trained staff
4. Changing of target
5. Investment medium-long term

Economic recommendations

1.Bergain supplier → buyer power

2. Distribution → cost warehouse optimization

3. Invariariance in cost and quality

4.Repositioning of brand image

5.Increasing of sales without the decreasing of cost

Brand Image recommendations

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- Specific segment for young target
- Influencer collaboration
- More effective use of social media
- Advertisement for e-commerce
- Event organization to attract new generations
- Creation of an accessory line more accessible

THE TEAM

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Ylenia

Federica

Hanae

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REMOTERS

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Thanks for your attention!

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