

Jack Lewis Fine Jewelers' Case Study

The Client

Founded in 1927, Jack Lewis Fine Jewelers was as much a part of Bloomington, IL history as was the Chicago-Alton Railroad Company, the company's first client. Then, founder Jack Lewis was a "technical watchmaker", serving railroad executives and conductors as well as Bloomington's affluent clientele who eventually became the emerging fine jeweler's core customers. Later, the Jack Lewis brand would become synonymous for skilled jewelers and quality diamonds earning the company membership in the American Gem Society (AGS).

John Wohlwend a Jack Lewis employee since high school became the company's second generation, non-family owner. John reinvented the business to sustain growth and meet the luxury customer's demand for new product, high value, and excellent service.

In addition to bringing his passion for jewelry to the Jack Lewis brand, John made his personal commitment to community service a core value of the business by supporting such humanitarian organizations as the Illinois Symphony Orchestra, the American Red Cross, and the Bloomington Center for the Performing Arts.

Today, the luxury fine jewelry firm specializes in,

- Quality diamonds and precious gemstones in the AGS tradition
- Fine bridal diamond rings, bands, and diamond jewelry
- Prestige Swiss watch brands like Rolex®
- Branded designer jewelry like Andrea Candela®, Chamilia®, and Cherie Dori®

With John Wohlwend's decision to retire, the growth of Jack Lewis Fine Jewelers was in question. In 2008, the company began detailed planning along with advice from The Gordon Company, under John Wohlwend's leadership, to sell the business to his protégé and second in command. An employee since 1973, John Carter would be unique, becoming the third, non-family owner, of this independent fine jewelry business. However, to complete the sale, it was necessary to sell unproductive and "toxic" inventory to fund new merchandise purchases and support future growth.

The Gordon Company Assignment

- Enable the sale of Jack Lewis Fine Jewelers and the retirement of John Wohlwend
- Profitably operate Jack Lewis Fine Jewelers and raise cash for new merchandise purchases and subsequent sales growth
- Maximize cash generation, while maintaining the support of the supplier community
- Protect the value of the Jack Lewis trademark and brand name
- Increase the Jack Lewis consumer franchise as Bloomington's leading luxury jeweler
- Increase consumer awareness of the brand

The scope of The Gordon Company's assignment included:

- Developing a retirement/transition sale plan to sustain the company's profitability
- Preparing an integrated sales plan, including sales and advertising budget subject to supplier advertising limitations
- Recommending an optimum pricing strategy for "toxic" and unproductive inventory to maximize cash flow
- Designing custom creative material
- Integrating sale tactics into the company's ongoing marketing and public relations programs
- Preparing in-store collateral materials and where appropriate, other media advertising material.
- Assisting management to implement and control the retirement/transition sale to optimize financial results

Considerations:

- Protect the firm's iconic, high-quality jewelry position
- Jack Lewis Fine Jewelers was historically a premium priced, non-discount jeweler
- The company's obligation to comply with AGS "Ethical Business Practices"
- High profile brands' advertising guidelines
- Support the firm's brand values

The Gordon Company Solution and Accomplishments:

- The Gordon Company designed an exclusive strategy for the Jack Lewis Fine Jewelry retirement/transition sale, leveraging consumer traffic during the 2010 Holiday Season
- The Gordon Company's solution maximized the return on non-productive and "toxic" inventory
- Successfully facilitated the sale of the business to John Carter, concurrent with the retirement of John Wohlwend in March 2011

According to John Wohlwend, "The Gordon Company was selected because of their professionalism, their ability to offer an event such as this without denigrating the history and legacy of the company... and to exceed our wildest expectations. I did my homework and we all got A's."