Student sheet

Read the information below and suggest potential risks that Julie might have faced and may continue to face in the future.

**We Lost Our Way**

The Cambridge Satchel Company, founded in 2008, continued to see dramatic growth in terms of both revenue and profits until 2015. Index Ventures, a large venture capital company injected £12.7 million into the business to enable it to grow. Julie Deane CEO of Cambridge Satchel Company hired expensive senior managers and built a large production facility to meet the expected growth in sales. However, she now believes that she was beginning to lose control of the brand and this led to a fall in sales and profits. Julie has taken the decision to remove some of the new senior managers and assume more control of the business again.

*Adapted from an article in The Daily Telegraph by Rebecca Burn-Challander. 19th June 2016*

In June 2016 The Cambridge Satchel Company posted an annual loss of £5.4 million compared to the profit of £1.5 it had made in 2015.

If I could do it again, I’d be more careful about making senior hires and do them one at a time, letting each one fit in….

Julie Deane, boss of Cambridge Satchel Company

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