

CASE STUDY: Jules R. Schubot Jeweler

The Client

Founded in 1917 just after World War I, Jules R. Schubot Jeweler's was positioned as a fine jeweler for Detroit's automobile and business elite, including the Ford and Fisher family members, GM and Chrysler executives, board chairpersons of Detroit industries, and celebrities too, such as Sammy Davis Jr, Cyd Charisse, and Motown's Aretha Franklin.

Specializing in high quality, fine gold, diamond, and gemstone jewelry, Jules R. Schubot Jewelers was also known for

- Custom design and jewelry fabrication
- Famous Brand Mechanical Swiss-made watches
- Fine quality jewelry repair and restoration as well as
- Estate valuation services

A third generation enterprise, the Schubot family had consistently planned for the next generation's succession.

The Gordon Company Assignment

To assist Jules R. Schubot management in implementing the firm's succession plan in 2007, by planning implementing, and managing a retirement sale.

The scope of The Gordon Company's assignment included:

- Assisting the Jules R. Schubot family in identifying and evaluating inventory for the retirement sale
- Creating a pricing strategy to maximize profitability and cash flow to meet the family's succession plan objectives
- Developing a business plan, including sales budget, media plan, and resource plans for the retirement sale
- Preparing in-store communications collateral material, print, and where appropriate radio, and TV advertising material
- Managing and controlling the sale in order to optimize results

Considerations

- The Schubot family succession plan and business growth objectives required an immediate and innovative financing solution
- In 2007, the Detroit automotive industrial base was declining and North Michigan's carriage trade consumers became more reluctant to spend their discretionary funds on extravagant possessions

- Jules R. Schubot Jewelers was a premium priced fine jeweler that did not historically promote jewelry off-price
- The financing solution, a retirement sale to sell excess inventory and raise cash, needed to maintain the firm's quality jewelry franchise with North Michigan's consumers and business leaders

The Gordon Company Solution and Accomplishments:

1. Assisted the company in executing a successful retirement sale
2. According to Brian Schubot, "The retirement sale was a great success, generating sales and bottom line income slightly higher than The Gordon Co. sales plan. It allowed us to settle family financial matters and put the business in a better position."

See Follow-Up Assignment:

2008 Case Study: Schubot Jewelers Store Closing