

Reinvention and endurance

Five cases of companies that, on the verge of bankruptcy, managed to resurface and position themselves again in the market.

Failure is just the opportunity to start anew in a more intelligent way," said once the American entrepreneur Henry Ford, founder of Ford Motor Company. And his company did this when, in 2006, it managed to recover and position itself again among the most profitable ones. Ford's case is not the only one. Lego, Apple, Converse and Marvel are other examples that, in the face of failure, had to innovate and reinvent themselves to adapt to the changing market and succeed in business.

LEGO: Build your World

True to its slogan "only the best is good enough", the LEGO Group is positioned as a multinational company that ranks third in the world among toy manufacturers. The goal of the company is to inspire and to develop the builders of tomorrow through the game and creative learning, since its foundation in Billund, Denmark, in the hands of master carpenter Ole Kirk Kristiansen, in 1932.

His iconic LEGO® brick, with its fun ability to fit with each other creating imaginary worlds, was its workhorse until the '90s when the digital revolu-

tion changed the rules of the industry and shook the future of the company. To the proliferation of videogames and the arrival of Internet, bad business strategies, causing financial difficulties and nonsensical innovations in their products were added.

The world was changing at a fast pace, young consumers were becoming more demanding despite their young age and the company was not able to adapt to this change. In 1998 the first financial crisis of the company arrived and in 2003 it was about to declare bankruptcy, with losses of 287 million. However, the change came a year later, with the decision of Kjeld Kirk Kristiansen, current owner and grandson of the founder.

In 2004, in addition to firing thousands of employees, closing factories and theme parks, Kristiansen appointed Jørgen Vig Knudstorp as the new CEO. He was already working in the business development area and had what it takes to lead the group. Carrying out a complex restructuring process, Vig Knudstorp discovered that the real problem was not the lack of new products but of profitable innovation.

From then on, the company began to think about the client and to simplify articles. Also, attention was paid to retail marketing channels, committing to them and involving them in the development of products and campaigns. The strategy continued with the digital field: LEGO created its own social network, discussion forums and mini-games on its website. The company outlined an online community and let the users create their new designs and vote for the design of others. They also bet on videogames and even made movies.

Far from the figures in red, the latest financial results of the LEGO group revealed historical gains of \$ 5.38 billion dollars in 2016, the highest achieved by the company over its 85-year history.

CONVERSE: A Fashionable Classic

In 1908, Marquis Mills Converse founded The Converse Rubber Shoe Company with the aim of providing young athletes with footwear with more flexibility and comfort. In 1917 he succeeded, after developing the Converse All Star, shoes that rose

investor who contributed with 250,000 dollars to expand the operations of the company and launch the Apple II model in April 1977, a new computer that revolutionized the market and increased Apple's sales, already well-established as a great company. However, not everything would be a success.

Jobs' new project, the Apple Lisa, was a sales failure and, in 1984, gave way to the Macintosh 128k, the computer that sold less than expected. At that time, Apple had a new CEO, John Sculley, who disagreed with the way in which the company was run and, together with the board of directors, supported the Jobs' removal from his own company.

With the departure of its creator, and listed on the stock market for 10 years, Apple would try to dominate the personal computer market, but failed to achieve it. At the end of the '90s it almost filed for bankruptcy, with losses of 1,500 million dollars.

Stuck and without money to innovate, the company summoned Steve Jobs once again; it bought its new company NeXT and, in 1997, made an agreement with Microsoft that injected 150 million dollars to the company

in exchange for the introduction of Microsoft Office in the Macs, and the closing of an old patent litigation. With Steve Jobs' innovative genius leading the way, Apple eliminated its unprofitable products, launched the new iMac computer, opened its own stores and created the iPod. In 2007 the first iPhone is born and then the iPad. Years later, after Jobs' death, the innovations are not constant in the company but the figures shed good results: the first quarter of this year, Apple reached 78.351 billion dollars

in profits, representing an annual increase of 3,3%. This was a record figure.

FORD: Changing to Improve

On June 16th, 1903, Ford Motor Company, the multinational company dedicated to the car manufacturing, was born in a former wagon factory in Detroit, Michigan. John S. Gray was its president, while Henry Ford - also called the Father of the automobile - occupied the position of vice presidency. Success was not far away and, a month later, they sold their first car: the two-litre Model "A". During the following five years, the young Henry Ford, already as president of the company, conducted a comprehensive development and production program that made the company grow, achieving its expansion and commercial success thanks to chain production.

With more than 100 years, the company consolidated itself as one of the three giants of the automotive industry in the United States, together with General Motors and Chrysler. However, in 2006 it almost filed for bankruptcy, with losses of 12.7 billion dollars, following a model that did not adapt to modern times. People no longer needed large, expensive and hard-to-maintain cars, and at the same time Japanese manufacturers sold more efficient and accessible cars. On the verge of collapse, a new CEO took over the company: Alan Mulally, who managed to reverse the trend and position Ford again. Among its changes, Mulally incorporated state-of-the-art technologies in vehicles, improving its production and development, and succeeded in adapting the company to the changes. It sold a good portion of its more expensive brands, and created efficient cars for consumers. All of this just to develop a profitable future for the company. Regarding profits, Ford's revenues in 2015 amounted to 149.600 billion dollars, 3.8% more than in 2014. And,



although the US auto industry is experiencing a current time of uncertainty, last year the sales of new vehicles increased, reaching 17.55 million units. Analysts and investors expect a slight decrease in sales this year but, surely, it will not greatly affect Ford, today consolidated as the second largest vehicle manufacturer in the United States.

MARVEL: Superheroes to the Rescue

Ironman, Avengers, Spiderman and Captain America are some of the superheroes of all time that stand out on the big screen - and in all kinds of merchandising for children - thanks to Marvel, the leading and undisputed company of comics. However, despite the fact that today no one doubts its domain in the field, in 1996 the company was on the verge of declaring bankruptcy, and in the 50s it had already dodged that luck. Marvel was born in 1939, when Martin Goodman, a young 31 year-old businessman, decided to expand his small magazine publisher by adding a comics issue. Its first successes were with some superheroes, however, as the whole comic industry, collapsed due to the end of the Second World War and, in 1957, Marvel almost closed its doors due to its distributor's bankruptcy. Also, despite

the modern times, its characters only appeared in magazines or animated cartoons, while those of its competition - DC Comics - already stood out in film and television with Batman, Superman and Wonder Woman. Already in the '90s with the world of comics in total collapse, bankruptcy threatened Marvel again. Its sales fell

by 70% and the shares that had cost \$ 35.75 in 1993 fell to \$2.38 in just three years. However, the change came from the hand of its super heroes, revaluing the rights of its catalogue. Thus, instead of just publishing stories, its characters appeared in movies and television. Marvel was commissioned to hire its own writers, directors and negotiate directly with the actors to make their films, and then sell the entire package to a large studio. In addition to movies, thanks to the merger achieved with the toy company ToyBiz, its superheroes also occupied a place on shop windows.

In 2009, the total change came from the hand of Walt Disney Company, who announced the purchase of Marvel Entertainment, for 4 billion dollars in money and stocks.

In this way, the company not only managed to position itself again as one of the two major comics producers in the United States but its characters continue to be more effective than ever. ▽

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