

VELASCA - A FASHION BRAND COMPETING IN A RED OCEAN

ABSTRACT

Velasca is a high-end Italian footwear company based in Milan, Italy. Founded in 2014 by Jacopo Sebastio and Enrico Casati, the company began as direct-to-consumer e-commerce business for high-end men's shoes. When Velasca entered the footwear sector it was competing in a red ocean: the known market space where industries are defined and companies compete to grab a greater share of the existing market.¹ Despite the competitive marketplace, with the help of venture capital investments the company experienced immense growth within its first few years. By 2019, Velasca had evolved into multinational omni-channel business with several retail locations across Europe and the US. In 2021, the company also expanded into a new market segment with the launch of a women's line.

During a meeting with investors in September 2022, Jacopo and Enrico presented their 3-year strategy to grow the business. Key to the strategy was the idea to expand into a Total Look high-end apparel business. To the founders' surprise, their presentation received a lukewarm response from investors, who had their own ideas for growing the business. Following the meeting, several questions lingered on Jacopo's mind: Should the strategy remain focused on building the new women's line? Should the 'Total Look' concept be pursued? Or should the focus be on new international markets, as was suggested by investors? The founders quickly realised that managing Velasca's growth was complex, especially with the added pressure from investors. To determine the best way forward, Jacopo decided to engage a consultant from McKinsey to get a third-party perspective.

AUTHORS

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Paolo Taticchi is Professor in Strategy and Sustainability & School Deputy Director (MBA, Global Engagement, Executive Education) at UCL School of Management.

Highly active in executive education, Paolo has trained thousands of managers and executives of Fortune Global 500 companies; and is a sought-after speaker regularly invited to give keynote talks at world-class academic, governmental and industry events.

Paolo's research on corporate sustainability and performance measurement is internationally recognized. Paolo's last book is titled "Corporate Sustainability in Practice" and was published in January 2021.

Outside of the academy, Paolo has significant consultancy experience in the fields of strategy, education, and sustainability. He has worked in this capacity for firms of various sizes, and in a range of different industries. Today, he advises (or serves in the advisory board) influential organisations and is one of the scientific advisors of the Ministry for the Ecological Transition in Italy.

He has received numerous awards for the impact of his work. His projects, quotes and opinions have been featured over 350 times in international media outlets. In 2021, Paolo was indicated by Italian's leading business daily Sole 24 Ore as the most influential Italian under the age of 40.

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Giuseppe is a thought leader and sought-after keynote speaker on Marketing, Leadership, Digital Transformation, and Corporate Innovation. Giuseppe is also the co-author of the best-selling Retail 4.0: 10 Guiding Principles for the Digital Age, co-written in 2018 with internationally renowned marketing expert Philip Kotler; and the Co-author of Onlife Fashion: 10 rules for the future of high-end Fashion. As the Global CEO of Spring, he guides a team of 200 talents in their London, New York, Los Angeles, and Milan offices. Before joining Spring, he spent nine years with WPP as the CEO at Wunderman Thompson Italy and as Executive Director Europe at AKQA. Prior to this he co-founded two start-ups and earned a Ph.D. degree in Marketing and Economics. Giuseppe is also Adjunct Professor of Retail Entrepreneurship at UCL School of Management.

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