

CASE STUDY



Background

Tilley Endurables was founded in Canada in 1980 with the simple mission of creating the world's best sailing hat. Building on its initial success with the sailing fraternity, the business continued to develop innovative products with an uncompromising focus on quality and customer service, establishing Tilley as the premium hat brand of choice for lovers of travel, adventure and the outdoors, the world over.

In 2015, founder Alex Tilley, then aged 77 and a well known Canadian entrepreneur, announced his intention to retire and find a suitable buyer that "would like to run the business in a similar manner and uphold all our guarantees."

Hilco Capital's role

- Acquired the company in July 2015
- Conducted detailed strategic review of the business
- Recruited sector-experienced CEO to replace Alex Tilley
- Engaged Alex Tilley on a part time consultancy basis for an initial period
- Deployed Hilco's specialist operational restructuring and process improvement resources
- Worked with management team to develop and implement 90 day performance improvement and cost reduction plan
- Implemented continuous improvement processes and measures across the business
- Increased investment in marketing and PR

Results

- Smooth transition of the business from its founder to new management within six months
- Operational cost reductions in excess of \$1m achieved within the first 12 months
- Hat factory production increased by 33% within three months of plan implementation
- Productivity per employee increased by over 48% through just \$8k capex on custom hat steamers
- Brand equity enhanced through high profile support of Canada 150 celebrations and Invictus Games
- Awarded 'Iconic Canadian Brand' status by globally respected brand consultancy, Interbrand
- Onward sale to a Canadian investment firm completed in July 2018

Key facts

1980
founded by
Alex Tilley

2015
retired and sold
business to Hilco

6 month
transition period

33%
increase in hat
factory output

2017
awarded Iconic
Canadian Brand