



Lex Infitum 2019

Semi Final Round

LET IT SHINE OR LET IT GO?
Kiran Shah vs. Geet Shah

General Information

Let It Shine LLC is a business entirely owned by the Shah family, located in Dinya. Let It Shine specializes in designing and manufacturing jewelry and has been run for over 30 years by Kashish and Kiran Shah. Today, Let It Shine is a widely recognized brand valued for unique jewelry designs and high quality. Let It Shine is particularly appreciated for a unique line of wedding rings. The rings can be easily adjusted without the intervention of a jeweler when ring sizes change. Let It Shine holds a patent for the specific mechanism used in this type of ring. The value of Let It Shine, including assets, position in the market and IP rights, is currently estimated at \$6.5 Million USD, including the patent that is worth approximately \$1.5 Million USD and the brand name worth around \$2 Million USD.

Let It Shine jewelry is sold all over the country by different retailers and has never had any retail shops. Apart from minor locations abroad, particularly where Dinyan nationals may be found, Let It Shine was never interested in expanding their wholesale business to other countries. Let It Shine also never considered opening an online shop or engaging in social media, because they perceive jewelry as a personal experience. Let It Shine's motto is: a customer has to touch the jewelry before buying it and no photo or film may replace that personal experience.

Because of their business model, Let It Shine is dependent on various other entities, such as suppliers of materials, manufacturers of various parts used in jewelry production, and the retailers. As a wholesaler, Let It Shine is in the middle of the complicated chain from raw material to end-customer. This constantly causes a lot of tension. To name one, retailers are often trying to increase their profit margin, which makes it hard for Let It Shine to balance the production and distribution costs. In the past, Let It Shine also had to face several costly lawsuits alleging unlawful use of its patented ring sizing mechanism. Although the results of the court proceedings were not always in favor of Let It Shine, the market has always proved that Let It Shine is the strongest player. All in all, mainly due to Kiran's personality and great negotiating skills, Let It Shine managed to establish good relationships within the supply chain. Today, Let It Shine has a large number of loyal experienced employees and is a stable source of income for the Shah family.

Kashish and Kiran Shah have just celebrated their 35th wedding anniversary. They always wanted the very best things for their children, Geet and Krishna. Although Geet and Krishna occasionally helped in the family business, they were never expected or persuaded to work for Let It Shine. Indeed, Geet chose to be an architect, whereas Krishna recently graduated from medical school. Geet always showed more interest in Let It Shine and liked to help their parents, whereas medicine is everything for Krishna, an individualist that never was keen on being involved in family matters. Now, these well-traveled and well-educated siblings live in different cities within Dinya, successfully pursuing their own careers.

For the past several years, Let It Shine's business has been declining for various reasons. Firstly, the market is changing faster than ever, and the number of players has increased significantly, particularly the ones that use social media platforms and online sales.

Let It Shine was always strong in introducing new jewelry designs, which were largely developed by Kashish Shah, an artistic soul, together with the chief designer, which unfortunately left Let It Shine two years ago. Competitors offer a variety of beautiful wedding rings together with an excellent level of customer service, which caused the decrease in value and demand for Let It Shine's patented mechanism. On the other hand, retailers keep on pursuing significant increases in their profit margins, which has forced Let It Shine to increase prices and reduced overall profit. Last but not least, Kashish and Kiran are now over sixty years old and do not have the same strength and vigor to run Let It Shine. The couple wants to spend more time with their aging parents, which require more care and attention than ever.

Because of all the above, Kashish and Kiran started to wonder about the future of Let It Shine. They are considering various options, including: (1) selling patent rights and the brand, either separately or jointly and shutting down the company; (2) selling the entire company; (3) hiring one or more skilled managers, either external or by promotion of existing employees, to run the company. They have many doubts and fears.

They communicated their thoughts to Geet and Krishna one day after the anniversary reception. Krishna immediately responded that the best option was to get rid of the entire company while it still has some value. To everyone's surprise, Krishna's words made Geet furious! Geet could not believe how easily Krishna was willing to kill the company that fed the entire family and allowed Krishna and Geet a hassle-free start to their own lives.

Although all the options remain open, Geet's reaction made Kiran reconsider the next step for Let It Shine. Kiran and Kashish decided that this complex topic needs some special treatment, even if it involves only family members. Therefore, Kiran, the CEO of Let It Shine and duly authorized by Kashish, called Let It Shine's in-house lawyer and asked Geet to attend mediation, in order to deliberate on the future. Geet has managed to gain several years of business experience as an architect and could be helpful in making these hard decisions. With Karim's consent, Geet will be accompanied by an external lawyer that has represented Geet during many business negotiations.

