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Undertaking,
Recycling and
Creating

KA201

Students training

#06. Diversification of the company activities

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Erasmus+

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1. What does diversification mean?

Expand the offer of products and services of the company:

- Adding new related activities
  - Vertical forward
  - Vertical backwards
  - Horizontal
- Adding completely new activities

2. Pros and cons

PROS

- Reduce risks
- Increase turnover (and benefits?)
- It allows to grow in the same market
- We start with a customer base
- We reach new customers

CONS

- Increase expenses
- Increase complexity
- Uncertain result (ignorance of the activity)
- Risk for what we already do

3. Some examples

BOSS
HUGO BOSS

AD
ADOLFO DOMINGUEZ

CH
CAROLINA HERRERA

Jean Paul
GAULTIER

3. Some examples

Lamborghini

3. Some examples

3. Some examples

YAMAHA

3. Some examples

INDITEX

4. Successes… and fails

Successes

Fails

5. To do list

Taking into account the activity in which the company is engaged, think about new product lines to diversify the activity of the company:

- Adding new activities forward
- Adding new activities backwards
- Adding related activities in parallel

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