***Teaching Note:* Case 2 – Edward Marshall Boehm, Inc.**

# **Case Objectives**

1. To provide an introduction to the conceptual framework of strategic management.
2. To introduce students to the process of problem identification and potential solution analysis that will be used in case discussions throughout the semester.

See the table below to determine where to use this case:

NOTE: This is a COMPREHENSIVE case, so this Teaching Note covers concepts from all chapters in the text. Instructors can move from chapter to chapter, or focus on specific chapters at their discretion.

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| **Chapter Use** | **Key Concepts** |
| 1: Strategy Concept | Leadership for strategic management; sustainable competitive advantage; vision, mission, strategic objectives |
| 2: External Environment | Industry competition five forces; general environmental factors |
| 3: Internal Analysis | Value-chain analysis; resource-based view of the firm; VRIN |
| 4: Intellectual Assets | Intellectual and human capital |
| 5: Business-Level Strategy | Competitive strategy; generic strategies |
| 6: Corporate-Level Strategy | Diversification; synergy |
| 8: Entrepreneurial Strategies | Opportunity recognition |
| 9: Strategic Control | Informational vs. behavioral control |
| 10: Organizational Design | Organizational structure; functional structure |
| 11: Strategic Leadership | Leadership; learning organization |
| 12: Managing Innovation | Innovation; scope of innovation |

# **Case Synopsis**

Edward Marshall Boehm, Inc. was a small, high-quality porcelain art objects company that was very successful, particularly at producing images of vanishing species of birds. These pieces are complex sculptures selling from $100 to over $20,000, and are sought by some sophisticated collectors. The company was run by Mr. and Mrs. Boehm (pronounced “beam”): he was the artist and master of the complex hard paste porcelain manufacturing process; she was in charge of the marketing and financial aspects of the business. At the end of the case, demand for the artistic creations was growing, and many of the company’s past policies no longer seemed appropriate. The Boehms wanted to position the company for the long run. Their stated goals for the company were “to make the world aware of Mr. Boehm’s artistic talent, to help world wildlife causes by creating appreciation and protection for threatened species, and to build a continuing business that could make them comfortably wealthy, perhaps millionaires.” How should the Boehms proceed?

# **Teaching Plan**

It’s possible to ask students to read this short case in class during the 2nd or 3rd class meeting, after they’ve had a chance to read and discuss Chapter 1. Despite its brevity, this case can be used to demonstrate how all the components of strategic management are necessary in order to achieve a competitive advantage and makes a great point about the need for a business-level strategy. The Edward Marshall Boehm story contains short examples of almost all the major concepts contained in the textbook, so the instructor can use the case with Figure 1.3 to show how strategic analysis, formulation, and implementation are linked. Either use the case PowerPoint slides or ask the discussion questions directly. As students respond, either write answers on the board or refer to the PowerPoint slide answers.

NOTE: As you will see in the Case Update, Boehm appears in danger of closing for good, so enterprising students who may have done some research on their own might question the value of discussing a case where the strategy eventually was unsustainable. Point out that this doesn’t matter. When the case was written, the company, started in a basement in New Jersey in 1949, was still recognized as creating some of the most outstanding porcelain art available. Ask students to put themselves in the shoes of the Boehms, and analyze the strategic environment as it existed when the Boehms were still alive. What advice might students give that could protect the legacy of this company?

# **Summary of Discussion Questions**

Here is a list of the suggested discussion questions.

1. What are the strategic challenges facing Edward Marshall Boehm? What business are they in, and what strategy should they choose? Is there a certain sequence of actions that would be best to take when developing a competitive strategy?

# **Discussion Questions and Responses**

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# **Referencing Chapter 1: Introduction and Analyzing Goals and Objectives**

1. ***What are the strategic challengers facing Edward Marshall Boehm? What business are they in, and what strategy should they choose? Is there a certain sequence of actions that would be best to take when developing a competitive strategy?***

Strategy is all about the ideas, decisions, and actions that enable a firm to succeed. See Chapter 1, Exhibit 01: *Strategic management consists of the analyses, decisions, and actions an organization undertakes in order to create and sustain competitive advantages:*

* + strategy directs the organization toward overall goals and objectives;
  + includes multiple stakeholders in decision making;
  + incorporates both short-term and long-term perspectives;
  + recognizes trade-offs between efficiency and effectiveness.

Strategic management involves

* *Analysis* of strategic goals (vision, mission, strategic objectives), and of the internal and external environment;
* *Decisions - Formulation* about what industries to compete in, and how to compete in those industries; and
* *Actions -Implementation* to allocate necessary resources and design the organization to bring intended strategies to reality.

An interesting question that the instructor can ask at this point is: *What business is Edward Marshall Boehm in?* Some students might say porcelain manufacturing; some might say art. The answers to this question will help students understand the importance of vision and mission: the leader must have a clear idea of the purpose of the business, and with whom it competes, in order to craft strategy. If the business is porcelain manufacturing, the focus might be on improving the manufacturing process; if the business is selling collectible art objects, the focus might be on art design capabilities and marketing.

Leaders face a large number of complex challenges. Leaders must be proactive, anticipate change and continually refine changes to their strategies. This requires a certain level of “ambidextrous behavior,” where leaders are alert to opportunities beyond the confines of their own jobs, and are also cooperative and seek out opportunities to combine their efforts with others. Leaders must make strategic management both a process and a way of thinking throughout the organization.

See Chapter 1, Exhibit 06: The primary role of the organizational leader is to articulate vision, mission and strategic objectives. Leaders must communicate their initial *vision* of the organization’s purpose: what was the original goal, one that *evokes a powerful and compelling mental image of a shared future,* that would bemassively inspiring, overarching, and long-term, and that represented a destination that is driven by and evokes passion?

How well did Mr. Boehm seem to do this? It appears from the case that his passion, his love, was for nature and wildlife causes, especially trying to preserve the images of vanishing species of birds. This passion appeared to inspire his designers and artists to do their very best work.

A *mission* encompasses both *the purpose of the company, as well as the basis for competition and competitive advantages.* Organizations must respond to multiple constituencies if they are to survive and prosper, and the mission provides a means of communicating to diverse organizational stakeholders.

The mission of Edward Marshall Boehm is clearly stated. The Boehms were interested in: (1) having Mr. Boehm’s art recognized and honored in the art world, (2) supporting nature and wildlife causes in a significant way, (3) and being very wealthy as a result of their company’s success. This tells both their employees and their customers what the company stands for, and the kind of product that the company will produce: high-end quality pieces depicting various wildlife, especially birds.

Anticipating that things might change, the leader must establish *strategic objectives* to operationalize the mission statement. That is, objectives help *to operationalize the mission statement with specific yardsticks*, and provide guidance on how the organization can fulfill or move toward the “higher goals” in the goal hierarchy—the mission and vision.

At least one of the objectives established in the case was to further develop the techniques of high-quality porcelain manufacturing. This objective has implications for how to acquire both tangible and intangible resources, how to monitor and control performance, and how to analyze opportunities, manage innovation, and create an effective structure to handle growth. It requires doing an analysis of the external environment, both relative to general factors that might affect how the product is positioned in the market, and also whom the company is competing against for that market. It requires also doing an assessment of internal resources and capabilities for production of the high-quality products.

During *strategic analysis*, the leader does “advance work” to anticipate unforeseen environmental developments, identify unanticipated resource constraints, assess changes in his or her preferences for how to manage. During *strategy formation*, depending on the type of organization structure, the leader might include key individuals in a discussion around selecting those strategies that might be best to implement at each level within the organization. In *strategy implementation*, the leader must ensure proper strategic controls and organizational design, and establish effective means to coordinate and integrate activities within the firm, as well as with suppliers, customers and possible alliance partners.

The basic question strategic management tries to answer is: *How can we create competitive advantages in the marketplace that are not only unique and valuable but also difficult for competitors to copy or substitute?* The Boehms must assess how functional areas and activities “fit together” to achieve goals and objectives, and whether past policies are still appropriate. Here is where the other chapters in the book are applicable. See Exhibit 1.3.

**Referencing Chapter 2: Analyzing the External Environment**

See the segments of the external competitive environment that include competitors, customers, and suppliers. *Porter’s five-forces model* allows strategists to anticipate where the industry might be most vulnerable. See Exhibit 2.4.

What business is Boehm in? If the Boehms are considered to be in the business of selling collectible art objects, there is not a lot of competition, nor many threats from suppliers, customers, or new entrants into the industry.

Regarding the *general external environment*, Boehm must consider the political/legal, economic and global, sociocultural and demographic, and technological forces that might affect the ability of the firm to get its product to market and sustain sales. The sociocultural and demographic forces seem to be the most important ones for Boehm to consider. Would the desire for fine artwork decline? Would the collectible market stay strong?

**Referencing Chapter 3: Analyzing the Internal Environment**

See the concept of the *resource-based view of the firm*, and the three key types of resources: tangible resources, intangible resources, and organizational capabilities. A firm’s strengths and capabilities – no matter how unique or impressive – do NOT necessarily lead to a competitive advantage. The resource-based view of the firm takes the perspective that firms’ competitive advantages are due to their endowment of strategic resources that are valuable, rare, costly to imitate, and costly to substitute. Determining whether the internal resources are valuable, rare, difficult to imitate, or difficult to substitute (*VRIN*) can help a firm sustain a competitive advantage. See Exhibits 3.5 and 3.6. Without these unique resources, the firm can only attain competitive parity. RBV goes beyond a SWOT analysis to integrate internal and external perspectives in a broader competitive context. RBV can reveal how core competencies embedded in a firm can help it exploit new product and market opportunities.

It’s possible that Boehm has all these attributes, based on the valuable, rare, and unique porcelain process Edward Boehm developed, as well as on the art design capabilities that are difficult for a competitor to find a substitute for.

In addition, Boehm must assess the relationships between the elements in its *value chain*. Remember, value-chain analysis is a strategic analysis of an organization that uses value-creating activities. Value is the amount that buyers are willing to pay for what a firm provides them and is measured by total revenue, a reflection of the price a firm’s product commands, and the quantity it can sell. A firm is profitable when the value it receives exceeds the total costs involved in creating its product or service. Creating value for buyers that exceeds the costs of production (i.e. margin) is a key concept used in analyzing a firm’s competitive position.

Every activity should add value. Take a look at Exhibit 3.1 to see the value chain activities. It makes sense for Boehm to focus attention on technology development of the porcelain process, manufacturing operations, and marketing and sales. Here is where Boehm can add value.

**Referencing Chapter 4: Assessing Intellectual Capital**

See the concepts of *intellectual capital* and *human capital*, both of which are intangible assets that a company such as Boehm needs to have in order to compete successfully. Intellectual capital is a measure of the value of a firm’s intangible assets, its reputation, employee loyalty and commitment, customer relationships, company values, brand names, and the experience and skills of employees. How do companies create value in a knowledge–intensive economy? The general answer is to attract and leverage human capital (intangible assets) effectively through mechanisms that create products and services of value over time.

Human capital involves the individual capabilities, knowledge, skills, and experience of the company’s employees and managers. This knowledge is relevant to the task at hand, as is the capacity to add to this reservoir of knowledge, skills, and experience through learning. Since the creation of fine porcelain figures is very labor intensive, and requires significant skill and training, Boehm’s relationships with employees is critical to long-term success.

**Referencing Chapter 5: Formulating Business-Level Strategies**

See the types of *competitive strategies*, including the three *generic strategies* that are used to overcome the five forces and achieve a competitive advantage:

* Overall cost leadership
  + Low-cost-position relative to a firm’s peers
  + Manage relationships throughout the entire value chain
* Differentiation
  + Create products and/or services that are unique and valued
  + Non-price attributes for which customers will pay a premium
* Focus strategy
  + Narrow product lines, buyer segments, or targeted geographic markets
  + Attain advantages either through differentiation or cost leadership

Generic strategies are plotted on two dimensions: competitive advantage and strategic target. The overall cost leadership and differentiation strategies strive to attain advantages industry wide, while focusers have a narrow target market in mind.

Given the business the company is in, and Boehm’s goals, low-cost leadership is not an option. It’s more likely that a focused differentiated strategy would work best. As can be seen by a quick web search, the porcelain pieces created by the company are still in demand as collectibles, supporting the decision to pursue a strategy of uniqueness focused on the art collectible market.

**Referencing Chapter 6: Formulating Corporate-Level Strategies**

See the concept of *diversification*. Diversification is the process of firms expanding their operations by entering new businesses. Diversification initiatives – whether through mergers and acquisitions, strategic alliances and joint ventures, or internal development – must be justified by the creation of value for shareholders. But this is not always the case. Firms typically pay high premiums when they acquire a target firm. So why should companies even bother with diversification initiatives? The answer is *synergy*, which means “working together,” and synergistic effects should be multiplicative – one plus one should equal more than two.

If Boehm wants to grow, this might be an option. Some possibilities include:

* Mergers and acquisitions
* Strategic alliances
* Joint ventures
* Internal development

Whatever the choice of initiative, it should create value for all stakeholders – employees, suppliers, distributors, and the Boehms themselves. The choice of diversification strategy should create synergy so that all parties gain something they would not have had on their own. Boehm might want to acquire another porcelain manufacturer, say from Britain, where the craft has been practiced for a long time, or partner with a dealer in fine porcelain to expand distribution to premier markets.

**Referencing Chapter 8: Entrepreneurial Strategy & Competitive Dynamics**

See the concept of *opportunity recognition,* the process of discovering and evaluating changes in the business environment, such as a new technology, socio-cultural trends, or shifts in consumer demand, that can be exploited. Changes in the external environment can lead to new business creation, but the discovery of these new ideas is not enough. They then need to be evaluated to find out if they’re strong enough to become new ventures.

Entrepreneurs must go through a process of identifying, selecting, and developing potential opportunities. See Exhibit 8.1 and the opportunity analysis framework: the relationship between an entrepreneur, the firm’s resources, and the opportunities available in the firm’s environment.

Edward and especially Helen Boehm seemed very aware of the possibilities here. At the time of Boehm’s founding there were few fine porcelain manufacturers in the U.S. (NOT IN THE CASE: As of 2013, over sixty years later, Boehm was the last American porcelain company left making collectible items. Almost all other fine porcelain was being made in China. This is from an expired article link, “Keeping American Porcelain in the States” by John Christopher Fine, February 7, 2013 from the Epoch Times, still available at <http://printarchive.epochtimes.com/a1/en/us/nyc/2013/02-Feb/14/C3_EET_Feb_14-20_2013-NY-US.pdf>

**Referencing Chapter 9: Strategic Control & Corporate Governance**

See the concept of *strategic control*, especially the roles of informational and behavioral control in the formulation and implementation of strategies. The contemporary approach to strategic controls allows managers to adapt to and anticipate changes in both the internal and external environment. The relationships between strategy formulation, implementation, and control are highly interactive. This approach utilizes two different types of strategic control: *informational control* and *behavioral control*. Informational control is a method of organizational control in which a firm gathers and analyzes information from the internal and external environment in order to obtain the best fit between the organization’s goals and strategies and the strategic environment. Behavioral control is a method of organizational control in which a firm influences the actions of employees through culture, rewards, and boundaries.

See Exhibit 9.2.

Informational control is concerned with whether or not the organization is “doing the right things”, while behavioral control is concerned with whether or not the organization is “doing things right” in the implementation of its strategy. Both the informational and behavioral components of strategic control are necessary, but not sufficient, conditions for success. What good is a well-conceived strategy that cannot be implemented? Or what use is an energetic and committed workforce if it is focused on the wrong strategic target?

Boehm needs to make sure enough information of the right kind is available to monitor activities – this is where things such as financial, quality control, and customer feedback is essential; and that the appropriate role models and rewards are available to keep employees motivated. Once again, Edward appeared to be the role model while Helen kept track of important data.

**Referencing Chapter 10: Creating Effective Organizational Designs**

See the concept of *organizational structure*, referring to the formalized patterns of interactions that link a firm’s tasks, technologies, and people. Structures help to ensure that resources are used effectively in accomplishing an organization’s mission. Structure provides a means of balancing two conflicting forces: a need for the division of tasks into meaningful groupings, and the need to integrate such groupings in order to ensure efficiency and effectiveness. Structure identifies the executive, managerial, and administrative organization of a firm and indicates responsibilities and hierarchical relationships. It also influences the flow of information as well as the context and nature of human interactions.

As a small firm, Boehm appears to be best suited for a *functional structure*, an organizational form in which the major functions of the firm, such as production, marketing, R&D, and accounting, are grouped internally. Although this is the most common form for such businesses, there are advantages and disadvantages. The advantages of a functional structure include:

* Enhanced coordination and control
* Centralized decision making
* Enhanced organizational-level perspective
* More efficient use of managerial and technical talent
* Facilitated career paths and development in specialized areas

The disadvantages include:

* Impeded communication and coordination due to differences in values and orientations
* May lead to short-term thinking (functions vs. organization as a whole)
* Difficult to establish uniform performance standards

When an organization is small (15 employees or less), it is not necessary to have a variety of formal arrangements and groupings of activities. However, as firms grow, excessive demands may be placed on the owner-manager in order to obtain and process all of the information necessary to run the business. Thus, he or she will need to hire specialists in the various functional areas. The coordination and integration of these functional areas becomes one of the most important responsibilities of the chief executive. It appears Edward and Helen shared these coordination responsibilities: Edward handling design and production, while Helen took care of marketing and financial matters.

**Referencing Chapter 11: Strategic Leadership: Excellence, Ethics & Change**

See the concept of *leadership*, the process of transforming organizations from what they are to what the leader would have them become. Leadership is proactive, goal oriented, and focused on the creation and implementation of the creative vision. This definition implies dissatisfaction with the status quo, a vision of what should be, and process for bringing about change. Leaders are change agents whose success is measured by how effectively they formulate and implement a strategic vision and mission. See Exhibit 11.1.

This involves:

* Setting a direction
* Designing the organization
* Nurturing a culture dedicated to excellence and ethical behavior

Through Edward Boehm’s vision and the example he set for his firm, it seems likely he was able to nurture this culture. He certainly was able to create a legacy that survived his passing in 1969.

Boehm might have also gone further to create a *learning organization*, one able to continue his ideas and ideals by encouraging all employees to use their intelligence and apply their imagination. Learning organizations are organizations that create a proactive, creative approach to the unknown, characterized by (1) inspiring and motivating people with a mission and purpose, (2) empowering employees at all levels, (3) accumulating and sharing internal knowledge, (4) gathering and integrating external information, and (5) challenging the status quo and enabling creativity. See Exhibit 11.4. Higher-level skills are required of everyone, not just those at the top. The learning environment involves organization-wide commitment to change, an action orientation, and applicable tools and methods. It must be viewed by everyone as a guiding philosophy and not simply as another change program.

Boehm himself certainly characterized the learning leader by his willingness to challenge the status quo. It appears he was able to inspire the designers who followed him to do the same.

**Referencing Chapter 12: Fostering Corporate Entrepreneurship**

See the concept of *innovation,* the ability to use new knowledge to transform organizational processes or create commercially viable products and services using the latest technology, experimentation, creative insights, and information from competitors. However it comes about, innovation occurs when new combinations of ideas and information bring about positive change. In fact, the root of the word *innovation* is the Latin *novus*, which means new. Innovation involves introducing or changing to something new. It is a critical part of strategic implementation.

Before proceeding, firms must first define the *scope of the innovation* efforts and must ensure that their innovation efforts are not wasted on projects that are outside the firm’s domain of interest. Firms must have the means to focus their innovation efforts.

A strategic envelope defines the range of acceptable projects. *Strategic envelope* means a firm-specific view of innovation that defines how a firm can create new knowledge and learn from an innovation initiative even if the project fails. The strategic envelope also gives direction to a firm’s innovation efforts, which helps separate seeds from weeds and builds internal capabilities. One way to determine which projects to work on is to focus on a common technology. Then, innovation efforts across the firm can aim at developing skills and expertise in a given technical area. Another potential focus is on a market theme. Companies must be clear not only about the kinds of innovation they are looking for but also the expected results. However a firm envisions its innovation goals, it needs to develop a systematic approach to evaluating its results and learning from its innovation initiatives. It needs to develop a set of questions to ask itself about its innovation efforts.

In defining the innovation scope, a firm should answer several questions:

* How much will the innovation initiative cost?
* How likely is it to actually become commercially viable?
* How much value will it add; that is, what will it be worth if it works?
* What will be learned if it does not pan out?

Edward Boehm seemed to have been an innovator all his life. Now that the firm’s reputation has made it possible to grow its market base, he needs to make sure the above questions are answered before committing the organization’s resources.

# **Completing the Strategic Management Process – suggested sequence of actions**

Remember, the basic question strategic management tries to answer is: *How can we create competitive advantages in the marketplace that are not only unique and valuable but also difficult for competitors to copy or substitute?* As explained above, during strategic analysis, the leader does “advance work” to anticipate unforeseen environmental developments, identify unanticipated resource constraints, assess changes in his or her preferences for how to manage. During strategy formation, depending on the type of organization structure, the leader might include key individuals in a discussion around selecting those strategies that might be best to implement at each level within the organization. In strategy implementation, the leader must ensure proper strategic controls and organizational design, and establish effective means to coordinate and integrate activities within the firm as well as with suppliers, customers and possible alliance partners.

It’s important for the organization’s leadership to consider all the factors that go into strategic management and to decide the sequence of strategic actions in order to conserve resources and gain focus. Here are some suggestions for how the Boehms should proceed:

* First, gather market information;
* Second, continue to build the reputation of this unique company;
* Third, develop a skilled artist as a replacement for Mr. Boehm;
* Develop superior production techniques, quality and cost controls;
* Diversify the product line, diversify internationally.

The choices discussed above have implications for strategic decision making. Regarding personal *goals and values*: the Boehms valued high-quality art, supporting wildlife causes, being recognized and honored for their art, and becoming very wealthy. Profit maximization alone would therefore not be appropriate. Regarding the choice of *competitive strategy*: a niche or focus strategy would concentrate company efforts and therefore dominate a single segment, producing higher margins through relative scale economies. This would then allow Boehm to pursue more financial reinvestment than its competitors.

Regarding *functional policies*, distribution of product should be limited to high quality locations. Media outlets should be selected carefully, and strict pricing rules should be set to signal the exclusivity of the product. Internally, clear production and quality control procedures should be established, and only qualified personnel who shared the founders’ values should be hired. The above policies must continue to be consistent with values and goals as they evolve.

**WHAT HAPPENED:**

The Boehms were faced with some decisions about how to proceed. Here’s what happened (this is not part of the case in the textbook, so should be shared with the class – see the final PowerPoint slides):

Mr. Boehm died shortly after the date of the case, in 1969. Fortunately, an extremely talented younger artist had been working with him for some time. This man had begun to share some of Mr. Boehm’s own personal values concerning wildlife art and had developed substantial skills in the design of porcelain art objects. Mrs. Boehm, however, was the driving entrepreneur behind the future history of the company. Over a period of time, she did the following things. She first concentrated on developing a strong reputation for a limited line of collectors’ porcelain art objects. The major art objects were largely used as promotional pieces to extend the reputation of the Boehm line. The mid-sized birds were used as the major cash generator of the business. The fledglings were kept to sell to younger people, to extend the reputation of Boehm to a wider marketplace, and to train artisans for the company.

To establish the name of the company on a permanent basis, Mrs. Boehm called it “The Studio of Edward Marshall Boehm,” just as there was a Studio of Rubens, etc. in the past. She then got Richard Nixon, who was then President of the United States, to let the company design a Boehm statue as a gift of state for a significant occasion. Mr. Nixon chose a Boehm mute swan as a symbol of peace for his impending visit to China with Mao Tse-tung. This extraordinary piece began to symbolize the continuing capabilities if the Studio of Edward Marshall Boehm.

Mrs. Boehm in earlier years had promoted sales of Boehm products to major museums. She had arranged a gift of Boehm porcelain from President Eisenhower to Prince Phillip and from President Eisenhower to Prime Minister Diefenbaker of Canada. She was also very talented in placing articles in major art and “living” magazines about the Boehm product and company. She also had obtained interviews on the major television talk shows, as well as other media outlets. Along with Mr. Boehm, she had developed one of the world’s finest private aviaries near the Trenton Boehm factory. She created a museum of Boehm art next to the factory. The factory itself was a showpiece to help interest people in Boehm porcelain.

When the name Boehm was sufficiently established, she cut the distribution of Boehm products to approximately 50 retail outlets. These were very carefully selected to be the premier department stores in their areas. In addition, the company very carefully controlled the way in which the product was displayed, and sales clerks were trained, compensated, etc. Boehm maintained a careful control list of those who owned major Boehm products in order to ensure that no one cornered the market. The product was priced well above its competition. Nevertheless, Mrs. Boehm saw to it that purchasers obtained the major benefit of any appreciation in value on the products. This supported their positioning as collectors’ items in the art market.

The Boehm’s did not want to lose control over their product or concept. Consequently, with some minor exceptions, they financed the operation internally. As the company’s profitability grew, its capacities to borrow grew. At key junctures, the company also financed itself by encouraging its large, well-known customers to pay on relatively short terms to maintain cash flows for the company.

In its technological strategy, Boehm tried to avoid disclosing its process or formulas for porcelain through patent publications. It tended to practice its porcelain art quietly to avoid competitive incursions. As the Boehm birds became more successful, the company diversified its product line into other art objects, such as flowers, special art displays having to do with a geographical area (such as Egypt or China), and into thin porcelain pictures. The latter product represents perhaps the most difficult of all porcelain arts. Casting a thin porcelain picture with square edges, and maintaining key dimensions during firing, is most difficult. Boehm further diversified by an acquisition of a bone china company (Malvern) in England. And its products are now recognized worldwide. In fact, Boehm porcelain is the only American art form to have two dedicated rooms in the Vatican Museum in Rome.

**CASE UPDATE**:

Although Helen Boehm died in 2010 at the age of 89, the company’s products still appear to be highly collectible. See <http://www.nytimes.com/2010/11/20/business/20boehm.html>

According to a news report, Helen sold the business in 2003 to Texas-based Home Interiors & Gifts. In 2008, the business was acquired by Applejack Art Partners an art licensing and publishing company. By December 2008, the business was in danger of closing, but was purchased in May 2009 by a partnership including Sharon Lee Parker, a close friend of Helen Boehm.

See <http://www.nj.com/news/times/regional/index.ssf?/base/news-16/1241237129259290.xml&coll=5>

Sharon Lee Parker’s husband George is now the hands-on manager. When it was acquired, Boehm had almost shut down, with all assets possibly being sold to a China porcelain factory (almost all fine porcelain is now made in China). According to George Parker in 2011, “When we took over, there were four people working there. Now we have 20 and hire more part-timers around Christmas time. They were going to take the company to China. They didn’t care about the brand.” This is from the Epoch Times, a now expired link, still available at <http://printarchive.epochtimes.com/a1/en/us/nyc/2011/07_Jul/22/B8_EET-20110722->

[NYUS.pdf](http://printarchive.epochtimes.com/a1/en/us/nyc/2011/07_Jul/22/B8_EET-20110722-). As of 2013, in an interview, George said, “When we bought the company three years ago they were $800,000 in debt,” Parker said. “In the first year I cut that in half. In the second year I cut it in half again. In the third year we are even and going to begin making a profit.” This is from the Epoch Times, a now expired link, still available at <http://printarchive.epochtimes.com/a1/en/us/nyc/2013/02-Feb/14/C3_EET_Feb_14-20_2013-NY-US.pdf>.

Unfortunately, in 2014 the business closed “temporarily” due to business being “slow,” and because of Parker’s poor health. The current landlord says he is trying to sell the building and get new tenants, and that all Boehm’s equipment and items will be “sold, scrapped or thrown away.” See <http://www.nj.com/mercer/index.ssf/2014/10/boehm_porcelains_nj_headquarters_may_be_closed_for_good_says_real_estate_firm.html> Even though the company may not be able to produce any new pieces, it appears the collectible market is still strong, with resale of Boehm limited editions going for over $2,000 on eBay. See <http://www.replacements.com/webquote/CO_BOEMISFBI.htm>

for some of the bird pieces. More history and commentary on the company can be found at <http://www.modelhorsegallery.info/B/Boehm/BoehmHistory.html> and, although it is in danger of disappearing, the official website is at <http://www.boehmporcelain.com/>.