

# *Project: A model agency*

# *Model agencies*

Since the 50s and the opening of very first modeling agency in the world, dozens of modeling agencies have developed their activity at the highest level of international competitiveness (Elite, Ford, IMG, Major, Riccardo Gay, Next etc.) and maintained it to this day. Some others have distinguished themselves despite having only a national presence, by launching careers worthy of the major international agencies (Viva, Models one, Metropolitan, Madison, City, Karin, Marylin etc.). Of these, the only agency which has managed to transform its name and know-how into a globally recognized brand is Elite. It is today the only recognized brand that highlights the inextricable link between the world of modeling and the heart of the fashion world. Elite was sold almost entirely (excluding USA) in January 2011 for 80 million euros. It had previously benefited from running a successful introduction to the stock exchange in 2007.



# *Why buy a model agency?*

Although the success of Elite is undeniable, none of its previous owners succeeded in entirely leaving their own mark on the brand. The history of the agency have hindered a smooth development and arguably prevented the agency from continuing to represent the top models of the world, as it once did in its heyday. Despite its international influence and the development of international licenses (textile, cosmetics, perfumes etc.), the Elite brand has failed to federer the public as it should have. The Agency's bad reputation and the lack of coherence in strategic development form is an apparently insurmountable barrier. Of the other large agencies, most are limited in terms of development due to weak management and lack of ambition, as well as a lack of financial backing which would allow them to one day enter the This lucrative market therefore remains completely open.



# *How to choose this agency?*

Despite the global reach of the fashion industry and all that it represents (luxury brands, magazines, agencies etc.) and the undeniable financial supremacy over the market of certain international cities like New York, Paris remains the cradle of ideas and the place with the most promising careers, it is here that the most important decisions are made, and all other major players concede to this city. The greatest designers reside in Paris, and the fashion world continues to look to Paris to launch tomorrow's trends. It is therefore entirely possible that the future leading agency could, and perhaps should, be based in Paris. This agency needs to have a good reputation with an untainted history, so that future partners (necessary for the development of certain sectors such as media, branding, models etc.) may agree to lend their names to the agency without risking a loss of personal reputation. Given the difficulties, both financial and administrative, of developing such a business model, it is clearly preferable to choose an agency that has a proven existing and expected potential for development, and to expand its capabilities to include new functions. This potential however cannot be the sole factor for choosing an agency as a base for establishing the kind of international brand that we envisage. The agency also needs to be manageable and malleable, and needs to have integrity in order to raise it up to the highest level. It is upon these reflections that we have based our research.



# *Which agency to choose?*

With the strength of our knowledge and our analysis of the actual market in Paris, we have come to the conclusion that the stand out candidate for our future collaboration is the **New Madison** agency. The agency currently possesses of all the building blocks necessary to develop a great brand that could possibly surpass even the likes of Elite. In addition to its evident professional recognition, the company is capable of development in all the categories that we are interested in, currently has a coherent and competent team of 14, and its turnover is steadily increasing through intelligent strategy. Their management is unique and therefore acquisition is quite simple to implement. Additionally, **New Madison** are the market leader in one sector that continues to rise – the Male Model. The management is both patient and ingenious, as well as wise and respectful of the needs of its clients, without taking unnecessary risk and expense. For all these reasons and more, **New Madison** is the ideal candidate for this new venture.

# *The agency: its history*

**NEWMADISON**  
MODELS

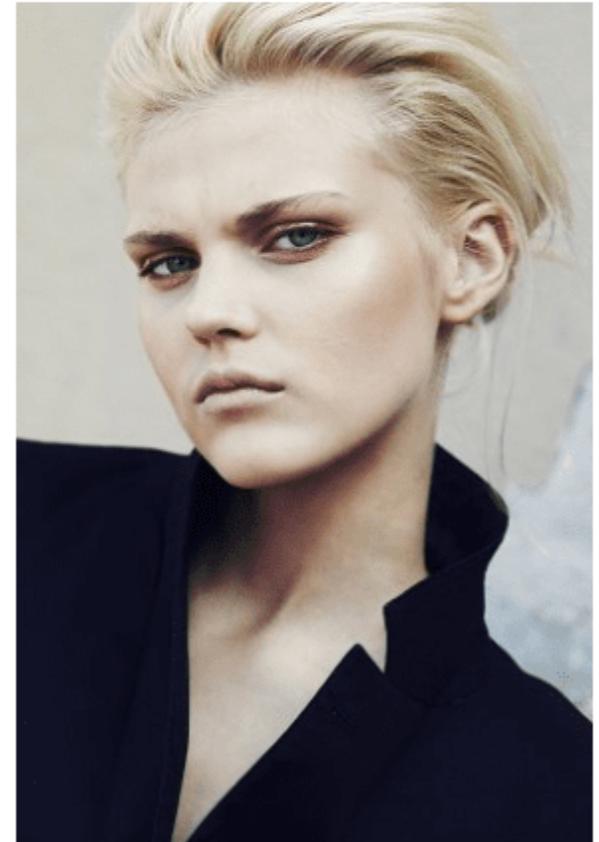
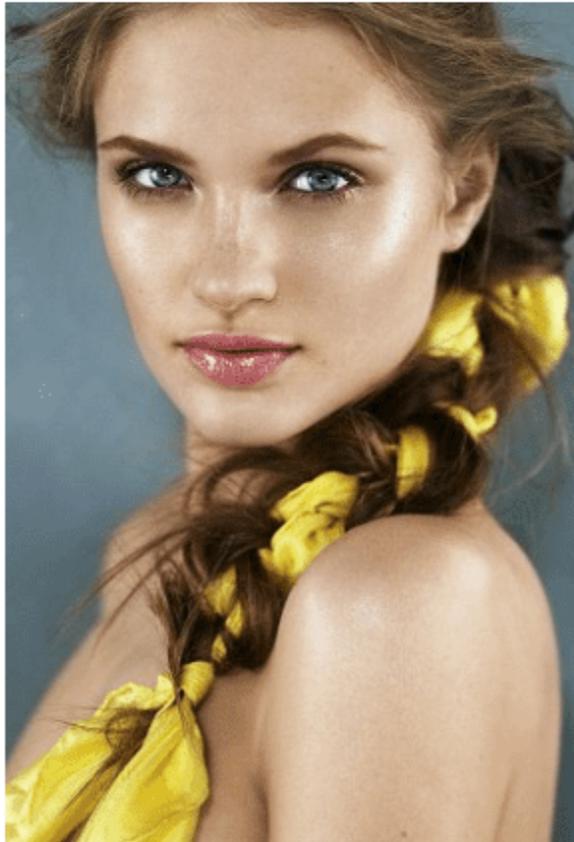
The agency MADISON MODELS was founded in 1988. It is at the origin of the well-known careers of models such as Eva Herzigova, Daniela Pestova, Olga Kurylenko, Laetitia Casta and Julie Ordon. In 1999, with this success, Mr. F. Benfaid created a department for men which proved just as successful.

In 2006 Mr Benfaid bought the agency, renamed it NEW MADISON and has managed it ever since. Today, NEW MADISON is closely associated with the image of many advertising campaigns, including J.P. Gaultier, Christian Dior, Ungaro, Dolce and Gabbana, Dunhill, Calvin Klein, Eres and Lancôme, as well as prestigious magazines such as Vogue and Numéro.



## **New Madison** *The ideal agency:*

- Strong professional recognition
- Free of any development
- Successful Team
- Increasing turnover
- Excellent reputation

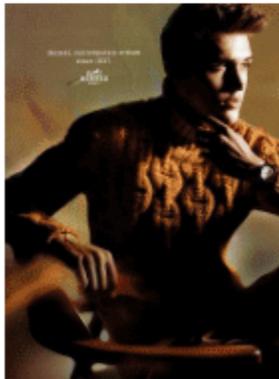
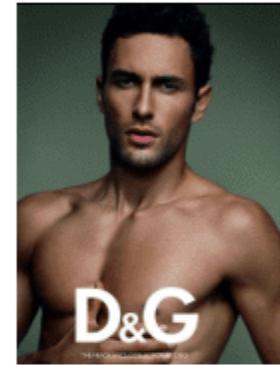
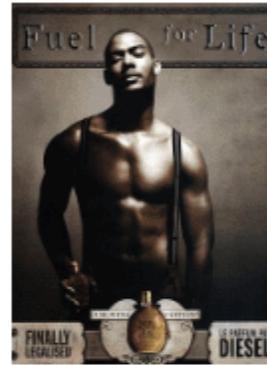


# NEW MADISON:

A long-standing agency thanks to three generations of models with advertising very high potential.



# NEW MADISON: *Already leading the men's market*



# *A revolutionary development strategy*

The acquisition of New Madison comes with the condition of a 7 year contractual partnership with the existing management and team. The investment needed to buy this agency must be followed by a development to which we infuse a dynamic and new direction. This move will consolidate all elements required for its global recognition and its progress towards becoming an industry leader. The existing company would be enriched by an international production and events team, to enhance the image of a more ideal and coherent development.



# *Numbers: a first estimate*

In 2011, New Madison had a turnover of just over 6 million euros. For 2012, the projected turnover is a little over 8 million. The purchase price of the company is 6 million for 100% of its capital share.

The investment required for the development of the agency will be in the region of 4 million euro. The first return on investment should be made by the 24th month of activity, with a projected total return around the 36th month, at the same time as its accession to a global leadership position. An accurate forecast will be established on the basis of a final strategy as agreed with potential investors.



## *A global and innovative project*

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