

Tiffany Putimahtama  
John Mullins

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## NakedWines.com

Thanks to its somewhat whimsical yet measurement-driven culture, its unusual customer-funded business model, and its committed community of winemakers and wine “angels”, NakedWines had grown rapidly, from a standing start in 2008 to a substantial presence in three of the world's most attractive markets for wine – the United Kingdom, Australia, and the United States. Now, however, in September 2014, it was becoming clear that the company's long-time principal investor WIV was no longer able to fund Naked's future growth.

Assembled in the Birthday Suit conference room in the company's office in Napa, California, were the key individuals who had brought the company to this juncture. Founder and CEO Rowan Gormley, co-founder and IT Head Derek Hardy, COO and American Managing Director Benoit Vialle, Australian CEO Luke Jecks, UK Managing Director Eamon Fitzgerald, Chief Financial Officer James Crawford, Chief Winemaker Matt Parish, and board member and CEO of WIV Andres Ruff, had gathered to decide what they should do about this difficulty.

They had spent the morning developing a set of criteria for choosing among the various alternative ways forward. The afternoon's agenda was clear, to determine a strategy for continuing to fund the company's growth. Should they seek a private equity investor? Should they ask their customers – the band of nearly 300,000 “angels”, as they called them, whose monthly subscriptions funded Naked's winemakers – to buy a stake in the business, or even pursue an independent public offering (IPO) of the company's shares? Should they seek a trade investor? Or should they wait, doing nothing for now, and maintain the status quo until the time for one of the other moves made more sense? By the end of the afternoon, the group had agreed, they would reach a decision on a strategy for financing the continued growth of the business.

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Tiffany Putimahtama prepared this case under the supervision of John Mullins, Associate Professor of Management Practice, London Business School. Certain facts and all financial data have been disguised.

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