



HIRT&FRIENDS

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Michael Hirt

A.E. Köchert: Developing a Growth Strategy to Successfully Integrate a New Family Member into the Firm

Founded in 1814, A.E. Köchert Juweliers is a distinguished jeweler with company headquarters in Vienna and a dependance in Salzburg (Austria). The House of Köchert („La Maison Köchert“) is internationally known as the “Jeweler of Emperors and Kings” and is famed for its sumptuous jewelry in the unmistakable Köchert style. Today, it is managed by Christoph, Wolfgang and Florian Köchert, the sixth generation of the family (Exhibit 2).

Since 2014, the firm is a member of the Association les Hénokiens, a global organization of family-owned businesses, that have been in majority family-owned for more than 200 years and are still managed by descendants of the founders.

La Maison Köchert

In 1814, during the Congress of Vienna, the Frenchman Emmanuel Pioté founded a goldsmith shop in Vienna, that immediately attracted a lot of attention due to its refined and innovative designs. In 1819, Jakob Heinrich Köchert (1795 Riga-1869 Vienna) joined the firm and married Pioté’s sister-in-law. In 1831 the firm was appointed the official jeweler to the Austrian Emperor (“k.u.k. Hof- und Kammerjuwelier“) and remained the personal jeweler of the Austrian Emperor and his court, and the keeper of the Austro-Hungarian Crown Jewels, until the end of the Austro-Hungarian Empire in 1918. In 1873 the company headquarters moved to their current location in Vienna on Neuer Markt 15 in a shop designed by Theophil Hansen, a leading architect of his time, who played a pivotal role in the redesign of Vienna in its hallmark “Ringstraßen-Stil” (Exhibit 1).

In 2005 Florian Köchert joined the firm and a dependance at Alter Markt 15 in Salzburg was opened under his management, and subsequently enlarged in 2022 (Exhibit 1).

Please refer to Exhibit 3 for a more detailed history of La Maison Köchert, set in the historical context and with typical examples of Köchert jewelry of the respective period.

In the 20th and 21st centuries La Maison Köchert confirmed its reputation for refined and innovative designs, executed under the highest standards of craftsmanship, by creating iconic and stylistically unmistakable jewelry and by working together with innovative and often avant-garde artists and designers. Please refer to Exhibit 5 for an overview of the current product range of La Maison Köchert, including pictures of representative pieces.

La Maison Köchert has client relationships which often span over generations and has succeeded to stay relevant and attractive to each new generation of clients by carefully reinventing itself and developing around a strong foundation of the highest standards of craftsmanship and of artistic, personal and family values. Please refer to Exhibit 4 for an extract from the list of illustrious clients of La Maison Köchert.

The Family

La Maison Köchert has been exclusively under family ownership and family management since its inception in 1814. For La Maison Köchert this has a depth of meaning that is best described by extracts from a statement on its website:

The House of Köchert has been a family-owned business ever since its founding in 1814. It reflects the typically Austrian “esprit” – that of a family settled in the arc of tension between tradition and modernity. This tradition includes our high quality-consciousness, just as it does a certain playfulness. ... Over the generations, our company has developed a long tradition of championing a sustainable attitude to our work. After over two centuries in business, all our actions are designed to ensure that attitude continues to exist for centuries yet to come. ... The people we work with perceive us as reliable partners. Whether these be our customers, traders or family members: they all know they can rely on us. ... Family ties don’t stop at our cousins, however: for us, members of staff, neighbors, friends, associations, the local community, advocacy groups and social projects are all part of our extended family, and can rely upon us.¹

Please refer to Exhibit 4 for a complete overview of the genealogy, ownership and management of La Maison Köchert from 1814 to the present day.

The Challenge (I)

Already in the mid 19th century a family rule was established, that only two heirs of the same generation could own and manage the family business at any given time. But, not long after the untimely passing of Gotfrid Köchert in 1986, Dieter and Wolfgang in 1990 renegotiated the partnership agreement, which from this point on allowed two heirs per family line, therefore expanding the company to a maximum of four heirs of the same generation to own and manage the family business at the same time, instead of two.

In 2004, the business was managed, for more than a decade, by the cousins Wolfgang Köchert (son of Gotfrid) and Christoph Köchert (son of Dieter) as managing directors. Management of the business was centered at the headquarters in Vienna, from which also all regional and international activities were managed by Wolfgang and Christoph.

¹ <https://www.koechert.com/la-maison/?lang=en> (retrieved on: 01.08.2022)

At this time, Wolfgang held a 50% ownership share in the company, whilst his cousin Christoph held a 25% ownership share in the company. The remaining 25% were held by Florian, Christoph's younger brother, further to Dieter's inheritance.

After training as a goldsmith and gaining experience in different fields of the arts and applied arts world, Florian, who so far only was a shareholder, but not actively involved in the business, registered his interest with Christoph and Wolfgang in joining the firm in an active role in 2004.

For generations, it had been the tradition and family rule, that a maximum of two heirs per generation could own and manage the family business at any given time. Also, Wolfgang and Christoph had in over a decade developed and fine-tuned, in a gradual and iterative process, a productive division of labor and management tasks between them, that had led to a very successful development of the firm.

Teaching Notes: Questions for Class Discussion and Reflection (I)

After reading the case up to this point, please reflect upon the following questions and discuss them in class with your colleagues and your professor:

- If you put yourself in Florian's shoes, how would you think about this entire situation?
- What could be your thoughts on your self-interests and objectives?
- What could be your thoughts on your best tactics to achieve your-self interests and objectives?
- What kind of undesirable situations would you like to avoid? What can you do to avoid these undesirable situations?
- And what can you do to positively influence the situation to your advantage?
- What do you think would be general behaviors (focus more on the style of your behavior and less on the content), that would be beneficial to finding a productive solution?
- What do you think would be general behaviors (focus more on the style of your behavior and less on the content), that would be detrimental to finding a productive solution?
- What would you concretely do in this situation?

Now, make the same exercise, but putting yourself separately in Christoph's shoes and then in Wolfgang's shoes and asking yourself the same questions as above.

The Challenge (II)

It was clear for Wolfgang and Christoph, that the current business in Vienna would not offer a suitable commercial and financial platform for three Managing Directors. Also, they were concerned, that Florian entering the business actively, would upset the careful balance of their bilateral cooperation and could eventually negatively impact the success of the entire firm.

On the other hand, Florian was a 25% shareholder and, with his training as a goldsmith and experience made a credible and insistent case, that he could make, and wants to make, a meaningful and profitable contribution to the business.

Eventually it became clear, that the way forward was, that a clearly delineated and defined business field for Florian would have to be found.

This field would have to satisfy several conditions. It would have to have the potential for profitable growth and for justifying the remuneration that Florian would get for his active role in the firm. It would have to fit with the overall and long-term strategy and positioning of the firm. It would have to fit with the talents and preferences of Florian. And finally, it should be, as much as possible a standalone strategic expansion of the current business, on the one hand, building on the resources

and capabilities of the firm, whilst on the other hand, not upsetting the careful balance that Wolfgang and Christoph had found in successfully managing the firm.

So, in summary, Wolfgang and Christoph were prepared to welcome Florian into the business and to help him with the resources and capabilities of the firm and their support, but a clear business field and positioning for Florian had to be found within the firm, and eventually Florian would have to prove his case by establishing a commercially viable business field of his own within the firm.

The Path to the Solution

In July 2004, independent management consultant Michael Hirt was brought in to structure and facilitate a strategy project with the owners of the firm, that would review and refine the overall strategy of the firm and select the profitable growth field for an eventual integration of Florian into the firm. It was considered by the shareholders that it would be beneficial to bring in an independent consultant into this decision making process, to be an impartial moderator between the different interests, to bring structure and analytical rigor and an independent, outside view.

Christoph Köchert knew Michael Hirt already from his role as a management trainer and executive coach. Also, Michael Hirt was already privately acquainted with Wolfgang and was able to quickly establish trust with Florian.

It is crucial for a consultant brought in in such a situation, especially in the context of a family-owned company, not only to be technically competent in his field of consulting, but also to be able to gain and maintain the trust of all involved key decision makers and key players, in order to be seen as an “honest broker”, who really makes his best effort and has the diplomatic skills, to find and facilitate a solution that takes the best interests of the firm and all involved parties into consideration.

A joint consulting project was defined along the following lines:

- Objective of the project: Developing and implementing a growth strategy for the firm to successfully integrate a new family member into the firm in 2005. This also required a review, and if necessary, refinement of the current strategy and vision of the firm.
- The project involved all three family shareholders of the firm, and was carried out with three main work steps, which culminated in three joint workshops moderated by the consultant Michael Hirt.
 - Workshop 1: Creation of the factual basis and preparation
 - Workshop 2: Discussion of the factual basis and brainstorming of strategic options
 - Workshop 3: Consideration and decision on option(s) to be implemented and development of the corresponding action plan

Excursus: Some Important Considerations, When Developing Strategies for Family-Owned Companies

Family-owned and -managed companies are very complex entities and in fact, very few of them are able to last for many generations. The main reason is, beyond the challenges of business success in themselves, that each family member can take up to three roles in the context of a family-owned company, often with overlaps which add another level of complexity, and this can create a number of conflicts, that have the potential to undermine and eventually destroy an otherwise commercially successful company. These three roles are, the role of a shareholder, the role of a manager and the role of a family member.

An additional level of complexity is brought in by the fact, that everything related to family is, for most people, a highly emotional topic, but that business enterprises should mostly be run on the basis of rational precepts.

The key reason for failure of family-owned companies, at the institutional level, is that conflicts and problems which are to be reasonably expected (because they are bound to happen and have happened in the past in similar environments), are not foreseen, and no appropriate mechanisms are proactively put in place, before the situation actually happens, to ensure proper succession planning, conflict management and leadership of the family-owned company.

Just a couple of examples of typical conflicts that can arise in family-owned companies: Father-Son-Conflicts (or similar conflicts, independent of gender, between a matriarch or patriarch and their children); Rivalry between siblings; Fractioning into different competing family groups; Alienation, the common purpose is lost and the different and competing self-interests of different family members and of different family groups, pull the company apart.

From the observation of the writer of this case, the following success factors make a very positive contribution to the probability of a family-owned company to last for several generations:

- A healthy pragmatism and business orientation that understands that a profitable business with clear competitive advantages and a strong market position is the basis of everything else and that the considerations of the business have to take priority over the interests of the family, and especially the interests of individual family members. (“Don’t kill the goose that lays the golden eggs.” On the contrary, treat the goose and eggs well so that they become many more great geese.)
- An understanding that family interests have priority over the interests of individual family members.
- A constant and proactive effort to make sure that potential conflicts between company interests, family interests and individual interests are recognized as early as possible and appropriately addressed, so that key members of the family keep supporting the success of the company, not only at a rational level, because it suits their self-interests, but also at an emotional level.
- A constant and proactive effort to make sure that all key family members are sufficiently in agreement about values, traditions to be maintained, objectives and roles, so that they continue to support the company.
- Governance structures and rules which help to foster and develop the family company and keep the family together, but which can be flexibly adjusted to accommodate a changing environment, and new situations and challenges. Structures and rules should be seen as pragmatic tools, to achieve the ultimate goal of the success of the family company and the family. They should be tools that can be adjusted or changed, if the necessities require it and should not be tyrants, but servants.
- Good manners, courtesy, tact, and diplomacy.

It is clear, that this is a tough brief, that requires strong personalities with a lot of wisdom, and exceptional emotional intelligence and interpersonal capabilities, ideally at least one such person in every generation. This is not easily realized.

From the practical standpoint of a consulting project that is aiming to develop a strategy for a family-owned business, together with the family owners and managers, clear precepts can be derived from the above considerations:

- Business Strategy first. In a first step, the business must be analyzed in a most rational and business-oriented way and its market position and strategic potential and options need to be clearly understood. In this first step, family interests and individual interests of family members have to step into the background, so that a proper analysis and basis for the next step can be established.
- Family Strategy second. In this second step, a family strategy needs to be taken into consideration, which evolves around five key considerations, listed here in a rough order of priority, which have to be carefully balanced:
 - Securing the long-term prosperity and existence of the company (“the goose”).
 - Further developing the company, increasing its value and strength.

- Keeping the family together to make sure, that key family members continue supporting the company.
- Providing personal fulfillment to individual family members, e.g. interesting positions in the company, or via other means, in- or outside the company.
- Providing adequate financial security and financial means and possibilities to family groups and individual family members.

A good old Austrian proverb cautions “not to put the cart in front of the horse” (“Man soll den Karren nicht vors Pferd spannen.“) and this is also sound advice in the context of strategy development for family-owned and -managed companies. So, business strategy first, family strategy second.

Of course, when the business strategy is analyzed with the family members, it is not totally possible in practice to exclude considerations of family interests and individual interests of family members to “creep in”, at least “between the lines”, or in some sort of “camouflage”. It is one of the key roles of a good consultant to recognize this, and to make sure, with appropriate interventions and diplomacy, that the analysis stays on a rational and fair course, to provide a good basis for the discussions and decisions of the three family owners.

Making it happen

Workshop 1: Creation of the factual basis and preparation - July 2004

In July 2004 a Preparatory Workshop (Workshop 1) was held between the three family owners Wolfgang, Christoph, Florian and the consultant Michael Hirt. Prior to this Preparatory Workshop, Michael Hirt held individual interviews with each of the three owners, to better understand their personal priorities and objectives and to deepen the personal rapport with them. The main objective of the Preparatory Workshop was to jointly agree on a research and analysis agenda and workplan in preparation of Workshop 2.

One of the key concepts that needs to be carefully evaluated in the context of developing a strategy, especially a growth strategy, for a company, is the concept of “Strategic Room for Maneuver” (“Strategischer Spielraum”). Strategic Room for Maneuver is a concept developed by Michael Hirt, from his experience that many companies and organizations are not very good at objectively assessing their own strengths and weaknesses, and somehow work under the conscious or unconscious assumption, that they have all the resources and capabilities to implement any given strategy.

But experience shows that this is not the case. A strategy which, for example promises fantastic growth, may be very suitable to company A, but highly unsuitable for company B, although these companies are in the same industry, and maybe from the outside, even look fairly similar. But if one takes a closer look and compares the Strategic Room for Maneuver of the two companies, maybe only one of them has the resources and capabilities to make the strategy happen in reality.

Therefore, at the beginning of a strategy project, it has proven to be a good analytical step to make a high-level analysis of the Strategic Room for Maneuver of the client company in two key areas: financing capability for a growth strategy and management & team motivation and capability for a growth strategy. The key question is whether the Strategic Room for Maneuver is already large enough or whether it is necessary to improve the financial, team and management capabilities, before the company engages in a growth strategy.

Further points of analysis which were agreed in the preparatory meeting: (1) An analysis of the trends and competitive forces in the jewelry and luxury goods business, in Austria, Europe and internationally. (2) A customer analysis of the relevant existing and potential customers of/for La Maison Köchert, both in Austria and internationally. (3) An in-depth analysis of La Maison Köchert resulting in a clear perspective and evaluation of its strengths, weaknesses, threats and opportunities. (4) A competitive analysis of the relevant existing and potential competitors of La Maison Köchert, both in Austria and internationally.

The research included both desk research and putting together of external and internal information and data, but also practical research and gathering of intelligence, such as with physical store checks of competitors and interesting companies, also outside of Austria. On that basis were created brief written research reports, which then formed the basis for discussion in the Workshops.

Most of the research, including the writing of the reports, was done by the owners themselves, based on agreed-upon structures and research approaches jointly developed with the consultant Michael Hirt. This not only had the major advantage, to make sure that the owners and final decision makers really take ownership of the research results and decisions based on these results (“self discovered logic”), but also had the additional advantage, of being cost-effective from the perspective of the financial investment in the consulting process.

Workshop 2: Discussion of the factual basis and brainstorming of strategic options - October 2004

Workshop 2 was centered around two key activities. Firstly, to review the results from the research agreed in the Preparatory Workshop and to jointly draw conclusions from the research results for the possible strategy and available strategic options. Secondly, to jointly brainstorm strategic options, make a first prioritization and agree on the next steps to analyze the high priority options.

It was concluded in the Workshop that the Strategic Room for Maneuver for a growth strategy was available in principle, but that a number of precautions and measures would have to be taken to protect and enlarge it. These action points were immediately integrated into the regular management agenda of the company.

With the overall objective of the project in mind, i.e. to develop and implement a growth strategy to successfully integrate Florian into the firm, roughly 20 high level options for a strategy were jointly developed in the Workshop.

These options were roughly described and jointly prioritized according to a pre-agreed list of high-level criteria, including:

- Strategic fit: How well does the strategy fit to the competitive and customer environment and trends? Is there an opportunity to achieve uniqueness and competitive advantages for La Maison Köchert?
- Cultural fit: How well does the strategy fit with the culture and vision of La Maison Köchert?
- Ease of implementation: To what extent does La Maison Köchert have the capabilities and resources to implement this strategy?
- Growth potential: What is the growth potential of this strategy?
- Risk: What are the risks of this strategy?
- Investment: What is the investment required for this strategy?
- Payback: How quickly can the required investment be recovered?
- Flexibility: How flexible is the strategy? How easy is it to change course or readjust the strategy?
- Contribution to the family strategy (short and medium term): What is the contribution of the strategy to the Family strategy in the short medium term? Is the strategy promising and robust enough to support the well-being and financial requirements of three family branches (Wolfgang, Christoph, Florian)?
- Contribution to the family strategy (long term): Is the strategy creating and/or improving the future development and growth platform of the company?

The result of Workshop 2 were 2 main strategic options, which looked, from a first level discussion, very promising, because they appeared to rank very high according to the criteria listed above (“main strategic options”). One of these 2 main strategic options, was the option to open a dependance in another Austrian town. Two towns, Salzburg and Linz, were identified as high priority locations to be further investigated. The other strategic option focused on the further development of the well-known and popular Sisi stars as a standalone business division.

A further 5 strategic options were identified, which could potentially also be attractive, but in the first level discussion, there were more open questions, whether these strategic options would provide enough potential on a standalone basis (“parallel strategies”).

A further 4 strategic options were identified, which appeared to be supporting options, which looked to provide interesting business opportunities, but most likely did not have enough potential on a standalone basis (“additional strategies”).

For a further 9 strategic options, it was decided, already in Workshop 2, that at this stage, they would not be further pursued.

It was then discussed in the Workshop what further analysis of the main strategic options and parallel strategies, in total 7 options, had to be done, including market inquiries and research, to generate a solid decision-making basis for the owners, to decide on the option to be implemented.

Again, most of the research and inquiries, was done by the owners themselves, based on agreed-upon questions, structures and approaches jointly developed with the consultant Michael Hirt. The research work on the 7 options concerned was roughly equally divided between the three owners.

Concerning the main strategic option to open a dependance in another Austrian town, Salzburg was seen as the most promising option. The following key questions were defined for further research and inquiry about this option:

- Are suitable locations for rental available?
- What would be the real cost for a new location, including capital expenditures and operating costs?
- How long would it take from taking over the location to the first sales revenues?
- What would be a break-even sales volume?
- What would be a rough marketing plan, especially the target group, product range, price positioning, set up of the place, and promotion strategy?
- Who would form the team of the new location?
- What are the key challenges for the implementation?
- What are potential showstoppers, i.e. events or information that would stop us from pursuing that strategy?

For each of the remaining 6 strategic options, similar questions and inquiries were defined, to be researched until Workshop 3.

Workshop 3: Consideration and decision on option(s) to be implemented and development of the corresponding action plan - April 2005

“Chance favors the prepared mind.” said Louis Pasteur, and this also applied in our case.

When Wolfgang, who was responsible for researching the strategic option to open a dependance in Salzburg, made his inquiries, it came to his attention through his network, that on Alter Markt 15 in Salzburg, there was a jewelry store with an owner who wanted to retire, but did not have a successor. There had been some loose contacts in the past with this owner, who had been somewhat reluctant to engage in more substantive discussions, but now it appeared that there was an increased sense of urgency with the current owner of the store.

Interesting luxury retail locations with reasonable prices and investment requirements are extremely rare to be available in the center (Altstadt) of Salzburg. When the result of the research and inquiries on the 7 strategic options (main and parallel strategies) was presented in Workshop 3, the option to open up a dependance in Salzburg was clearly favored vs. the second main strategic option, and next steps, including the development of a more detailed business plan and the opening of more concrete discussions with the current owner of the lease, were decided. The project

“Salzburg” was defined as a high priority project and the work on it was now a joint effort of Wolfgang, Christoph and Florian.

Most of the other 9 remaining strategic options (parallel and additional strategies), which were presented and discussed in Workshop 3, were further developed and market-tested with different timetable priorities over the next couple of years, and a handful of those resulted in very nice additions or even new business fields or product lines of La Maison Köchert.

Eventually, La Maison Köchert was able to secure the lease on Alter Markt 15 in Salzburg starting in 2005. Florian became the general manager of the store and moved to Salzburg. The store was refurbished and opened for business in new splendor in 2005.

The Results

Under the leadership of Florian, Köchert Salzburg has been very successfully established among the local and international clientele in Salzburg and has established itself as a successful unit of La Maison Köchert. In 2022, it was possible to further expand the location in Salzburg and to enlarge and refurbish the store, to take it to the next level.

Through their strong local network and reputation in the Austrian business community, the Köchert's were able to get privileged access to this opportunity in Salzburg. Through their preparation and thinking ahead in the strategy project, they could then move very fast to capture this, probably, unique opportunity.

Due to the structure of the strategy process, which clearly separated the requirements of the business strategy from the requirements of the family strategy, to allow for a structured discussion and finding of a mutually suitable solution, the strategy enabled the interests of the different owners to be adequately taken into account.

Looking Ahead: The Next Generation

Christoph has four children, Wolfgang has three children, Florian has two children. What follows are brief biographies of the two eldest of the children from this group of eight children, that are of the age and professional development that their joining La Maison Köchert becomes a serious consideration.

Emanuel Köchert, born in 1986, is the eldest of Wolfgang's three children. After graduating from high school in Vienna, including with an additional goldsmith apprenticeship, he gained a BA in Industrial Design & Technology at the Brunel University London. Since then, Emanuel has gained substantial international work experience (Finland, UK, Austria, Vietnam, Germany, Switzerland) working in leadership positions in entrepreneurial companies in the new economy, including Smartly.io, Rocket Internet, Lazada Group and CupoNation.

Constantin Köchert, born in 2001, is the eldest of Christoph's four children. He graduated from high school in Vienna with an additional goldsmith apprenticeship. Constantin is currently studying business administration at the University of St Gallen in Switzerland. He has already gained professional experience in the jewelry sector by absolving two internships with jewelers outside La Maison Köchert and three internships at La Maison Köchert. He also recently gained experience in social media marketing with an international business network dedicated to the promotion of the performing arts.

Teaching Notes: Questions for Class Discussion and Reflexion (II)

After reading the entire case, please reflect upon the following questions and discuss them in class with your colleagues and your professor:

- What do you think about the path to the solution? Was it an appropriate path? What ideas for improvements do you have for this path? How would you approach the solution of such a problem as an external consultant?
- If you put yourself into the shoes of a family member that would like to join the family business, what did you learn from the case?
 - What would be helpful strategies, tactics and behaviors for achieving your goal?
 - What would be detrimental strategies, tactics and behaviors for achieving your goal?
 - Do you think you should let the concerns of Wolfgang and Christoph, discourage you from proceeding to achieve your goal?
 - What kind of personal characteristics and personal and professional competencies, experience and achievements would be helpful for you to have for achieving your goal?
 - Under which circumstances should you insist and continue to pursue your goal and under which circumstances should you desist, stop to pursue your goal, and pursue a further development of your career outside the family company?
- After reviewing the biographies of the two featured members of the next generation, what do you think is the prima facie likelihood of them eventually joining La Maison Köchert?
- If you put yourself in the shoes of Wolfgang, Christoph and Florian, what could you do to increase the likelihood of the two featured members to eventually join La Maison Köchert? What could you do to decrease the likelihood of the two featured members to eventually join La Maison Köchert?
- What would therefore be a good action plan and tactics, for Wolfgang, Christoph and Florian, if their aim is that Emmanuel and Constantin join La Maison Köchert?

Dr. Michael Hirt prepared this case. Funding for the development of this case was provided by the Association les Hénokiens. This case was developed solely as the basis for class discussion. The case is not intended to serve as endorsement, source of primary data, or illustration of effective or ineffective management.

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Exhibits

Exhibit 1: The A.E. Köchert Stores in Vienna and Salzburg

Exhibit 2: The three Köcherts currently running the firm

Exhibit 3: Timeline – Development of La Maison Köchert 1814 - Today

Exhibit 4: Genealogy, Ownership and Management of La Maison Köchert

Exhibit 5: Product Range of La Maison Köchert

Exhibit 6: Illustrious Clients of La Maison Köchert

Acknowledgements

Exhibit 1: The A.E. Köchert Stores in Vienna and Salzburg



Figure 1 A.E. Köchert Store at Neuer Markt 15 in Vienna.²



Figure 2 A.E. Köchert Store at Alter Markt 15 in Salzburg.³

²Source: <https://www.koechert.com>

³Source: <https://www.koechert.com>

Exhibit 2: The three Köcherts currently running the firm



Figure 3 Christoph, Florian and Wolfgang Köchert in front of their main store in Vienna.⁴

⁴Source: Juwelier A. E. Köchert: 200 Jahre alt und "ganz leise" (<https://www.derstandard.at/story/2000007442787/juwelier-a-e-koechert-200-jahre-alt-und-ganz-leise>)

Wolfgang Köchert

Wolfgang Köchert is Managing Director of A.E. Köchert Juweliere. After finishing school in Bad Ischl, Austria, he started his goldsmith apprenticeship in the family firm in 1984. Next to successfully finishing his master craftsman's examination in goldsmith, silversmith, and jeweler trade, he also holds a diploma as a European gemmologist. After his apprenticeship he deepened his knowledge in his field of work by gaining experience with jewelers and gem traders in Belgium and the United States before becoming Managing Director of A.E. Köchert in 1990. In the year 2011/12 he has been President of the Rotary Club Prinz Eugen in Vienna. Next to his work in the family firm and his service club, Wolfgang Köchert also is a passionate sailor, was Austrian state champion and several times vice state champion in the star boat class, likes to spend time in the mountains and is interested in classic cars and contemporary art. He is married, has three children and lives with his wife Sabine in Vienna.

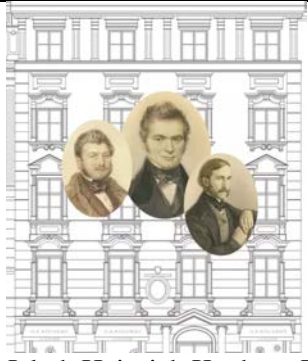


Christoph Köchert





Christoph Köchert is Managing Director of A.E. Köchert Juweliere. After finishing school followed by working as a tour guide on a guest ranch in the Rocky Mountains and military service in Austria, he studied Commercial Sciences at the Vienna University of Economics and Business Administration and graduated with an MBA (Master of Business Administration, Mag.) in 1992. Christoph Köchert has been Managing Director since 1990 but has already been working in the company during his goldsmith apprenticeship years from 1984 until 1986 and after that as member of staff until 1990. In that time, he also gained a broad experience in his field through working at jewelers and gem traders in South Africa and New York. From 1995 to 1996 he was avocational Managing Director of a large-scale exhibition project "Kunde:Kaiser" at Schönbrunn Palace, which presented the history and present of the 25 most important court suppliers still in existence on the occasion of Austria's 1000-year anniversary. Together with his wife he is very active in the catholic community of Vienna, develops and organizes lecture series and marital seminars and has been the President of the Rotary Club Wien West in 2018/19. In 2001, he became the chairman of the „Der Neue (!) Markt“ association, a club promoting and fostering the “Neuer Markt” shopping district of Vienna and the surrounding area. Since 2022, he also is member of the board of the Association les Hénokiens. He is married to Anna and lives with her and their four children in Vienna.


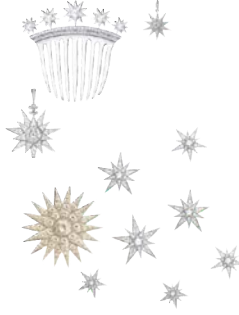


Florian Köchert




Florian completed his A-Levels at Ampleforth College boarding school (York, UK) where he developed a deep passion for Art & Design at an early stage. He studied History of Art and European Literature at the University of East Anglia in the United Kingdom, graduating with Honours in 1999. He continued his studies at the School of World Art Studies Sainsbury Institute of Visual Arts by completing his Master's Degree in the following year. His successful studies and degrees allowed Florian Köchert to gain further experience via various apprenticeships, including in the jewelry department of Christie's Auctions London, the Austrian Academy of Science in Rome and in the position of assistant to the director of the Museum Moderner Kunst Stiftung Ludwig Wien. In 2002 he started a three-year traineeship at his family's jewelry business, A.E. Köchert Juweliere in Vienna, a gemology course in Linz and a sales apprenticeship for watches and jewels. In 2004 Florian Köchert successfully completed his certified examination as a goldsmith and as a retail salesman and won the Juvenarta next Gen. Design Award in jewellery design. In 2005 he ventured into opening A.E. Köchert's second store in Salzburg, which he has run ever since. He is interested in hunting and vintage motor cars. Florian is engaged to Carlotta Heubach and they live with their two children in Salzburg.




Exhibit 3: Timeline – Development of La Maison Köchert 1814 - Today


	Historic Events	Köchert History Milestones	Typical Example of Köchert Jewelry of that Period
1814	Congress of Vienna.	Frenchman Emanuel Pioté opens up a goldsmiths' workshop in Vienna. Thanks to his artistic enameling work, it is not long before Pioté acquires an outstanding reputation.	 <p>Jakob Heinrich Köchert, Emanuel Pioté, Alexander Emanuel Köchert.</p>
1815	Battle of Waterloo: Napoleon exiled to St. Helena.		
1819	Carlsbad Decrees.	Jakob Heinrich Köchert, originally from Riga, applies to work for Pioté. He marries the Frenchman's sister-in-law, and soon becomes a partner in the ambitious goldsmiths' business. Köchert brings the art of mounting large gems with him from St. Petersburg, where he has spent his years as an apprentice.	 <p>Cross pendant: gold and emeralds, c. 1820.</p>
1827	Greek War of Independence: The Treaty of London between France, Britain, and Russia, demands that the Turks agree to an armistice in Greece.	Prince von Metternich, the most important client – and mentor – of “Pioté et Köchert”, sends a valuable arm-band to the lady who has captured his heart, the Duchess of Lieven, with the words: “To the things one manages to achieve in Vienna in style, belongs everything to do with jewelry and precious stones.”	 <p>Flower tiara: diamonds, c. 1840 Duchess of Lieven with jewelry from Pioté und Köchert, c. 1820 Tag: „Pioté & Köchert, Joailliers de la Cour de S.M.I. & R.“</p>

<p>1831</p>	<p>The New England Anti-Slavery Society is formed by abolitionist William Lloyd Garrison in Boston.</p>	<p>The Austrian Emperor Franz I – the “Kaiser”- commissions the ambitious company to produce a gold box for the Turkish ambassador. A year later, the coveted honorary title of “Kaiserlich Königlicher Hofjuwelier”, or “Imperial Royal Court Jeweler” is bestowed upon Pioté and Köchert.</p>	 <p>Gold box engraved, c. 1830.</p>
<p>1838</p>	<p>The first steamship from Europe arrives in New York Harbor. Start of scheduled steamship service across the North Atlantic between England and New York. Compared to a sailing ship, the travel time is reduced by half.</p>	<p>Production of the imperial insignia to mark the coronation of Kaiser Ferdinand as King of Lombardy-Venetia.</p>	 <p>Emperor Franz I, 1832 Emperor Ferdinand I, ca. 1838 Design: Orb of Lombardy-Venetia by Peter Fendi c. 1838.</p>
<p>1844</p>	<p>Samuel Morse sends the first telegraphic message in the Morse alphabet from Washington, D.C. to Baltimore. Charles Goodyear is granted a patent for the vulcanization of rubber.</p>	<p>Alexander Emanuel Köchert joins the company. Under his stewardship, Köchert is destined to become one of Europe’s foremost jewelry houses. To this day, every piece of jewelry which leaves the workshop at the company’s headquarters on Neuer Markt is hallmarked with his initials, “AEK”.</p>	 <p>Brooch and earrings: Gold, c. 1835; hallmark AEK.</p>
<p>1848-1849</p>	<p>Revolutions across Europe.</p>	<p>Not quite 50 years after its founding, the company Köchert is already about to reach its first high point: Kaiser Franz Joseph appoints Jakob Heinrich Köchert as his personal jeweler – the Imperial Royal Court and Chamber Jeweler.</p>	 <p>Picture frame: Franz Joseph I, enamel, various gemstones, 1873.</p>

1854	Crimean War	Six years after his coronation as the Austrian Kaiser, Franz Joseph marries the ravishingly beautiful Princess Elisabeth von Bayern. That same year, Alexander Emanuel Köchert takes over the management of the company from his father.	 <p>Empress Elisabeth with diamond stars from La Maison Köchert, 1865.</p>
1858	British Crown takes control of India from the British East India Company and makes India a British colony in 1862.	Kaiser Franz Joseph commissions Köchert to create a set of 27 diamond stars for Elisabeth – “Sisi” – which the Kaiserin has artistically plaited into her hair. By doing so, Sisi triggers a fashion throughout Europe: suddenly, stars are <i>en vogue</i> wherever one looks.	 <p>Design drawings and photos: diamond stars of Empress Elisabeth, c. 1860.</p>
1870	Franco-Prussian War; proclamation of German Empire.	As the Chamber Jeweler, Alexander Emanuel Köchert is also entrusted with the supervision of the Imperial treasury. Under his guidance, the Austrian imperial crown is furnished with an intricate edging of pearls. By doing this, Köchert completes the previously unfinished imperial regalia.	 <p>Austrian imperial crown, completed by Alexander Emanuel Köchert in 1870.</p>
1880	<p>Thomas Alva Edison is awarded U.S. patent number 223898 for his invention of a better light bulb.</p> <p>Vincent van Gogh makes the decision to become a painter.</p>	Heinrich and Theodor Köchert take over the helm at the company – the third generation of the family to do so. Something like 50 goldsmiths are now creating outstanding, much-admired tiaras and necklaces at La Maison Köchert. By now, Köchert is being mentioned in the same breath as the other great jewelers of Europe, such as Mellerio, Bucheron and Cartier.	 <p>Brooch: rubies, diamonds, pearl, c.1890.</p>

<p>1908</p>	<p>The first Ford Model T is produced in Detroit.</p> <p>The Frenchman Henri Farman achieves the first powered flight over a distance of more than one kilometer with his Voisin bi-plane. He was awarded the Grand Prix d'Aviation for this achievement.</p>	<p>As the Ottoman Empire gradually collapses, a series of new monarchies, such as the Tsardom of Bulgaria, begins to emerge along Europe's eastern border. The crown jewels of the new tsardom are ordered from Köchert. An exquisite tiara of lilies is produced for Tsarina Maria Louisa, who has originally been born into the Bourbon family.</p>	 <p>Maria Louisa of Bulgaria; design drawing: tiara of lilies for Tsarina Maria Louisa of Bulgaria, c. 1910.</p>
<p>1916</p>	<p>The Battle of Verdun (WW I) begins.</p>	<p>The death of Kaiser Franz Josef at the height of World War I heralds the end of an era. His successor, the young Kaiser Karl and his wife Zita, order a vast array of pieces of jewelry of all shapes and sizes featuring their initials from Köchert. These are used to honor personalities deemed worthy, or serve as gifts for guests at the royal household.</p>	 <p>Design drawing: Karl and Zita armband; "K" armband: gold, enamel and diamonds, gift to guest from Kaiser Karl, c. 1915.</p>
<p>1928</p>	<p>Bacteriologist Alexander Fleming accidentally notices that one of his staphylococcus cultures, in which molds of the genus Penicillium have gotten into, has been killed. His further investigations lead to the development of the antibacterial substance penicillin.</p>	<p>As a consequence of the break-up of the Ottoman Empire, Albania, too, becomes a monarchy. The country's new rulers desire sufficiently prestigious jewelry, and turn confidently to the Kaiser's jeweler to fulfil their needs. King Zogu's crown, along with a tiara for each of his six sisters, are created by La Maison Köchert.</p>	 <p>Cigarette case: gold and enamel, design by Erwin Lang, c. 1930; design drawing: Capricorn tiara for the wife of the Albanian king, c. 1930.</p>

<p>1945</p>	<p>End of WW II. Germany and Austria are divided into occupation zones.</p>	<p>The Second World War, and subsequent construction of the Iron Curtain just a few kilometers east of Vienna, prove to be further major turning-points for La Maison Köchert. It means important markets are lost overnight – while at the same time, new opportunities are born with the beginning of mass tourism.</p>	 <p>Brooch: diamonds and pearls, design by Erwin Lang, c. 1948.</p>
<p>1989</p>	<p>Fall of the Berlin Wall: anti-communist revolutions across eastern Europe</p>	<p>Following the untimely deaths of their fathers (in 1986 and respectively 1991), cousins Wolfgang and Christoph step in and take over responsibility for the destiny of La Maison Köchert in 1991. Working on the basis of a long history in jewelry, they develop a new, classically Köchert style; “Sisi’s Stars” are revived using the original designs, and prove to be a triumph. But there’s more: the Köchert watch is introduced.</p>	 <p>Köchert watch: 18kt gold, available since 1995 “Kaiserin Elisabeth“ diamond star, 2014 Christoph, Wolfgang and Florian Köchert.</p>
<p>2005</p>	<p>Angela Merkel becomes German Chancellor, George W. Bush begins his second term.</p>	<p>A second store opens in Salzburg under Florian Köchert’s management in 2005.</p>	 <p>Florian Köchert in front of the new store in Salzburg.</p>

<p>2022</p>	<p>Russian invasion of Ukraine, followed by a mass exodus, worldwide protests, and sanctions against Russia.</p> <p>Incumbent President Emmanuel Macron is elected for a second term in France's presidential election in a runoff against Marine Le Pen.</p>	<p>After overcoming the challenges of operating through a huge building site lasting three years, Neuer Markt in Vienna rises from the ashes in all its new splendor. It is quickly restored to its rightful place as one of the most beautiful spots in central Vienna.</p> <p>Also in 2022, it was possible to further expand the location in Salzburg and to enlarge and refurbish the store, to take it to the next level.</p>	 <p>Neuer Markt in Vienna.</p>
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Source: <https://www.koechert.com>

Exhibit 4: Genealogy, Ownership and Management of La Maison Köchert

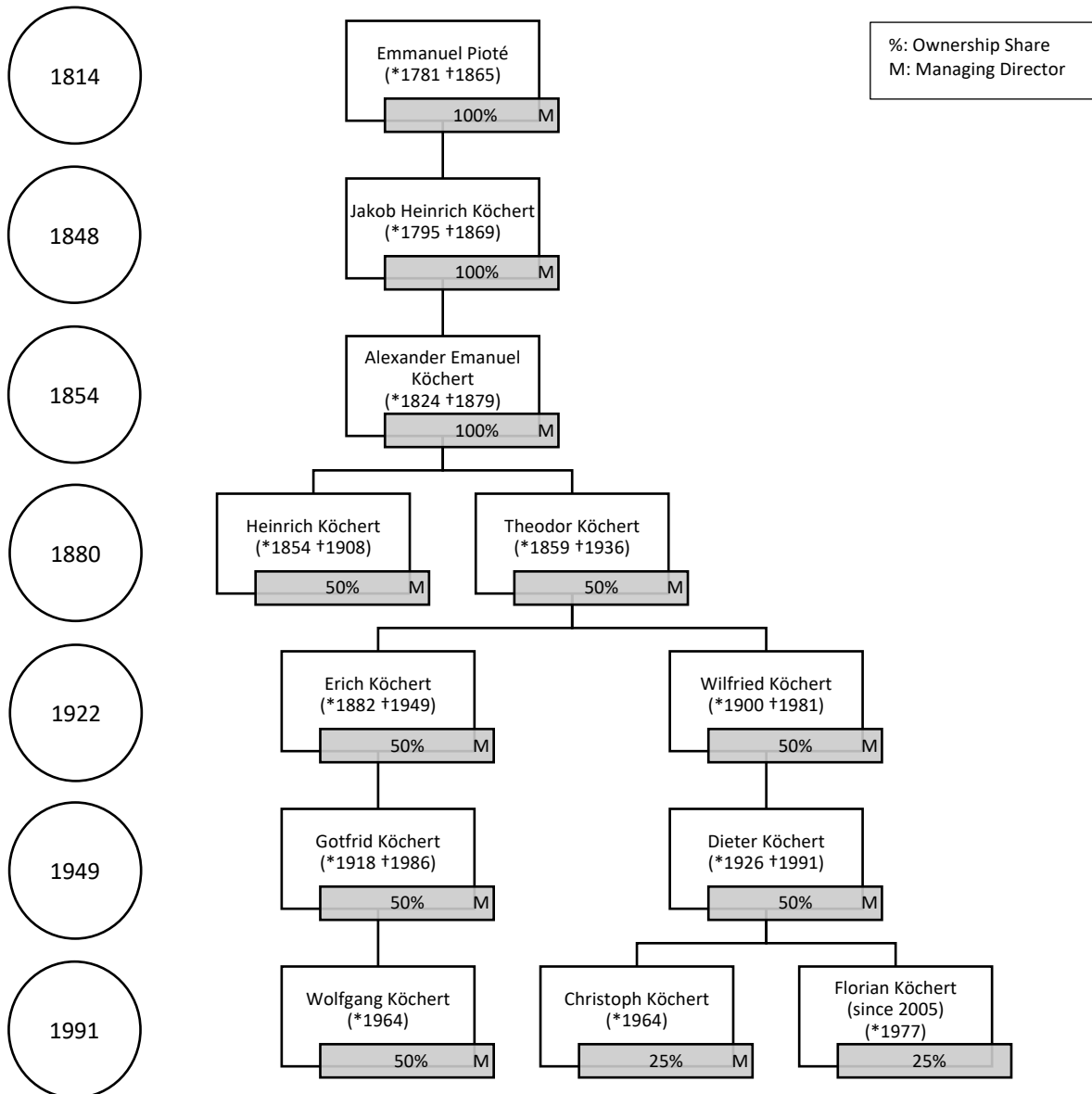







Exhibit 5: Product Range of La Maison Köchert

In the studio on the first floor of A.E. Köchert's headquarters in Vienna, goldsmiths meticulously handcraft individual pieces based on designs by designers. Following a cherished tradition, A.E. Köchert also commissions interesting contemporary artists to reinterpret jewelry and let their signature speak in precious pieces.



A small overview of A.E. Köchert typical jewelry pieces, as well as Made to Measure unique pieces are shown here.




a) Made to Measure



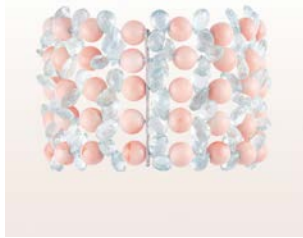
Show Pieces	<p>For the aristocracy and bourgeoisie of the 19th century, magnificent tiaras were the highlights and show-pieces of the family jewelry. Invitations to grand balls and wedding soirées would often include the words “diadème si possible”, and there was a veritable “tiara boom” between 1880 and 1918. These pieces of jewelry didn’t just embellish the ladies in question tremendously; they were also popular statements, designed to underline a family’s social status and importance.</p> <p>Today, in the 21st century, tiaras are enjoying a renaissance.</p>	
Engagement Rings	<p>Many newly-engaged couples pay homage to this hugely personal decision with a piece of jewelry that is equally special and individual to them. Together with our specialists, they create an engagement ring according to their individual ideas that speaks its own very special language.</p> <p>Feelings, mutual experiences, visions of a shared future together – all these things and more can be expressed in an unmistakable piece of jewelry.</p>	
Signet Rings	<p>Our clients like to give signet rings to loved ones as one part of a rite de passage, to mark a new chapter in life – as the education of a young member of their family’s draws to a close, for example. This can help with the process of breaking free from the parental home, as it remains a sign that the young person in question continues to belong to that whole and remains closely bound to other family members.</p>	


<p>Stone Portraits</p>	<p>Jewelry has a strong emotional dimension, and in contrast to people and feelings, it lasts forever. Portraits in stone make it possible for us to remember much-loved people in our lives – forever. It can do just the same thing for us with family pets and animals close to our hearts, the things we love and hobbies we follow with a passion.</p>	
<p>Honors & Distinctions</p>	<p>Would you like to honor extraordinary performance with an undeniably unforgettable gift? Pieces of jewelry that distinguish those receiving them have a long and proud tradition for us.</p> <p>Examples include the Sub Auspiciis Praesidentis rings, which were being referred to as Sub Auspiciis Imperatoris at the time of the Kaisers.</p> <p>Today, just as then, university graduates who have performed uniquely well are honored.</p> <p>Then there is the Philharmonic Ring, which the world-famous orchestra presents to personalities deemed deserving of such an honor.</p>	

b) Collections

<p>Haute Joaillerie</p>	<p>For two centuries, subtle precious stones – and the opulent pieces of jewelry we use to produce them – have been our passion. And that’s one thing of which we’re absolute certain – they will always be there, the great occasions and major life events which are honored and celebrated with such jewelry.</p>	
<p>Sisi Stars</p>	<p>The stars of Kaiserin Elisabeth are one of the most famous sets of jewelry ever to have emerged from Austria. Sisi owned no fewer than 27 of these diamond stars, which she could wear as a necklace, tiara, pendant, brooches or as hair adornments.</p> <p>Alexander Emanuel Köchert, the Royal and Imperial Court and Chamber Jeweler, designed and produced the stars for the Kaiserin. In an homage to a remarkable woman, we have revived Kaiserin Elisabeth’s stars according to</p>	






	<p>the original designs. Like their predecessors, they can be worn as brooches, pendants and hairpins.</p>	
<p>X-Changeables</p>	<p>La Maison Köchert’s ambition has always been to create jewelry that the wearer could wear in a range of different ways. A diamond necklace that could be transformed into a magnificent tiara with just a few touches, for instance. With our X-Changeables, we take this desire for spontaneous change further still, with drop earrings featuring upper sections and pendants that can be combined as, how and when the wearer feels it should be so.</p>	
<p>Coccinella</p>	<p>In the years leading up to the First World War, the Wiener Werkstätte developed new knotting techniques that suddenly made it possible to attach glass balls to sumptuous necklaces, ear jewelry, scarves and bags. In the 1990s, as more modern polishing techniques began to emerge, we also began using the new and more refined technology to process real precious stones into very special pieces of jewelry that live and breathe the spirit of the Viennese design tradition.</p>	
<p>Hunting Jewelry</p>	<p>All of us at Imperial and Royal Court Jewelers A.E. Köchert have been perfectly conversant with hunting for as long as we can remember – the Kaiser himself was a hugely passionate hunter, after all. As a result, we were able to create a vast array of elegant hunting jewelry for him and his hunting party, using a mix of GrandIn – the rare eye teeth of deer or stags – gold and precious stones. Our mission today? To interpret this proud tradition in a new and modern way.</p> <p>We will be pleased to advise you personally about something you would find truly special when out hunting, and to create unique hunting insignia in accordance with your wishes. Please feel free to bring your GrandIn or other trophies with you when you visit us: we’ll use these to create something genuinely decorative for you to wear while hunting.</p>	

<p>Jade</p>	<p>There's just no end to the positive energy one could communicate about jade. It first gained renown thanks to the Emperors in China, who designated it a "heaven stone". The Aztecs and Mayans also prized jade, considering it even more valuable than gold. They revered the stone as the "stone of love", which was believed to transform friendship into inner love. The Conquistadors named it piedra de ijada – loin-stone – because the indigenous peoples would use it to treat kidney ailments. This is also where the name "nephrite" originated. Jadeite is also part of the jade mineral group, of course.</p>	
<p>Artists & Designers</p>	<p>Part of the Köchert family and company tradition since time immemorial has been for famous artists to drop by at our office on Neuer Markt and create unmistakable pieces of jewelry in fertile collaborative projects with the master goldsmiths working at our studio.</p>	
<p>Stoned</p>	<p>Piercing beautifully-colored precious stones, then threading these, is probably one of the oldest ways we have of adorning ourselves with natural beauty. It's safe to assume Fred Flintstone would have given Wilma necklaces created in this way as a gift on their anniversary.</p> <p>Erwin Lang, whose designs had a huge impact on our company from the 1920s through to the 1960s, re-interpreted this ancient tradition, creating unmistakable colored necklaces, ear jewelry and armbands. Jewelry featuring precious stones has been an enduring component of our collections ever since.</p> <p>It stands out thanks to the virtually inexhaustible number of different ways in which such colors and forms can be combined.</p>	

<p>Gentlemen's Jewelry</p>	<p>Choosing the right gift for a man isn't easy. They rarely wear earrings or necklaces, and when it comes to rings, a wedding ring is often the closest they come to expressing the emotions often contained therein. Pay us a visit, however, and you're sure to come out with an idea or two that could really work for your man. How about cufflinks with colored stone cabochons, for example? Or our best-sellers, the ball cufflinks.</p> <p>Tailor buttons, signet rings or the Köchert watch will also make fabulous gifts for the man in your life. We'll be happy to advise you on selecting a gift as individual as he is.</p>	
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c) Jewelry Types

<p>Rings</p>	
<p>Earrings</p>	
<p>Colliers</p>	

<p>Bracelets</p>	
<p>Pendants</p>	
<p>Brooches</p>	
<p>Cufflinks</p>	
<p>Köchert Watches</p>	

Source: <https://www.koechert.com>

Exhibit 6: Illustrious Clients of La Maison Köchert

Prince Klemens of Metternich (*1773 †1859)

Dorothea Princess of Lieven (*1785 †1857)

Philipp Haas (*1791 †1870)

Emperor Ferdinand I of Austria King of Lombardy-Venetia (*1793 †1875)

Eduard Baron of Todesco (*1814 †1887)

Gustav Knight of Epstein (*1828 †1879)

Empress Elisabeth “Sisi” of Austria-Hungary (*1837 †1898)

Karl Wittgenstein (*1847 †1913)

Emperor Francis Joseph I of Austria-Hungary (*1848 †1916)

Gustav of Mauthner (*1848 †1902)

Anton Dreher the Younger (*1849 †1921)

Katharina Schratt (*1853 †1940)

Archduke Rudolf, Crown Prince of Austria (*1858 †1889)

Anna Sacher (*1859 †1930)

Princess Stéphanie of Belgium (*1864 †1945)

Richard Strauss (*1864 †1949)

Emperor Charles I of Austria-Hungary (*1887 †1922)

Zita of Bourbon-Parma (*1892 †1989)

King Zog I of Albania (*1895 †1961)

Geraldine of Albania (*1915 †2002)

Princess Maria Louise of Bulgaria (*1933)

Sources:

<https://www.koechert.com>

https://de.wikipedia.org/wiki/A._E._Köchert

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