

3,500 miles away from the **Tiffany & Co** headquarters on New York's Fifth Avenue, in a pretty building off London's Fulham Road, an idea was born that led to a big shakeup this week at the storied jeweler.

Earlier this week, Barry Rosenstein's **Jana Partners** announced a 5.1% stake in Tiffany, as well as a settlement that saw the appointment of three new board members, including Francesco Trapani, the former CEO of Bulgari, chairman of LMHV's watches division, and, for the past two years, a private equity adviser. Included in the activist's regulatory filing were two notable disclosures. The first, that Trapani had invested \$16 million of his own money alongside the hedge fund. The second, that Jana was "advised in its investment by Bluebell Partners."

A small boutique operating from London, Bluebell is the brainchild of Italian investment bankers Giuseppe Bivona and Marco Taricco. Among other things, it generates investment ideas that it shares with activists, often putting its own capital to work alongside the more prominent funds. One activist who has worked with Bluebell on a campaign says the pair have a better understanding of what an activist looks for than many others who come through the firm's doors to pitch, and add value "throughout the process."

Taricco, who I spoke to on Thursday, said the idea underpinning Bluebell is that activism is increasing on Europe's shores. "We've seen it," he says, "and we think it will get bigger over the next ten years."

Starting with the Italian banking system, where it raised concerns about Monte dei Paschi di Siena, Bluebell now focuses on situations across Greece, Germany and the U.K., and has worked for an investor in **Mediaset**, **Elliott Management**, **TCI Fund Management** and now Jana, Taricco says. At Italian signaling firm **Ansaldo STS**, where major shareholder Hitachi built its controlling stake through a much discussed transaction, Bluebell pitched Elliott, which subsequently became involved. Bivona was elected to the board as part of a slate representing minority investors, a common feature in Italian companies, and subsequently dismissed, [in effect, for asking too many questions](#). [The fight continues](#).

An interest in the luxury consumer goods sector led the firm to uncover Tiffany, which it then started analyzing with Trapani, an old connection from his days at Bulgari. At a time when plenty of luxury brands are either being targeted by activists, approached by strategic buyers, or rumored to face one or other (**Kate Spade & Co**, **Burberry** and **Hugo Boss** all spring to mind), Tiffany is representative of a theme.

Things clearly developed quickly, with Jana's regulatory disclosures showing that it held no stake in the jeweler at the end of 2016. By the beginning of this week, it had disclosed a full cooperation agreement that gives Trapani a seat on the committee responsible for picking the company's next CEO. Tiffany has also indicated that it may encourage the retirement of several directors on age grounds, hinting at less consensual elements within the boardroom. Its current chairman and interim CEO, Michael Kowalski, plans to give up both roles eventually.

The speed with which Tiffany became a target is also surprising given that Trian Partners only completely exited its six-year investment in the company last year; the activist's co-founder Peter May still sits on the board as a favor to the company. In its regulatory filing, Jana cites "potential opportunities to accelerate top line growth and expand margins, supply chain, working capital and the composition of the board." Only a part of that has been addressed so far.