

Corporate management in the levis Strauss company



Objective of Report:

To submit my reflections of corporate management in action using Levis Strauss Company as I am a proud customer of this brand . I wanted to access the strength of Levis brand equity along with its brand loyalty and brand image ownership that prevents customers from being switchers to the competitors due to highly ethical and corporate socially responsible company Levis Strauss is able to have a global network.

Company Background

In 1853, Bavarian immigrant Levi Strauss founded Levi Strauss and Company which is now the world's largest brand-name apparel marketers with sales in more than a hundred and ten countries. The company's market-leading apparel products are sold under the brands of Levi's, Dockers and Levi Strauss Signatures. It was in 1873 when the Levi's jeans, the world's first jeans, were born when Levi Strauss and Jacob Davis, a tailor from Nevada, patented the process of putting rivets in pants to make it stronger. The company employs a staff of roughly 8, 850 people around the world including approximately a thousand people at its San Francisco, California headquarters. As a global corporation, Levi Strauss and Co. is organized into three geographic divisions:

- (1) Levi Strauss, North America – based in San Francisco headquarters
- (2) Levi Strauss Europe – based in Brussels, and
- (3) Asia Pacific Division – based in Singapore.

Business Model: Sustainability from cradle to grave at Levis

Running a profitable business while championing sustainability makes for a comfortable fit at Levi Strauss & Co., where environmental awareness is now woven into every aspect of the life cycle of the firms iconic products. From the way the raw material for the fabrics used to make its clothing is grown to how the products are designed, created, distributed, sold, and ultimately cared for by end users. More than 20 years ago, Levi Strauss & Co. put forward a radical concept in the apparel industry when it established its

Terms of Engagement, a workplace code of conduct for its suppliers. Over time, those rules evolved to spell out environmental safeguards and employment standards that addressed such issues as child labor, forced labor, working hours, wages and benefits, freedom of association, discrimination, health and safety, and environmental practices. When Levi Strauss & Co. first delivered those terms to its suppliers, competitors thought the company was losing its competitive edge in the global marketplace. Levi Strauss & Co. once-radical outlook has become standard practice at leading firms in the apparel industry. Just as Levi Strauss & Co. profits through principles approach to business has been at the forefront in implementing some of the first manufacturing standards in the apparel industry, today it informs the companys commitment to building sustainability into everything it touches. Many years of robust expansion in the 1990s and early 2000s took a different tack, and growth effectively masked inefficiencies in businesses across the spectrum. Driving toward a profitable and sustainable business model is an evolutionary process that requires a comprehensive reassessment of processes and priorities.

Levis Business Strategies

The management team of Levis is actively investing in strategies to grow business, respond to marketplace dynamics and build a competitive strengths. Companies key long-term strategies are:

- Build upon company's brand's leadership in jeans and khakis. Levis intend to build brand equity and design and marketing expertise to expand the reach and appeal globally. As an example, in 2010 Levis introduced new

Levi's® Curve ID fit system for women.

<https://assignbuster.com/corporate-management-in-the-levis-strauss-company/>

- Diversify and transform wholesale business. Levis is intending to develop new wholesale opportunities based on targeted consumer segments . They are currently focused on generating competitive economics and engaging in collaborative volume, inventory and marketing planning to achieve mutual commercial success with its customers.
- Accelerate growth through dedicated retail stores. Levis is continuing to seek opportunities for strategic expansion of its dedicated store presence around the world. Company believe dedicated full-price and outlet stores represent an attractive opportunity to establish incremental distribution and sales as well as to showcase the full breadth of its product offerings and to enhance the brands' appeal. Levis aim to provide a compelling and brand-elevating consumer experience in dedicated retail stores.
- Capitalize upon global footprint. Company's global footprint is a key factor in the success of the above strategies. it intend to leverage expansive global presence and local-market talent to drive growth globally and will focus on those markets that offer us the best opportunities for profitable growth, including an emphasis on fast-growing developing markets and their emerging middle-class consumers, such as the recent launch of our Denizen TM brand in certain markets in our Asia Pacific region.
- Drive productivity to enable investment in initiatives intended to deliver sustained, incremental growth. Levis is focused on deriving greater efficiencies in operations by increasing cost effectiveness across its brands and support functions and undertaking projects to transform supply chain and information systems. company intend to invest the benefits of these

efforts into businesses to drive growth and to continue to build sustainability and social responsibility into all aspects of our operations, including our global sourcing arrangements.

Organizational culture

Levis hire high-caliber team players who share companies values and drive to be first, fast and best. Levis promise an open team environment where employees can be honest, direct and supportive.

Cultural web

A culture web represents culture as an interlinked set of organisational subsystems

in which the paradigm drives the visible manifestations of culture, such as the organisational symbols, routines and rituals, stories, control systems and structures. The use of such a framework can prevent overestimation of the extent of change required.

paradigm: we are the best; we set the standards; we know best; we occupy the

middle ground; we are synonymous with high quality; people respect us and will

always shop at Levis Strauss.

power: very top-heavy with deference to top management; male dominated

organisation: mechanistic, bureaucratic; top-down; hierarchical

control: top-down control in detail both of the stores and of suppliers;

insistence on conformity

rituals and routines: deference; store layout; family atmosphere.

stories: power over suppliers; authoritarian behaviour of top management;

staff welfare benefits

symbols: identical store appearance

The picture that emerges of Levis Strauss is one of tradition, set ways of doing things and huge self-confidence. It is an internalised system where everyone knows their place and their role. In times of success it would ensure the continued delivery of that success. In terms of threat or downturn it would be very difficult to change and would insulate the firm from seeing the problems.

CORPORATE SOCIAL RESPONSIBILITY : LEVI'S STRAUSS

Giving Back Never Goes out of Style

Levi Strauss & Co. has been giving back to communities for over 150 years through employee volunteering, corporate sponsorship programs that mobilize resources and create authentic partnerships in communities around the globe to address HIV /AIDS , equality and sustainability. These efforts not only create positive impact in communities but they also help to increase reputation and build value for brands. The Foundation focuses on making a difference in three issues – Asset Building, Workers Rights and HIV /AIDS , while also supporting programs that advance the fields of philanthropy and <https://assignbuster.com/corporate-management-in-the-levis-strauss-company/>

human rights. Its business mantra, “ adopt, adapt, invent,” also is very important.

Corporate governance

Ethics

The Impact of Globalization:

As a result of globalization all the products were produced where expenses are lowest like south east asia. in USA production cost was high so no jeans were sewed there. The originated products were then sold all over world whre profits were high. Levis shifted all production to south and east asia as the wages and labour charges were only 32 cent that helped country in maximizing the profit margin while keeping labour cost as low as possible. Leviss Strauss & co took full advantage of the bad social circumstances in low-wage-regions. Furthermore it costs jobs in the USA (from the 800 women employees in Texas were 80% Hispanic poor immigrants) growing unemployment due to recession.

Levi Strauss & Co. Global Sourcing.

Levi Strauss & Co. seeks to conduct its business in a responsible manner. Company believe this is an important element of corporate reputation which contributes to the strength of there commercial success. As Levi expand marketing activities abroad, and work with contractors and suppliers throughout the world to help meet customers’ needs, it is important to protect Company’s reputation in selecting where and with whom to do business.

Levi Strauss & Co.'s Global Sourcing & Operating Guidelines include the Business Partner Terms of Engagement, which address workplace issues that are substantially controllable by individual business partners

A BRIGHT FUTURE .

Introduced in 2010 and headquartered in Asia, Denizen™ is the company's first brand launched outside of the United States. Denizen™ means inhabitant, belonging to a community of friends and family. The name reflects “denim,” the heart of the brand. The Denizen™ collection is designed with the standards of construction and craftsmanship that have made Levi Strauss & Co. famous around the world. It's outfitting a new generation of upwardly mobile youth with great fitting, quality jeans wear and other fashion essentials at affordable prices. With retail and franchise stores in China, India, Singapore, South Korea and Pakistan, Denizen™ is reaching a vital, growing consumer base. After its successful debut in Asia, Denizen™ is expanding its global reach. The brand will join Signature by Levi Strauss & Co.™ in the United States and Mexico as a product line dedicated to consumers seeking high quality jeans and casual wear at an affordable price. Levi is incorporating sustainability into everything company do: from jeans made with less water to our new green head QUARTERS to ENGAGING consumers to RESPONSIBLY CARE FOR THEIR CLOTHES WHEN THEY GET HOME . It's thinking about fashion 15 years from now; leading, not following.

GREENING OUR NEW HOME

Denim is at the heart of Levi Strauss & Co. – and it's also at the core of our recently renovated headquarters in San Francisco. This project was the perfect opportunity to showcase compan's commitment to values. With <https://assignbuster.com/corporate-management-in-the-levis-strauss-company/>

sights set on obtaining LED certification for green building practices, the renovation was designed and built with sustainability and environmental practices from energy efficient lighting to using recycled denim as insulation. Levis Strauss & Co building now showcases the latest in sustainable practices, including 140, 000 square feet of insulation made from recycled denim, or the equivalent of approximately 25, 500 pairs of jeans. The newly remodeled building also offers an “ open window line” design, allowing more natural light to fill the office space. To complement this design, light sensors were installed throughout the building to automatically turn off lights as natural daylight comes in.

The project is part of company’s overall commitment to reduce climate impact by reducing our energy consumption and moving to the use of 100 percent renewable energy. Levis Strauss & Co is on track to reduce greenhouse gas emissions in our owned and operated locations by 11 percent worldwide by the end of 2011 compared with 2007 levels.

CONCLUSION

After conducting the reflective analysis of Levi’s as a brand I get to know a lot of information about the importance of learning this Unit and applying it to reputed brand. If all the factors can be summarized as follows:

- A brief knowledge of the history & and the product , brand portfolio of the Levis brand
- Analysis of the impact of globalization on the Levis brand

- Analysis of the pricing strategies & recent developments in the pricing strategies
- Analysis of key performance indicators of Levis Strauss & Co.
- Analysis of the marketing communication strategies adopted by the brand.
- Analyzing the consumer preferences and tastes of the consumer and the entire brand building process

We can also conclude from the analysis of Levi's brand that to maintain sustainable brand equity Levi's must keep a keen eye on the change in the consumer tastes and preferences and well as the movement of the competitors.

Key Performance Indicators