

Strategic management analysis: nike



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Nike Inc

Strategic Plan Analysis

Introduction

Nike is the leading corporation in the world, which deals in equipment supply & sportswear. It is a US based company and established in 1962 by Bill Boverman & Philip Knight in the name of Blue Ribbon Sports. Later it was changed to Nike Inc in 1978. Headquarter of the company are located in Oregon, which is near Beaverton, the USA. It is the major manufacturer and supplier of apparel and athlete shoes. The business practices and manufacturing methods of Nike Inc are based on innovation.

Mission statement

Mission of the company is to become the best shoe provider, which delivers best services to its customers.

Vision statement

The vision statement of the company is to assist every athlete in developing motivation and creativity throughout the world.

Goals and objective

Goal of the company is to utilize the innovative ideas in order to manufacture quality athlete shoes and attire for the world. There are various objectives of the company, but the most significant one is to become the leader through different activities, which exhibit concern for those who are associated with Nike, such as customers, employees and suppliers throughout the world.

Management style at Nike

Former CEO, Philip Knight played a vital role in the establishment of strategic management. His style of management is described as the idiosyncratic, which is very personal and distinctive. The mode of management in Nike is described by strategic planning. CEO of Nike reflects broad mindedness as the management style at Nike is based on different aspects, such as the conservative decisions and planned risks. Implementation of management style is based on a thorough analysis of internal as well as external environment. Decision making style of Philip Knight reflects participative method. Knight is a daring person and able to make independent decisions, but before going to consider any decision, he invites the management team to give their views and suggestion on a particular subject.

Management style of Nike differs greatly with the management style of Toyota, as it employs the concept of quality across all the levels of management. Basically, Nike is a home region company; 99 percent of its production is outsourced to south East Asia. The products of Nike are being supplied by the employees from independent contract companies, which do not form the part of ownership but are component of supply chain network. From these independent firms, the management at Nike is indirectly accountable for the working conditions of employees. Nike gives immense focus on the sales. On the other hand, Toyota focuses on cutting down the number of human labor by adopting the system of Just in Time (Rugman, 2005). This system helps to maintain appropriate inventory level and ensures correctness in every step of assembly process.

Nike's management style is characterized by the approach towards team management. Top management is composed of the dedicated executive groups having huge knowledge and skill. The group is highly oriented towards the team. This management style has led to the development of faith and esteem (Heller, 2008). This culture of company extends throughout organization. On the other hand, Management style at Toyota is also very effective, as it implements the philosophy of production system into manufacturing procedures. The policy enhances honesty and innovation among the employees, which further assists them to produce quality goods and services. The production system at Toyota is formulated on a strong channel of suppliers and equipment manufacturers. Management team applies those policies, which perform in an interactive manner throughout the distribution networks. Apart from this, similarity lies in their focus of developing the global brand in terms of the quality and style (Knowledge Management Practices at Toyota Motors, 2005).

Total Quality Management Style in Toyota

Toyota successfully adopted the system of total quality management. Earlier, the company adopted the American method, which says that machines should be operated until they are broken. The engineer should be called only after this situation. This approach resulted in a decrease in the productivity. But Toyota has always adopted a learning attitude and as a result, it underwent transformation. In the first step, workers were assigned with the responsibility of handling individual machines. In the next step, workers were supposed to keep the documentation of the machine in the special

notebooks. In this notebook, they were supposed to document the operation of machine along with the maintenance history.

In the further step, they concentrated on the cleaning of dirt, for which they designed particular guards and covers. In the last step, they went for the practices of systematic maintenance. All these procedures helped Toyota in redesigning and making modifications in the parts and above all, these processes led to the building of highest quality cars and as a result, it became the most profitable car manufacturer. Considering Nike, its strategy always focused on encouraging customers to buy the products and the investors to purchase the stock. In spite of this, the production of Nike suffered because of its poor labor law and less focus on the workers conditions (Nike Dispute, 2008). Therefore, in order to implement the Total quality Management, Nike should give emphasis over the overall aspects of the organization.

Integration of TQM in Nike

TQM implies Total Quality Management; it is a management function and implemented in each business practices through different activities, such as customer feedback and research on their needs and demands. TQM practices of Toyota are based on the quality measures and focus on active participation of every employee in the quality based practices to achieve long term success. TQM practices of Toyota can be incorporated into Nike by shifting its focus on quality measures. The methods involve assessment in a rigorous manner and designing all features of Nike. Management team of Nike should consider each and every aspects of organization and must initiate the TQM practices from the top position (Heller, 2008).

In order to implement TQM system, there is a requirement of increasing the level of accountability among the employees, which in turn can assist them to achieve the goals successfully, so Nike should also consider this aspect in the implementation of TQM practices. To ensure quality in the products and goods, Nike should involve practices to enhance customer satisfaction, which were also used by Toyota. Apart from this, Nike should also give emphasis on establishing achievable goals and objectives, so as to ensure quality practices as a means of TQM methodology (Heller, 2008).

Conclusion

From the above discussion, it can be concluded that the participative style of management, which is followed in the Nike serves as strength. Nike's continue focus on the market of high end, increase of market share in the middle and focus on the small price ranges have broaden the product spectrum of Nike. In order to implement the Total quality Management, eight important aspects must be given due consideration, which includes:

Principles, Integrity, Trust, Training, Recognition, Teamwork, Leadership and Communication. Nike should focus on improving labor relation and conditions of factory at the production system. To make TQM successful, supervisor must show his full commitment in leading his employees and must try to develop faith and promise by implementing practices of TQM. There is a huge requirement of dedication and personal involvement from top management. Last but not the least, clarity in the goals and objective can help in making the employee satisfied and would assist in gaining their corporation.

References

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