

# [Case analysis of coach inc](https://assignbuster.com/case-analysis-of-coach-inc/)

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Nowadays companies have been   implementing strategies that are geared towards improving their performance so that they effectively compete in the world market. In this analysis we look at Coach Company that has successfully implemented strategies that made it to have high sales against its competitors.

Coach Inc is an American company that was founded in the year 1941 and has its headquarters in New York. It started as afamily-owned business in Manhattan New York and was started by the American designer known as Bonnie Cashin. It deals with the designing and making of luxury lifestyle handbags and accessories. It also provides personal and corporate coach training . The primary products of the company are handbags, women and men accessories, footware, wearables, business cases, sunwear watches and travel bags. Product line accessories include women and men’s belt, women pieces and cosmetic cases, company wearable such as jackets, sweaters, gloves, hats and scarves. Company sells its products through company related stores in North America and Japan, internet, the local catalog as well as direct channels as departmental stores in North America, international departmental store and specialty retailers.

The company maintains a profit margin that is higher than that of its competitor design brands. Its longer production runs and lower cost of production enables it to trade in countries such as China and Dominican Republics. It also takes advantage of economies of scale that is much better that its higher –priced and less profitable counterparts. Has shown consistent growth in the North American and Japanese market since the year 2001where it started trading in the stock exchange. It has been the market leader in the United States of America and has had roughly 10% market share in Japan (Courtney, M. 2002).

Strategic issues that company has been facing

Coach Inc has been facing intense competition from its rival in both domestic and global market. The American economy has been weak for a long time due to political instability thus contributed to deteriorating performance of the company. It has had a weak presence in the European market, faced stiff competition in the Japanese market.

Recommendations

In order for the company to be successful in its operations, it should expand its operations in the European market; increase its sales in the product lines of the kids that are of ages 4-12 years. The company should have an exclusive brand image, have an established exclusive coach series that would target consumers of the upper class and all major in other products such as baby boomers (Courtney, M. 2002).

According to Thompson, A. A. and Strickland, A. J. they stated that in order for a company to improve on its competitive position in the industry and its financial and market performance, it should implement the following strategies  in the organization: develop a strategic vision that  the company will need to follow and what its future product, market, customer, technologywould be in the future . This step will help the company to determine its long-term direction, infuse the organization with a sense of action and hence be in a position to communicate the company’s ideals to the stakeholders (Marc, K. 2001).

The other strategy would be set up objectives that spell out the kind of performance that is expected and the objective to meet the organization's needs and wants . Balanced scorecard could be used to measure the company’s performance that involves setting both its financial and strategic objective. The company also should draft a strategy that would be geared towards achieving companys objective and later on move the company to a higher level that has been spelt out by the management of the company.

It is important for companies to have a good organizational structure that can facilitate the implementation of strategies that have been outlined within an organization. Good strategies can lead to improved performance of a company.

References

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