

Adidas management

Business, Management



Adidas Group. A company that is still delivering state-of-the-art sports footwear, apparel and accessories that has been renowned for its traditional trademark of its “three stripes” internationally over the years. Its success being a global leader in the sporting goods industry and offers a broad portfolio of products which are available in virtually every country of the world.

Adidas Group was dates back to 1948. It was derived from the first syllables of its founders first and last name Adolf “Adi” Dassler. The first shoes were made using materials available after the First World War in his hometown Herzogenaurach, Bavaria in 1920. In 1949 its three strip was register as a trademark. By 1928 Adi Dassler’s shoes are worn by Lina Radke-Batschauer who is the first athlete to win an Olympic gold medal in a Adidas shoes. During 1936 Summer Olympic in Berlin, Adi Dassler persuaded U. S. sprinter Jesse Owens to take up their sponsorship. It was the first sponsorship in history for an African American athlete, where at that time African Americans were treated as inferior and denied equal right.

Not only did Jesse Owen won four gold Medal his success cemented the good reputation of Adi Dassler shoes among the world's most famous sportsmen. By 1937 Adi Dassler’s Range now Comprises 30 different shoe for a total of eleven sports. On August 18th 1949 Aid Dazzler finally registers the “Adolf Dazzler adidas Sportschuhfabrik” in the commercial register (Handelsregister) in Furth. After a rift with his older Brother who decide to part way and created his owned brand puma. It was too at the same time when Finnish Sport Brand Company Karhu Sports decide to sell its three-stripe trademark to Adidas for 1600 euros and two bottles of Whiskey. It was from

that moment onwards adidas was cemented as the most recognize brand in world.

4 Environments Factor That Affect The Business

Global Consumer Preferences

Like every global sport brand in the world Adidas always strive to give all athlete and Consumer an edge to improve its performance regardless if are they playing competitive sports or non-competitive sports, yet as time changes so does generation gap. Nowadays young adults around the world are much more demanding as compared to the last decade. Instead of enquiring the basic necessities for an example a pair of sport shoes to be made of good quality and also durable, they now have more requirements. The shoes of their desire has to be of desirable color and model to make a fashion statement yet lighter and allow them to improve their performance without suffering injures they are also more price concern then the older generation.

Management Across Cultures

Adidas has been supplying their goods all around the world. With the world class Research lab, it allows them to optimize and suits the different cultures demand in the country or region and still maximize the product performance the same way. For instance, a pair of football boots can be produced and imported to the European region, Singapore and Southeast Asia, but the differences are the boot studs due to the seasonal changes in Europe. Adidas football boots are suited in Europe, are imported with metal studs so as to accommodate the winter season players as compared to Singapore or

Southeast Asia. Due to the tropical season here in Singapore or Southeast Asia, the football boot studs are imported to suit the firm ground condition in the football pitch.

Changing Demographics

CEO of Adidas Mr Herbert Hainer was quote saying “ Thirty years ago, the average person retired at 63 and died at 65. Today, people retire at 60 or 61 and then live till 74 or 76. That means they have a considerably longer period of time to do things that they enjoy”. With such predicament Adidas are using this to opportunity to target mature adults like the U. S and the Europe region and with this statistics Adidas has project a considerable growth potential of 2% or 3% increase. Yet none of it product are consider high end investment good but only just consumer goods, it allow them to be sold at €50- €150 which is reasonable for a average spending on a proper sports shoes.

Technological Innovations Collaboration with American company Rockport and with Adidas advance technology its allows them to invented a shoe cushion name adiPENE that is now found in all most Rockport and Adidas running shoe. This newly invented cushion that was place at the heel or forefoot help to maximize shock absorbing and “ improved crush and durability of the midsole but was usually limited to this both area so as to keep it shoe weight reasonable” (J. D. Denton, 2006)

2 Major Factors That Affect The Business

Economic Environment

Economic factors have truly been one of the major influences on a company's success and the social, technological, environmental, ethical and legal factors could all interfere with the operations of companies “ As we know a demand is defined as Desire for a product back by a willingness and ability to pay” (Partani, 2010) in different industries in one way or the other. In the case of Adidas it is obvious that the different markets the company is positioning itself into are creating a relevant amount of economic factors that the company has to assess on a regular basis by and ensure they are not selling high end investment good but instead consumer good that affordable for a average income person.

Technological Environment

“ All sport organization are affected by technological developments that may improve production or service” (Travor Slack, 2006, p. 153) that is why Adidas has always strive to develop cutting edge sport technology to improve or invent its product so as to keep up with the market not give it rival and competitive advantages over them due to innovation present unlimited opportunities and every global sport apparel company would exploit and invent or improve its product to give an edge over the rest.

How functions of planning/strategizing organizing leading and controlling can be applied to the company for it be efficient and effective

Planning/strategizing

The Adidas Group strives to be the global leader in the sporting goods industry with brands built on a passion for sports and a sporting lifestyle. staying committed to strengthening its brand and products so as to improve

on its competition position was the goal as Adidas Group are doing it to lead the sporting goods industry with brands built upon a passion for sports and a sporting lifestyle. Inspired by its heritage, they know that a profound understanding of the consumer and customer is essential to achieving this goal. To anticipate and respond to their needs, they continuously strive to create a culture of innovation, challenging ourselves to break with convention and embrace change. By harnessing this culture, it will push the boundaries of products, services and processes to strengthen the group competitiveness and maximise the Group's operational and financial performance. This, in turn, will drive long-term value creation for their shareholders.

Organizing

Organizing are the process of how company its human, financial and physical to be arranged and coordinated properly. Adidas is a huge mechanistic organization with its huge vast of staff and thousand of employee spread all over the world it still provide opportunity for employees to express their thought and opinion. Adidas emphasize a lot on teamwork many target are too on teamwork that is why they supports creating an effective communication channel through the regions by a Liaison officer which allow employees to speak freely and a opportunity to raise question of concern or post question to the top management since Adidas would have frequent forum that allow its employee to interact with its management. Due to its a full and open communication employees are more high motivated to work and greatly contribute to be organization. Adidas too provide opportunities and subsidize fully for its training for employees to upgrade its skills as Adidas

believes that their employees and their talent is critical for the success of this company.

Leading

Adidas has a executive and supervisory board. Its executive board is made up of 4 members who reflect the diversity and internationality of the group. And the supervisory boards are made up by 6 members that representing the shareholders while other 6 members are representing the employees. Adidas understand by opening it communication channel to be it fullest and open. all votes of approval should be democratic style yet big company like Adidas cant only be democratic but should also apply authoritarian style depend of it situations. when no board members are allow to have more then one voting right regardless if that person are a shareholder of Adidas or just an employee. By allow it this way employees seating in the boardroom with not feel inferior comparing to the shareholder board member.

Controlling Adidas strongly emphasize on Total Quality Management and has place strict conduct on it suppliers by setting standards and guidelines which has been implemented for more then 10 year one of Adidas standard are it “ Workplace Standard” The “ Workplace Standards” are part of the manufacturing agreement that the adidas Group signs with each business partner. An approved factory has to place a poster with our Standards distinctly and visibly on the wall that tells workers in local language that it is now making products for the adidas Group. The poster also informs workers that Adidas will help them find solutions to factory issues, and it gives them local numbers to call and addresses to write to. In some cases the telephone

hotlines that They use are run by non-profit organisations and in other cases Adidas own field staff take the calls and respond to the workers' concerns.

By training their suppliers so they may understand the importance of establishing and maintaining management systems and open lines of communication with those concerned about how they operate, such as government officials, local communities or the workers themselves. By audit suppliers against Adidas Standards and rate them according to their performance it will enable them to monitor suppliers performance and by getting a third party auditing it helps them to improve how they work and would adds credibility to their programme Adidas has also use an innovative way to rate the supplier on its ability to deliver fair, healthy and environmentally sound workplace conditions in an effective manner.

Conclusion

Over 80 years the adidas Group has been part of the world of sports on every level, it has now consist of Adidas it parent company, Reebok sportswear company, Tylormade golf company including Ashworth and Rockport a shoes manufacturer base in the US.

Besides sports footwear, the company also produces other products such as bags, shirts, watches, eyewear, and other sports- and clothing-related goods and rebrands it to Adidas Original and Adidas Y3, which are collaborations with internationally known Japanese fashion designer Yōji Yamamoto. Till today Adidas is the largest sportswear manufacturer in Europe and the second-biggest sportswear manufacturer in the world, with American rival Nike being the biggest. Having sponsor huge world-class event like the FIFA

World Cup, 2008 summer Olympic in Beijing and UEFA European Cup With it latest revenue at 11.99 billion euros Adidas has truly been one of the sport world leading industry. With all its research and innovation and engender high consumer brand loyalty that no consumer exhibits with other brand. I believe that Adidas still has a untapped potential to maximization its profit and overtake its biggest rival Nike, inc to set the benchmark of being the world leader in sport apparel manufacturers.

General recommendation for the next 5 years

Adidas has been place strong emphasize for the environmental and the community yet it is still not enough. By cutting down and educate their employee on wastage of water, energy, and resources such as paper around their factory worldwide it would not only help the environmental it will even help the company to save million of dollars every years. Another way would be using recycle materials in its products so when it comes to the recycling of Adidas used products, They have to work closely with local waste authorities and others. Adidas should approach to promote different partnerships, depending on their technical and environmental feasibility.