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## Feathers Fashion

Part I. Environmental Assessment
Introduction
Economy of the United Arab Emirates, a key player in the international market and responsible supplier of energy resources, is built in such a way as to act effectively on the regional economic arena, meeting the basic needs of citizens to help them achieve a decent standard of living. Despite the fact that the federation has existed for just over 40 years, the basis of the current socio-economic stability is laid deep in the centuries and is the result of historical traditions and customs of the state of trade. The basis of credibility, which features modern UAE economy, is highly cultured with inherent values of entrepreneurs from the Emirates. The UAE is perhaps the only country in the world, where there are all conditions for the successful opening and running a business due to the lack of income tax, a well developed banking system, perfect system of protection of entrepreneurs’ rights guaranteed by the free import and export of capital, as well as the convenient geographical location.
Feathers Fashion is positioned as the first fashion brand from UAE to the world. The company started its path in October 2010 in Abu Dhabi mall. The crucial objective of any company is to expand its operation into other countries. The reason is the situation changes every minute, so companies need to modify their strategies to adapt to the situation to prosper or just to continue to exist. Strategic management is the process of determination the company’s mission statement, vision, values, objectives, roles and responsibilities, timelines, etc. It is a constant progression that assesses and controls the company and the branches where it operates; assesses its rivals and sets objectives and strategies to assemble all active and possible rivals; and then re-evaluates strategies on a standard base to verify how it has been realized and whether it was successful or does it needs alternative.
The company has decided to open its store in Canada that is one of the most advanced countries in the world. Standard of living is very high and second only after the United States. In order to define the place of Feathers Fashion in the apparel market in Canada it is necessary to conduct situation analysis. Regarding Brassington and Pettitt (2006) situation analysis is based on the macroenvironmental (external) factors observation, customers’, rivals’, distributors’ and shareholders’ behaviour. The external environment analysis is aimed at examining opportunities and threats that take place in the environment separately of the company. Opportunities are reasonable circumstances in the environment that could create rewards for the company if they proceeded in the right way. Thus, opportunities exist if the company has positive effects from them. According to Porter (1998) threats are difficulties that may put off the companies from attaining its objectives.

## Business Concept

Company Profile
Feathers Fashion is the UAE’s company was opened as first shop of jewelry and style accessories in Dalma Mall. Reflecting the feelings of Emirati and Middle Eastern customs, the company is encouraged by the gorgeousness and proportion of peacock Feathers, the assortment of fashionable accessories plays up all the components that they characterize – the passionate detail, the color mixture and the honor that they represent (Feathers Fashion, 2014).
The UAE has occurred as a core and an incubator for inspiration and philosophies over the past few years and Feathers is a perfect illustration of the power of image that modernizers here have. Separate product of the company is filled with the brand’s distinctive thinking: modest but luxurious, modern designs that have an everlasting quality, caught in the attention to feature and an individual Arabic tangency.
Shopping is truly an important time during the stay in Abu Dhabi, besides, its diversity here will not allow the client to resist. Ultramodern shopping centers of Abu Dhabi, which offers all the world famous brands, as well as small shops, stylistically reminiscent of oriental bazaar, selling souvenirs, traditional little things, carpets and spices, can be found. In Abu Dhabi, the buyer can spend thousands of dollars purchasing watches famous brands, jeweled costumes “ haute couture”, antiques, equipment, and everything the heart desires. For many goods there are pretty reasonable prices compared to those set in other countries. It mostly concerns gold jewelry.
Refined and elegant decoration, originals, not replicas, more likely to be found in jewelry stores malls, but the price is appropriate. Knowledgeable people recommend network branded departments such as DAMAS, Joyalukkas and Al AnWaaR, as well as branded jewelry stores. Gold market provides a service of the production of jewelry based on the design of the customer. Cost depends on the sample of the precious metal, the product weight and complexity.
Hence the founder of Feathers has an architectural background he gets fascinated and inspired by elements and patterns of the distinctive Emirati architecture, Feathers logo therefore is instantly recognizable and is seated in old-fashioned Emirati design, replicating the linear shapes that are explicit to the style of the region.
The symbol also encourages a strong link with regional beliefs and the philosophy. In little period of time, the company has an attractive range of scarves, perfumes, wallets, laptop cases, mobile cases and handbags, not to state the perfect jewelry range that has already reaped much attention from all quarters, and is being presented on TV and in newspapers and magazines throughout the country.
Lately, the assortment of products will be expanded with watches, pens and sunglasses, Feathers Fashion decided to demonstrate its encouraged, fashionable collection of items to the rest customers of the UAE, the region and the whole world.

## Product Analysis

Feathers Fashion presented goods for men and women. Men’s assortment includes cufflinks, wallets, perfumes, mobile phone cases, watches and keychains. Concerning women the company provides its clients with jewelry, scarves, handbags, perfumes, mobile phone cases and keychains. Each product category consists of several items which are sold to its clients in the store of Dalma Mall Saturday to Wednesday (weekdays): 10. 00 am – 10. 00 pm and Thursday & Friday (weekends): 10. 00 am – 12. 00 am.
So, scarves are hand finished rolled edges of two tone grey monogrammed and two tone dark brown and greige silk twill scarves. Speaking about perfumes, inspired by the exotic and striking beauty of the Hubara, Feathers’ signature fragrance for women has fresh, fruity and musky notes. Men’s perfume collection is influenced by the strength, speed and awe-inspiring beauty of the Arabian falcon, Feathers’ fragrance for men is a combination of fresh, spicy and citrus scents that combine to give strong bodied cologne.

## Environmental Assessment

Today, Canada is one of the most advanced countries in the world. Standard of living in Canada is very high and second only after the United States. The major role in the formation of a favorable economic status belongs to a variety and richness of its natural resources. It is due to them Canada established close ties with such countries as France, the USA, and UK. The United States plays a special role, because Canada is a resource base in the north and at the same time here the U. S. sales many of its goods and products. Through this mutual symbiosis the economic situation in the Nordic country became very high in just a few decades. By 2015, the government of Stephen Harper plans to turn anti-crisis programs and balance the federal budget. Particular trend is the focus on the development of relationships with new foreign partners. That makes Canada a more articulate their position in relation to foreign investment.

## Socio-cultural factors describe people, their attitudes, social behavior and the impact of knowledge and cultural environment (Lancaster and Reynolds, 2005):

- Customs, traditions and manners. Canada is a multicultural country where historically people of different origins live. This fact imposes a deep imprint on the country’s public life, and, consequently, on its business culture. Canada is a very open society, friendly behavior is a familiar rule when meeting business partners and social tolerance is the norm.
- Core values, norms, attitudes relating to foreign and domestic products. Foreign products are welcomed. Canada provides foreign companies with national treatment activities, which in no way prejudicial to the interests of foreign companies.
- Social institutions. Canada is highly urbanized country; the urban population is 77%. Part of the rural population is dominated by people belonging to the “ non-farm population”, a fifth live on farms. Canada tends to see itself as a country of “ middle class”.
- Business customs. Leadership style in Canadian companies is very different – from focusing on the head, to a democratic, with group decision-making. Traditionally, Canadians are proud of the enterprise where they work and leadership brilliantly able to motivate their staff.
- Lifestyle choices in Canada are changing as the potential of Canada middle-class is being recognized by big brands. Feathers Fashion produces different accessories for different preferences. So each customer could choose the product from company’s range of accessories.

## Hofstede dimensions

Power Distance Index: For Canada the power tolerance is inherent, people make far less importance to the position of an official in the hierarchy of management. Such people are more likely to hesitate in the question or instructions of superior managers or even give up their performance. They are more willing to follow the instructions of the director, if they believe his actions are right or concern their own interests, and not because the manager has the right to give orders (The Hofstede Centre, 2014).
In comparison with Canada the United Arab Emirates has very high level of power distance that means employees follow their Head’s orders and keep centralization.
Individualism versus Collectivism: Canada has opposite intention – individualism in comparison with the UAE’s collectivism. The principal role belongs to the person. The main values ​​of individualists are developed sense of self-worth and independence of action and judgment. Such people often put their career before the interests of their companies. In addition, individualists tend to ensure that decisions are evaluated in terms of meeting their personal interests. In the UAE a sense of duty, loyalty, solidarity and affection to the organization are cultivated.
Uncertainty Avoidance: Canada’s level of uncertainty avoidance is moderate, but in the UAE it is quite high, so population of Emirates follows rules and is very law-abiding. Canadian society is not highly rules-oriented and people tend to be less expressively communicative than cultures scoring higher on this dimension.
Masculinity versus Femininity: Canada is determined as a moderately “ masculine” society. People attempt to reach high values of performance in both work and sports; the general cultural manner is more passive with respect to attainment, success and winning. Canadians also tend to have work-life stability. The UAE do not have preferences in the organizational culture of masculine or feminine type, because the ratio is equal.
Long-term versus Short-term Orientation: Canada has a short-term oriented culture that focused on traditions and satisfying social obligations. In the UAE the predominance of long-term orientation in the national culture is the willingness of society to live for the future. People can indulge in meeting the needs of the present, accepting the investment projects and programs, which will be completed during the life of future generations. They are ready for changes and results, even negative. This means that people can endure setbacks, hoping for positive changes in the future, the long life of this generation.

## Economic Analysis

Economic factors (Trading economics, 2014):
- Population growth is a major factor in determining the stability of socio-culture environment. In 2013 the total population of Canada was recorded at 35. 35 Mio people that is 97% higher from 1960. The greater the population, the more customers will purchase products of Feathers Fashion.
- Age distribution in Canada. The major mass of the population in Canada is middle-aged people. So ca. 67% of population will be Feathers’ target audience, starting from 15 till 64 years old.
- FX fluctuations, which have a negative impact due to the ratio of local currency to the other currency in case of devaluation and positive in case of revaluation (customers can buy less or more products respectively). 1 CAD = 3. 38 AED.
- Inflation rate in Canada was 1. 5% in March 2014, which had a weak impact on the apparel market through a low general rise in prices.
- Canada reported a trade surplus equivalent to 79. 30 CAD Mio in March 2014, which shows great dependence on international trade, namely export. This means customers prefer national goods to foreign.
- GDP was worth USD 1821. 4 billion in 2012 or 3% of the world economy, according to the World Bank. It has high living standards of population, and customers can buy a sufficient number of goods.
- GDP per capita according to purchasing power parity was last recorded in the amount of USD 35936. 26 in 2012.
- The unemployment rate means the dearth of labor force, and in Canada it was last reported at 6. 9% in April 2014. High level of unemployment rate defines the inability of customers to purchase goods due to the lack of income.
- According to the rating of Doing Business 2014 Canada takes the 8th position due to favorable conditions. Today Canada has the world’s lowest corporate income tax (6. 6%) and the highest rate of new jobs.

## Legal and Political Analysis

One of the main features of the political culture of Canada, which distinguishes it from the United States, is strongly influenced by British traditions, such as the commitment of citizens to the law. In foreign policy it is in conjunction with the powers mentioned above of country of average rank position, is seen in the desire of Canada to seek to develop and establish clear international rules of political, trade and economic interaction, binding on all states, including the most powerful, especially the USA. In combination with the presence of two official state languages ​​– English and French – this feature has led to a unique result, allowing Canada to become a founder and active member of almost all major international and regional organizations such as the UN, UNESCO, the Commonwealth, La Francophonie , IMF, WTO, OSCE (Organization for Security and Cooperation in Europe), EBRD (European Bank for Reconstruction and Development), OAS (Organization of American States), APEC (Asia-Pacific Economic Cooperation), etc. Currently Canada has a stable democratic political system and a strong legal system.
The basic law governing the scope of export-import operations in Canada is Export and Import Permits Act. Customs regulation of foreign trade is carried out in accordance with The Customs Act. Special Import Measures Act determines the order of the introduction and implementation of anti-dumping and countervailing measures to protect the domestic market and domestic producers from dumped and subsidized imports. Government procurement governed by the Financial Administration Act and by Government Contracts Regulation. The area of ​​foreign investment is regulated in accordance with the Investment Canada Act. Legislation in the field of protection of intellectual property rights includes Copyright Act, Trade-marks Act, Patent Act, The Integrated Circuit Topography Act and the Industrial Design Act.

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Part II. Strategic Planning
Industry Analysis
Today the market of jewelry and accessories in Canada on the one hand is saturated with different brands (Aldo, Le Château, Jomac Canada, etc.), from the other – consumers’ interest in it grows. Canadian jewelry is extremely spitted and there is no particular company with market share of more than 4% of real jewelry value share as well as there is no more than 10% share for costume jewelry. For example, Zale Canada Inc, presented by two famous Canadian brands Peoples and Mappins, is the major jewelry retailer for authentic jewelry. Also, other foremost players are Tiffany & Co Canada and Birks & Mayors Inc. Despite the potentially justifying aspects of increasing gold prices and remaining post-recessionary expenses constraint by customers, jewelry sales increased in both volume and value requirements in 2013. The trend as regards customer expenditure on personal stuff, such as accessories and jewelry is estimated to keep on increase, including probable threat factors. Positive impact on jewelry will be made by growing range in the workforce, a raise in the number of dual-income households and increasing participation of younger customers as purchasers of accessories and jewelry, both authentic and costume. Canadian economy demonstrates sustainable progress and its households receive more revenues, thus, customers are characterized by entering the group at an early age and individual budgets have opened to contain more flexible stuff.
Target Market and Positioning
The major mass of the population in Canada is middle-aged people. So ca. 67% of population will be Feathers’ target audience, starting from 15 till 64 years old. Nevertheless, Feathers Fashion set little higher prices for its products than Canadian middle class is able to spend for wallets, scarves and handbags. That’s why the company should analyze competitors and enter Canadian market of accessories and jewelry with reasonable prices. The reason is that middle aged people are the prime revenue generator for companies but even the 80% of customers’ increase who bring the 20% of sales according to the 80/20 Pareto’s rule can be developed to the sales. However, there are business people, who should always look fashionable and are ready to spend sufficient amount of their income.
Feathers Fashion is positioned itself as brand with distinctive thinking: modest but luxurious, modern designs that have an everlasting quality, caught in the attention to feature and an individual Arabic tangency.
International Competitive Strategy
Universal competitive strategy does not exist, only strategy consistent with the terms of the industry, scientific potential and capital, which a particular firm has, can bring success. Strategic development of companies in the world today is multivariate, but it is definitely aimed at success in overcoming the uncertainty of the business environment, the maximum reduction in costs due to increased competition and increase the cost of innovation and achievement of operational flexibility. To enter the international market Feathers Fashion should guide the formation of competitive advantage.
Feathers Fashion is recommended to use focusing strategy, which involves working with a limited group of segments. Application of the strategy is acceptable, when:
- There is a segment of the market, providing a profit;
- There is no interest in the segment by leaders;
- The industry is presented with a sufficient number of segments that allows selecting the most interesting.
Porter’s model in analyses of the company focuses its activities on the following features:
- Focused company buys in relatively small volumes. But as long as it can increase prices for loyal customers, this shortcoming is not so important;
- There is a stronger bond with consumers;
- Niche, where the company operates, may suddenly disappear due to changes in technology or consumer tastes.
Focused strategies provide an advantage if the company’s costs are lower than those of competitors, and its products meet consumer needs better than competitive products.
Implementation of the strategy associated with the following disadvantages:
- There is a risk of crowding out competitors;
- The needs and demands of this segment are subject to change;
- A segment may be so attractive to the attention of many competitors.
Market Entry Strategy
Feathers Fashion is recommended to use distinctive image strategy because company’s products are of high quality. Here entrepreneur builds its activities around a unique and distinctive presentation of products (services) of enterprises. This is done so that the products feature is well enough palpable by consumers. These distinctive features are: low price, high quality, special services to customers unique product attributes, special distribution channels, leadership in product presentation, etc.
Thus, scarves are hand finished rolled edges of two tone grey monogrammed and two tone dark brown and greige silk twill scarves. Speaking about perfumes, inspired by the exotic and striking beauty of the Hubara, Feathers’ signature fragrance for women has fresh, fruity and musky notes. Men’s perfume collection is influenced by the strength, speed and awe-inspiring beauty of the Arabian falcon, Feathers’ fragrance for men is a combination of fresh, spicy and citrus scents that combine to give strong bodied cologne.
International Human Resources Strategy
According to Kotler (2008) the meaning of human resource management is ensuring effective performance of the organization its core business with the help of its employees. All tasks, without which the success of the company would not be possible: manufacturing, financial, information, transportation, etc., are solved by people. People are the driving belt that runs all the processes and ensures efficient use of all resources (both tangible and intangible), which an organization has. Therefore, the knowledge, skills, intelligence, motivation of staff to work effectively are a key success factor for any company.
So for the company it will be convenient to hire employees of different nationalities, including Arabic, because if the person knows the UAE’s jewelry market, the company will benefit. The advantages are in acquaintance with features of jewelry and accessories production, raw materials, etc. Canadians by origin will be effective labor resource because they know peculiarities of doing local business. Leadership style in Canadian companies is very different – from focusing on the head, to a democratic, with group decision-making. Traditionally, Canadians are proud of the enterprise where they work and leadership brilliantly able to motivate their staff.
Staff training and development system should have an integrated approach. Training and development strategy is built within the company’s development strategy that is necessary to understand what exactly need to be developed of employees in order the company develops. Staff training should perform the following tasks: preparation to solution of new work tasks; systematic and timely knowledge update; activation of employee’s potential; enhance of the professional culture and team building and staff preparation for career growth.
In order to make training process successful, it is necessary to describe its way, deadlines and the person who will hold it. The plan and training program should be composed and the tasks of each specific program should be defined. One must also consider what types of training will better correspond to the purpose to be achieved. And, of course, provide exactly who will train.
Key individuals who certainly should be involved in the training process:
- Head of the organization, who approves the plan and training budget, has all current information about the organization and its future planned development.
- Head of structural unit, who is the immediate supervisor, determines which employees need training, organizes and carries out all the necessary measures to hold training successfully.
- Specialist (team of specialists) on HR management, who makes a plan and training program, creates new and picks existing types, forms and methods of teaching. It also defines the direct perpetrators, who will conduct this training, and in what form the results will be provided after the training completed.
- Performer, the person or group of persons who carry out the training process of employees or groups of employees.
- Trainee, an employee or group of employees, who are going to be trained.
Trainings are the most commonly used. Training is the active form of learning with the purpose of creation of new skills of employee. Training allows for short term to gain the necessary skills for work and their application in previously simulated situations. Basically trainings are used in the sale of goods or services. Sales may be carried out directly in the room, outlet, at exhibition or elsewhere, and by telephone or other communications as well.
Benefits and pros of staff training and development:
For the company:
- Increase in employee and divisions productivity;
- Staff motivation;
- Formation of an effective team approach based on awareness of the goals and objectives of the company;
- Strengthening HR-brand of the company and increase of employee loyalty.
For the staff:
- Increasing the level of competence and personal effectiveness;
- Formation of sustainable skills and consolidation structuring of knowledge on the topic.
Stages of training program creation:
- Analysis of company’s needs in staff training and development and the development on its basis of training system carcass;
- Conducting categorizing of employees in terms of their priority for training, assessment according to these criteria;
- Planning, program creation and the choice of learning formats;
- Conduct training;
- Creating an environment to consolidate the knowledge and skills in practice;
- Evaluating the effectiveness of training;
- Planning further development of employees including already conducted training.
Cons of staff training and development for the company are in its cost and absence of relevant premises for training.
The purpose of planning and development of management team career is:
Career management tasks of junior executives and middle managers:
- Defining criteria and portrait of Heads;
- Development of abilities and skills of leader;
- Formation of a team leader, able to manage the group;
- Use of the principle of equal and fair opportunities for leaders of all ranks while moving “ career ladder”;
- Formation of leaders team, who can operate in current market conditions, with success for the entire company;
- Creation of a single social organism of institution.
Providing efficient reward and career management helps not only in attracting, maintaining and motivating high-quality staff of Feathers Fashion, but also supporting the company’s strategy. These processes consider awareness of company’s employees own interests, principles, strengths and weaknesses; receiving information about job perspectives within the company; the identification of career objectives and the establishment of action plans in achieving career objectives; recognition of employees’ performance by the financial non-financial means.
Conclusion
Canada is one of the richest countries in the world. In terms of GDP per capita, it ranks eleventh position. Canada is the second largest country in the world with a relatively sparse and diverse population. Geographical location is extremely advantageous; first, the country has access to the ocean, and, secondly, is bordered with the United States. Variety of geological and tectonic structure of the country makes it exceptionally rich variety of types of minerals.
Conducted situation analysis will provide Feathers Fashion with many opportunities such as political stability, legislation and favorable economic conditions. Today the market of jewelry and accessories in Canada on the one hand is saturated with different brands (Aldo, Le Château, Jomac Canada, etc.), from the other – consumers’ interest in it grows. Canadian jewelry is extremely spitted and there is no particular company with market share of more than 4% of real jewelry value share as well as there is no more than 10% share for costume jewelry. So using focusing strategy the company will have a segment of the market, providing a profit, there will be no leaders and the industry is presented with a sufficient number of segments that allows selecting the most interesting. Feathers Fashion is recommended to use distinctive image strategy because company’s products are of high quality.
So for the company it will be convenient to hire employees of different nationalities, including Arabic, because if the person knows the UAE’s jewelry market, the company will benefit. The advantages are in acquaintance with features of jewelry and accessories production, raw materials, etc. Canadians by origin will be effective labor resource because they know peculiarities of doing local business. Leadership style in Canadian companies is very different – from focusing on the head, to a democratic, with group decision-making. Traditionally, Canadians are proud of the enterprise where they work and leadership brilliantly able to motivate their staff.
Staff development is the activity of any type pursued the organization to help employees achieve professional success by expanding its knowledge and skills in profession and eliminating obstacles to success. The concept of employee development focuses on self-development, which ideally takes place at three levels: individual, group and organizational. Activities on staff development are divided into three categories: career development, consultancy and improvement of knowledge and skills (training). As it is known training is purposefully organized, planned and systematically carried out the process of acquiring the knowledge, skills and methods of communication under the guidance of experienced teachers, mentors, professionals, executives, etc.
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