

Adidas case study

Business



Corporate Governance External Environment PEST Political * Multinational
 Awareness of cultures * Good legal Image * Environment-concern * Quality
 regulations followed Economic * Customers less willing to pay for high priced
 items * Crash of the economy Social * Always knowing what the younger
 generation prefers Technological * Technology innovation is the key factor in
 the industry Porter's Five Forces Threat of Substitute Products (LOW) * The
 brand's strength as we wrote earlier is product innovation and meeting
 customer expectations.

This is hard to copy.

Threat of New Entrants (LOW) Huge barriers required for new entrants. *
 Strong presence of established brands * Customer's loyalty Bargaining Power
 of Buyers (HIGH) * The buyers are now more conscious of their spending *
 Access to internet and other brands websites Bargaining Power of Suppliers (
 LOW) * The enterprises that give us the service are very dependent on ideas
 Multiple sources of industry fabricates * Easy to switch of supplier
 Competitive Rivalry (HIGH) * Their direct competitors have all global reach.

Remaining as the leader is expensive. The competitors have made recent
 acquisitions in the industry Analysis and Matrixes SOOT TWOS Financial
 Analysis Ideas is strong in several developing markets (Eastern Europe,
 Asia). The Integration of Ideas and Rebook supply chain activities was
 expected to result in cost savings of 105 million of euros by year-end 2008
 and contribute to improvements in both the company's gross margins and
 bottom line and the management expected that the Rebook acquisition
 would boost 2008 revenues by additional 250 million euros.

The majority of Disdain's revenue streams is outside from U.

S. A market and is growing significantly. They let Nikkei lead U. S. Market but, Instead dominate Europe and other emerging markets.

Strategic Alternatives * Expand their products spectrum and focus on the marketing of their new products. * Create and be the sponsor of neighbor Ideas street teams. This way they will create knowledge of the brand and boost loyalty. Strategy Recommendation * Spend more efforts in the new products and invest aggressively in marketing.

Ask for help in the stock market, to restructure Ideas performance in the market.

Strategy Implementation ere revenue growth and cost savings resulting from the Rebook integration allowed Ideas GAG ' S gross margins and operating margins to improve by 2. 5 percentage points and 1. 1 percentage point and the company's improvement in free cash flow allowed the company to buy back nearly 7. 7 million shares at an average price of \$41. 35 per share.

Control Strategy Done with segmentation of the teams and the potential buyers.