

Case study: not just another outdoor company

[Business](#)



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Scenario The company we are discussing this time, based in Portland, Oregon, was the brainchild of a small group of executives who left big-time jobs at Patagonia, Nike, and Adidas. These individuals shared a belief that “ in addition to generating a profit, companies have an equal responsibility to create positive social and environmental change”.

Putting their beliefs into action, the group formed Nau (which is Maori for “ Welcome! Come in”). And Nau is not just another outdoor company! When deciding what Nau was going to be like and how it was going to do business, the founders know they did not want to do things the way they would always been done by traditional businesses. CEO Chris Van Dyke said, “ We started with a clean whiteboard.

We believed every single operational element in our business was an opportunity to turn traditional business notions inside out, integrating environmental, social, and economic factors”.

From design to sales to finances, Nau is driven by these factors. Everything is Nau’s operation has been approached with a sustainability and social justice “ Filter”. In the design area, the company, in partnership with suppliers, developed 24 of its 32 fabrics to be more sustainable and to combine performance and visual appeal. Each supplier, manufacturer, and even Nau itself is bound by a code of conduct. To ensure that all parties are living up to the standards, their actions are overseen by an independent, nonprofit auditing and research firm.

In the sales area, the way the company retails its product is also unique. Using a concept it calls a “ Web-front”, Nau has combined the efficiency of the Web with the intimacy of a gallery-like boutique. In the “ store”, customers can try on clothes, but they use self-service kiosks to purchase from the Web. Because in-store inventory is greatly reduced, the stores are small (2, 400 squares feet compared to the standard 4, 000-plus-square-foot outdoor retail store). This approach saves operating expenses because less energy and fewer materials are used.

Good for the planet...good for the business.

Finally, Nau has a unique financial approach it calls “ aggressive altruism”. The company has pledged 5 percent of sales to charitable organizations dedicated to solving crucial environmental and humanitarian problems. The “ philanthropic gold standard” is 1 percent of sales, and the average among all corporations is . 047 percent. But although the amount it gives is unusual what happens with Nau’s dollars is really exceptional: Nau puts the giving decision in the hands of its customers.

They are asked to indicate which “ Partners for Change” they would like their 5 percent to go to.

Using this “ conscious choice” process, Nau is “ calling its customers out, daring them to connect the dots”. Discussions: 1. What do you think of Nau’s approach to doing business? Is it being ethical and responsible? Discuss. [pic] Sources: Nau Website, [www. nau.](http://www.nau.com)

[com](http://www.nau.com); and P. LaBarre, “ Leap of Faith”, *Fast Company*, June, 2007, pp. 96-103. Robbins, S. P. and Coulter, M.

<https://assignbuster.com/case-study-not-just-another-outdoor-company/>

(2009). Management. Pearson Prentice Hall. ————— Each student is required to discuss Question 1 as short essay, i. e. 500 words (as 5% of your continuous assessment).