

Manufacturer and retailer of footwear for men marketing essay



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All crocs brands shoes features crocs proprietary closed- cell resin crosslet, which represents a substantial innovation in foot table, light weight, superior grouping, non-marking and Oder- resistant shoes. These unique elements make crocs footwear idle for casual wear, as well as for professional and recreational uses. Such as boating, hooking, hospitality and gardening. The versatile use of material has enable crocs to successfully market its products to a brand range of consumers.

Crocs shoes are sold in more than 125 countries and came in a wide array of colors and styles.

Community involvement is important to everyone at crocs Inc after all we have families and are part of communities ourselves. We are honored to be in a position to assist others and happily get involved with charities, sponsorships and events whenever. We can over the past year we have partnered with many organizations to participate the world humanitarian through in kind of our shoes.

Task one

What is operational management?

Operations management is the design, operations and improvement of the production system that create the firms, primary products and services or operation management deals with the design, planning, organization, and controlling of resources to provide goods and services so as to meet customer wants and organizational goals.

Operations management is an area of business concerned with the production of goods and services, and involves the responsibility of ensuring that business operations are efficient in terms of using as little resources as needed, and effective in terms of meeting customers requirements. It is concerned with Crocs managing the process that converts inputs (in the forms of material, labor & energy) into outputs (in the form of goods and services)

Operational traditionally refers to the production of goods and services separately, although the distinction between their two main types of operations is increasingly difficult to make as manufacturers tend to merge products and services offering more generally, operations management aims to increase the content of value-added activities in any given process fundamentally their value-adding creative with market opportunity of optimal enterprise performance.

Explain the focus of operations management

Operations management focuses on carefully managing the process to produce and distribute products and services. Usually small businesses don't talk about operations management but they carry out the activities that management schools typically associate with the phrase operations management major overall activities often include product creation, development, production and distribution. (These activities are also associated with product and services management). However product management is usually in regard to one or more closely related product- that is a product line. Operations managements are in regard to all operations

within the organization). Related activities include managing purchases, inventory control, quality control, and storage logistics and evaluations. A great deal of focus is on efficiency and effectiveness of processes. Therefore, operations measurement often includes substantial measurement and analysis of internal process. Ultimately, the nature of how operations management is carried out in an organization depends very much on the nature of how operation management is organization, for example, retail, manufacturing, wholesale etc.

This topic includes -:

- * Procurement (purchasing) practices
- * Management control and coordinating function
- * Product and services management
- * Quality management
- * Inventory management
- * Logistics and transportation management
- * Facilities management
- * Configuration management
- * Distribution channels

Procurement (purchasing) practices

This topic reviews guidelines for buying various materials from suppliers and vendors- material, including shoes, services from crocs Shoe Company.

A supply chain is a network of facilities and distribution options that perform the functions of procurement of material into intermediate and finished products and the distribution of their finished products to customers. Supply chains exist in both services and manufacturing organizations, although the complexity of the chain may vary greatly from industry and firm to firm.

Management control and coordinating functions

Management control and coordination includes a broad range of activities to ensure that organizational goal and consistently being met in an effective and efficient fashion basically, organizational coordination and control is taking a systematic approach. To figuring out if you're doing what you wanted to be doing or not it's the part of planning offer you're decided what you wanted to be doing below are some of the major approaches control and coordination's.

Product and services management

As noted above, the major activities involved in product and services management are similar to those in operations management however; operations management is focused on the operations of the entire organization rather than managing a product or service.

CROCS product management includes a wide range of management activities ranging from the time that there is a new idea for a product to eventually providing ongoing support to customers who have purchased the <https://assignbuster.com/manufacturer-and-retailer-of-footwear-for-men-marketing-essay/>

new product. Even organization conducts products management, whether it's done internationally.

The product 40 models in the shoe range in heel model. Another 30 new cross designs are set to hit the market in spring 2010 recently fake- for lined shoe has been a sure away success. 30 new cross designed set to hit the market this spring 2010.

The company also launched a range of accessories with development underway for clothing, underwear sport equipment and spa products.

Quality management

Quality management is crucial to effective operations management, particularly continuous improvement. More recent advancements in quality, such as benchmarking and total quality management have resulted in advancements to operations management as well.

Benchmarking:- is the use of standard measurements in a service or industry for comparison to other organizations in order to gain perspective on organizational performance.

Continuous improvement:- in regard to organizational quality, and performance, focuses on improving customer satisfaction through continuous and incremental improvements to process, including by removing unnecessary activities and variations.

Failure made and effects analysis:- is an approach that helps identify and priorities potential equipment and process failures.

Total quality improvement (TQM):- means the implementation of strategies, tactics and operation methods for integrating practical quality control techniques (statistical quality control inspection, quality assurance, etc) with organizational cultures conducive to the continuous improvement of quality. It focuses on the totality of the system rather than its individual parts, seeking to identify the cause of failure rather than its individual parts, seeking to identify the cause of failure rather than the simple fact that failures have occurred. Causes of failure could involve cultural inadequacies, poor teamwork and leadership, lack of individual commitment and motivation and other psycho-social problems as well as technical operator and / or equipment inadequacies.

Six Sigma:- is a quality management imitative that takes a very data- driven methodological approach to eliminating defects with the aim to reach six standard deviations from the desired target of quality. Six standard deviations means 3. 4 defects per million.

Inventory management

Cost can be substantial to store and move inventory. Innovative methods, such as just-in $\frac{1}{2}$ time inventory control, can save cost and more products and services to customers more quickly.

Basics about inventory control and management

* Inventory control system

* Models of inventory control

- * Association for operations management

- * RFID solutions

- * Inventory system basic.

Supply chain management

- * Supply chain management

- * Institute for supply chain management

- * Supply chain management

- * General resources about inventory control and management

- * Inventory control society

- * Centre for inventory management.

Logistics and transportation management

Logistics is focused on the flow of material and goods from suppliers through the organization and to the customers, with priority of efficiency and cost effectiveness.

Facilities management

Effective operations management depends a great deal on effective management for facilities, such as the factory, the workers of cross have to be given transport, benefits overtime salary etc. the company has grown

rapidly. The story of CROCS is remarkable one. Back in 2002, friends dude Hanson and Scott seamen were the people who started up the company.

The company now 3200 employees 17, 500 sales outlets in 80 countries, from producing one shoe, it's developed a whole positioning itself as a lifestyle brand.

Distribution channels

The means of distribution depends very much on the nature of the product or service; you can choose a wide variety of method to distribute the shoe products. There are variety of methods of distribution.

Direct distribution methods include your providing products and services directly to your customers, direct methods are, for example direct mailing, retailers, browsers or even promote the product on the internet.

Indirect methods including having a middleman indirect methods include, for example, using wholesalers and distributors, or retailers (the middleman is a large chain of retail stores, for example Kmart.)

Identify the key environmental factors affecting operations management

Environmental audit

Internal environmental of crocs shoes

The internal environmental of Crocs are the workers, staff members, managers, shareholders and directors. They all belong to the internal environmental of crocs shoes.

External environmental of crocs shoes

External environmental analysis is to develop an opportunities that could benefit crocs shoes and threats should be avoided. Crocs shoes should always be able to respond their offensively or defensively to the factors by formulating strategies that take advantages of external opportunities or that minimize the impact of potential threats. Crocs shoes also have threats and opportunities.

Suppliers, production companies, manufactures, distributors are some of the external parties.

Mc Kinsey 7s Model

These seven variables include:

1. Structure
2. Strategy
3. Systems
4. Skills
5. Style
6. Staff
7. Shared values

Strategy-: is a plan of action designed to achieve a particular goal. It deals with three questions mainly.

Where the organization is at the moment: crocs shoes are increasing the market share day by day. Crocs are one of the largest shoe companies around the world. They are using high- tech equipments to produce the product. The demand for crocs shoes are high and the customers know if they buy crocs they will get a good after service. Crocs have a rapid growing customer basis.

Where the organization wants to be in time to come: Crocs Shoe Company wants to be the best company around the world in marketing, finance, sales, customer care, and after sales services. Crocs want to give the best to their customers producing quality products. Crocs also want to have friendly and open cultured with all young dynamic staff members.

How to get there: to face the challenges in the international markets crocs shoes should produce products with good quality and due o the current economic recession they should limit their production. Since they should limit their production. Their plan is to move their market into more countries and set up manufacturing plants in their countries because the transport want be a problem.

Structure: the organizational structure at crocs is a vertical organizational structure. Business needs to be organized in a specific form or shape that are generally referred to as organizational structure.

Organizations are structured on variety of ways, depending on their objectives and cultured the structure has 3 main types of groups. Crocs shoes is a top down organization but the low level staff can communicate with managers at any time the structure of crocs a steady and friendly cultured structure.

System: every organization has some system or internal process to support and implement the strategy and run day-to-day affairs. Systems make decision making process quicker. When we say crocs the technology the products are made are advance because the quality, the material and the product is high-tech. the arrival time to work and off time is all under high-technology machines systems which cannot be cheated. The systems are all computerized and machines are the equipments which run the whole process.

Skills: we take in active and young crowd so that energy to work for long hours if necessary. We take in experienced candidates because they should know to get in the production line and increase the production. The candidate should have good command in English and has to have the ability to operate machines.

Style/cultured: all organizations have their own distinct culture and management style. Including the dominant vales, beliefs and norms which develop over time and become reality enduring features on the organization life, it also entails the way managers at crocs interact with employees and the way they spend their time. English is a common language used in the market. The well developed countries speak English as their first language.

The crocs and friendly culture the workers at crocs are socialized and opened minded is one element to success.

Staff: organizations are made up of human and its people who make the real difference to the success of the organization in the increasing knowledge-based society. Crocs shoes has good skills staff members, when crocs recruit new staff a good training program is provided in order to produce a good output. It is the staff who makes crocs shoes company a successful organization.

Shared value: all members of the organization share some common fundamental ideas or guiding concepts around which the business is build. This may be to make money or achieve excellence on a particular field. It crocs has weak values and individual goals the common destination as a coherent team and it important to keep the team spirit live.

Pest analysis

Political factors

Organization decisions are strongly affected by development in the political environment. This environment is compassed elections, employment law, pressure groups, customer protection, environmental regulations, industry-specific regulations, competitive intercountry relationships/ attitudes, war, tourism, political, government structure that limits the behavior of individuals and organizations.

* The government taxes for the products which are sold from crocs shoes.

- * Each product which the company go according to the us employment law.
- * The staff has legal employment laws which the company goes according to the us employment law.
- * The environmental should be clean and there are some regulations, which is the waist should not be dumped into lakes or rivers. The pressure groups can take you into court.
- * Certain products cannot be bought into certain countries. The government has put rules and regulations so there products cannot be bought.
- * The political stability changes time and time the economy of the country time. To the price also changes time to time.

Economic factors

Changes in the economic environment directly affect the purchasing of customers and hence business policies approaches and strategies. Crocs shoes should have a clear understanding of the changes in the economy is not in good state at the moment. The following example factors the macro economy.

- * The economy is growing and there is a rapid growth.
- * The interest rates are getting higher and customers companies do not take out loans, because of high interest rates from the banks of the current recession.

* The exchange rates also changed day to day so on one wants to make loss so they wait for a higher exchange rate.

* Inflation is rapidly seen which in general rise in the price of services and good which we produce resulting in a fall in the value of money.

* Many customers do not have the wealth to purchase expensive items of crocs shoes. This is due to the current economy.

Social factors

Under the social considerations we need to talk about demography factors, population growth, and, age structure, gender, race, family, structure, changes, geographic, population, shifts, education lifestyle trends, feds health, living standards housing trends and fashion.

* Health is very important the company should safely if the workers are working in a dangerous area.

* The population growth rate is increasing in Sri Lanka day today and at one point crocs shoes has to increase its production due to the demand.

* The products are used by different types of age group which there is different age distribution and crocs should sati ply all the customers who belong into different age groups.

* When candidates joins an organization he or she would like to have the best experience and since arcos is a highly will love to have a clear career.

* Safety is very important in the employers are in risk they would not like to work in a risky environment.

Technological factors

Technological factors can lower barriers to entry reduce minimum efficient production level and influence outsourcing decisions. Inventions, new discoveries research, energy/ uses/ sources/ fuels communications rates of obsolescence and health manufacturing advance. Information technology, internet transport bio-tech, agro- tech waste removal/ recycling and so on

* The changes to technology have brought crocs shoes into another step of achieving their mission.

* At crocs the technology is very important because the entire machine is run by technology.

* Since we are in 21st century technology is important and the staff at crocs should have basic knowledge of using and handling a machine basic knowledge; 1/2s are needed.

SWAT Analysis

Strength of crocs shoes limited

* Crocs have a good reputation among the customers.

* Crocs gives effective training for their employees

- * Their recruitment methods are effective and only the well experienced are taken into the crocs family
- * Outstanding quality of their products than any other products in the market
- * They have well experienced top level managers.
- * Many other value added services

Weaknesses of crocs shoes limited

- * Product are rare to be found
- * There are many different other products and services which the customer finds its hard to choose from.
- * Less among of outlet around the world
- * Some countries don't have outlets even
- * Some countries do not import and export

Opportunities of crocs shoes limited

- * Since there is no other company which makes shoes like this is an opportunity to develop the product.
- * Crocs shoes can come into Sri Lanka and capture the market, since the war is over it are a great opportunity.
- * Expand the market

- * The product is unique

Threats for crocs limited

- * There is competition; new companies come into the market
- * There has been reduction of staff members and managers due to the recession and cost cutting in the company.
- * Other companies capture the market slowly
- * High tax rates
- * Transport cost (importing and exporting)

What is BCG Growth- Share Matrix?

The BCG matrix graphically portrays differences among divisions in term of relative market share position and industry growth rate. The BCG matrix allows a multidivisional organization to manage its portfolio of business by examining the relative market share position and the industry growth rate of each dividend relative to all other division in the organization.

Relative market share position is defined at the ratio of a defined in the organization relative market share position is defined as the ratio of a division own market share in a particular industry to the market share help by the largest rival from in that industry it can be used to classify product portfolio in four business types, based on four graphic labels including stars, cash cows, question marks and dogs it can be used to determine what priorities should be given in the products portfolio according to their cash

usage and generation and offers management available strategies to tackle various, product lines, consider companies like apple computers, general electric, uniliver Siemens, and many more engaging in diversified product line. The BCG model therefore became an invariable analytical tool to evaluate an organization diversified product line as later in the ensuring sections.

Question marks

In question marks the relative market share is low but the business growth rate is high. It has a low relative market share position yet they complete in a high-growth industry. this businesses are called question marks because the organization must decide whether to strengthen them by pursuing an intensive strategy. Crocs is in the question mark category they have a relative low market, share and market growth rate is high within 5 years the crocs shoes company will be in the stars section.

Stars

This is long run opportunities for growth and profitability. Stars are leaders in high growth markets. Divisions with high industry growth rate should receive substantial investment to maintain or strengthen their dominant position, they tend to/ should generate large amount of cash because of growth market conditions. Forward, backward and horizontal interaction, market penetration, market development and product development are appropriate strategies of their divisions to consider.

Cash cows

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Divisions positioned in quadrant three are said to have high profitability, and require low growth market cash cows in excess of their needs often milked. Many of today's cash cows fund their own growth they pay the corporate overheads they pay the corporate investment changes

Dogs

Quadrant four division of the organization have low relative market share position and complete in a slow market-growth industry, they are dogs in the firm's portfolio. Dogs often have little future and are big cash drainers on the company as they generate very little cash by market because of their weak internal and external position liquidated, divested or trimmed down through retrenchment when a division first becomes a dog, retrenchment can be the best strategy to purchase because many dogs bounced back, after reeducation to become variable, profitable divisions.

Deming's total quality management theory

One of TQM models is Deming total quality management philosophy & famous 14 points. Crocs limited should follow these 14 points so that the quality of the product is high and consumers tend to buy when the quality is high.

1. Create constancy of purposing for improving product and services.
2. Adopt the new philosophy
3. Crease dependence on inspection to achieve quality

4. End the practice of awarding, business on price; instead, minimize total cost by working with a single supplier,
5. Institute training on the job.
6. Adapt and institute leadership
7. Drive out fear.
8. Break down barriers between staff areas.
9. Eliminate slogans, exhortations and target for the work force.
10. Eliminate numerical quotas for the workforce and numerical goals for management
11. Remove barriers that people of pride in their work, and eliminate the annual rating or merit system.
12. Institute a vigorous program of education and self-improvement for everyone
13. Out everybody in the company to work to accomplish as variability decreases and that satisfied.

Deming's basic quality philosophy is that productivity improves as variability decreases and that statistic method are needed to control quality.

He advocated these of statistics to measure performance in all areas, not just conformance product specifications.

Furthermore, he thought that it is enough to meet specifications; one has to keep working to reduce the variations as well Deming was extremely, critical of the us approach of business management and was a leader of philosophy of total quality management.

Task two

Discuss differing operational strategies

The range of strategic alternatives available to a firm includes:

New product development. The characteristic of the product life cycle normally force an organization to introduce new and improved products and phase out old product portfolio id therefore an ongoing responsibility of strategic marketing management. A major new product introduced can provide a substantial strategic advantage.

Market targeting: crocs targets and dominates market segments can gain a significant marketing advantage. Targeting options include selective targeting of one segment or multiple targeting of several segments.

Market re-positioning: positioning is how consumers perceive the brand that can gain a significant marketing advantage. Targeting options include selective targeting of one substantial strategic advantage.

Productivity improvement: one alternative is the strategist is to continue to do what the firm has always done but do it better. That is, to improve the firms overall ratio of output to input- the firm's productivity. Improvements can be pursued in a number of different ways. If the price elasticity of

demand is relatively low the most immediate impact on productivity will be achieved by simply raising the price. Other strategic might involve improving the sales mix to maximize the contribution per pack, and the reduction of variable or fixed costs.

Organizational design: there are two prime forces affecting organizational design; these being uniformity and diversity. In a stable business environment, the predominant force will be uniformity; more organically structured, informal organizations will be better equipped to survive in environment strategic to determine the dynamic nature of the environments characterized by change. It is the task of the marketing strategist to determine the dynamic nature of the environment and to ensure the organizational structure fits this environment.

Exploiting special advantage: a firm may possess an important strategic over competitors. These advantages must be used and strengthened for its benefit to be realized. Examples include low production costs, patents, strong, customer loyalty, a government monopoly strategic is to identify and evaluate this special advantage. Acquisition/ merger/ strategic alliance.

Combining the strengths of two or more organizations may provide marketing synergy and other advantages. However, the strategic and operating values f such alliances is not clearly established.

Exit: if the marketing opportunities are unattractive and the performance consistently poor, the appropriate strategy could be to exit from the business. Even this, appropriate strategy could be to exit from the business. Even this apparently final, decision raises a number of strategic alternatives.

The assets of the business could be liquidated or it could be sold as a going concern as a prelude to exit, a slow harvesting strategy might be adopted involving the elevation of all discretionary expenditure.

Alternatively, the harvest might be rapid involving both a reduction in discretionary expenditure and a price- skimming strategy.

Total quality management (TQM)

Total quality management (TQM) the implementation of strategic, tactical and operation methods of integrating practical quality control techniques (statistical quality control), inspection, quality assurance, etc) with organizational cultures conducive to the continuous improvement of quality, it focuses on the totality of the system rather than its individual parts, seeking to identify the causes of failure rather than its individual parts, seeking to identify the cause of failure rather than the simple fact that failures have occurred. Causes of failure could involve cultural inadequacies, poor teamwork, bad leadership, lack of individual commitment and motivation, and other psycho-social problems as well as technical operator and/ or equipment inadequacies

Implications of TQM for employee relations

TQM has implications for employee relations because (along with JIT) it demands a far higher standard of management than previously and, critically, a style of management that evokes full and committed cooperation from labor.

TQM requires from management:

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- * Commitment to the provision of long-term security of employment for workers
- * Provision of training to enable employees to complete a multiplicity tasks.
- * Trust in workers abilities to deal with quality issues.
- * Day- today involvement and face-to face communication with the workforce.

It requires from employees:

- * Acceptance of collective responsibility for the success of the business
- * Flexible attitudes and willingness to undertake a wide range of duties.
- * Willingness to contribute to problem- solving

Further implications of TQM are that:

- * Even the totally unskilled worker requires training, instruction in the need for quality and how the organization is seeking to achieve it.
- * Employees working in different departments need to know about each other's problems.
- * Piece rate wage payment systems are to be avoided, as they encourage the production of substandard output.

Quality conformance

Conformance to specification means producing a product or providing a service to a specific design specification. During the design of any product or service, its overall purpose, packaging of components and the relationship between the components will have been specified. The model used to describe this can include the activities of ensuring that the product and services conform to their original specifications. This is the quality planning and control activity. This can be divided into the familiar six sequential steps:

1. Define the quality characteristics of the product or services
2. Decide how to measure each quality characteristic
3. Set quality standards for each quality characteristic
4. Control quality against those standards
5. Find and correct causes of poor quality
6. Continue to make improvements

The cost of quality

Another management b