Nike strategic management

NIKE is an American-based corporation that specializes in the designing, manufacturing as well as marketing of footwear, sporting accessories, equipment, apparels, and services. Since its inception, the corporation has tremendously grown and expanded its functions to the international markets. Today, the corporation is headquartered in Beaverton, Oregon, United States and it is among the largest suppliers of sporting apparel and shoes in the world. It is also ranked as a leading manufacturer of sporting equipment in the world with an estimated revenue of approximately US$24. 1 billion in the 2012 financial year (Heble, 2015). This essay is a structured analysis of Nike's operating environment, its Foreign Direct Investment (FDI) strategy for penetrating international markets as well as an evaluation of the Ansoff Matrix that might be employed to facilitate Nike's strategic decisions.

Nike organizational structure

Question 1# Nike's Operating Environment

In the analysis of the company's operating environment, the essay will focus on the corporation's internal as well as external environment analytical frameworks. Such include PESTEL, Porters Value Chain as well as the Porters 5 Forces.

PESTEL

It is a macroeconomic terminology which is used to characterize to the political, economic, social, technological, legal and environmental factors affecting a business (CIPD, 2015). In a business organization, the PESTLE analysis is at times termed as the PEST analysisand it is a major concept of principles of marketing. In addition, this theory is employed as a tool by corporations to keep track on their business environment that they are operating. It is widely applicable when a corporation is planning to launch its new project, product or service among others.

Political Environment

Since its inception, the corporation has enjoyed operating in nations with ideal political temperaments. Even more so, it has been supported by various governments in launching its subsidiaries in such international markets. Nike is a multinational corporation, and as such it employs thousands of people worldwide. Some governments have found it to be a good move to encourage the corporation to invest in their cities in order to provide the needed source of employment to the locals. Consequently, this has promoted the economic growth of such nations through the attained revenues attained as wages payable to the salaried locals functioning in the corporation.

Economic Environment

Arguably, the excellent performance of Nike’s corporation originated from the favorably good economic position of the U. S. economy since the startup of the corporation. Although, the economy of the nation has had a few decline in the economic productivity, the excellent economic performance of the corporation has remained steady. However, the organization has faced several economic challenges through its international markets subsidiaries. This is through the inflation of the international currencies in contrast to the U. S. dollar. As such, the corporation has faced numerous fluctuations of prices in the market and consequently attained a reduction in annual sales revenue in some fiscal periods.

Social Environment

This is the assortment of various social factors that could affect the productive running of an establishment. Such factors include social traditions, cultures, values, literacy levels, as well as education levels. They may also encompass the ethical positions of a society, the magnitude of social stratification, cohesiveness as well as conflict among others. Since its inception, Nike Corporation has enjoyed a sound social business environment. This has been attributed to the Nike's brand dominance in the sporting arena. Sports are one of the universally accepted social events that joins persons from different parts of the world in a harmonious social environment. In the past, the corporation's sporting attires have been sold to almost all parts of the world in support of the global sporting, social events like the World Cup.

Nike strategic management analysis

Technological Environment

Technology allows corporations to innovate in a variety of ways. This ranges from communicating with consumers to engineering products that best fit the consumers' needs. There are two primary ways that Nike has been able to use technology in its marketing environment. First, the company has used social media platforms to build its brand well in markets all over the globe. The corporation has also been in a position to employ valuable data-based metrics in its marketing objectives, which can be accredited greatly to the use of technological devices. This has enabled the corporation to optimize and target its production to various markets and in turn, maximize on revenue attainment.

Environmental Business Environment

Environmental issues have been keenly focused on, in the recent times. This is in light to the growth in the production and manufacturing industries in the world. Such companies include Nike, whose manufacturing activities has greatly affected numerous environments in different parts of the world. There are two primary environmental factors that have affected Nike Corporation over the years. First, the corporation's manufacturing efforts have without a doubt contributed to the destruction of the environment through aerial pollution. In the past, the corporation has even been accused of pollution the environment by damping into the rivers. Nevertheless, the corporation has continuously offered a resolve to become eco-friendlier with the aim of protecting the environment.

Legal Environment

These are all legal variables that affect the optimal functioning of an organization. In most cases, such variables. Such factors may include lawsuits filed against a corporation due to its infringement in quality standards of its products to the consumers among others. In the past, Nike has been faced with several legal issues such as evasion of substantial amounts of taxes in some international markets and lawsuits filed against for unethical marketing strategies such as the offering of false discounts.

Porter's Value Chain

The value chain in a business organization describes all the essential activities that various establishments operating in various industries must undertake in order to deliver quality products to the market (Bhasin, 2016). The concept was initially developed in 1985 by Michael Porter to analyze the effectiveness of various departments in an organization in producing quality goods and services (IFM, 2016). In this case study, Nike's value chain activities can be categorized in two; the primary and secondary activities. There are five subcategories in the primary activities of the corporation's value chain. They include inbound logistics, services, operations, marketing sales and outbound logistics.