

Good case study on leadership decisions

[Business](#), [Company](#)



Crazy Clothiers Industries (CCI) faces a number of challenges that need to be addressed to ensure it competes favorably with other cloth manufacturers. As an old company, it has experienced a decline in sales and profits due to changes in technology, movement of most of the clothing industry to Pakistan, China, and India. The company therefore faces the major challenge on whether to outsource or find a different way to increase its profit given that it majorly deals with manufacturing and wholesaling.

The company's significant challenges may hinder it from increasing its wealth. The founders of the company sought to major on manufacturing and wholesale rather than retail (Sen, 2008). With a vast number of investors investing in the cloth industry, it will be hard to maintain the customers and increase its market. Marketing as a tool used to increase sales mainly targets the retailers rather than wholesalers, and thus the company cannot maximize on it (Keister, 2005).

The workforce also needs to be motivated through pay increases. Some managers have endured pay cuts due to the decline in sales (Reuvid, 2010). Most employees need an increase in the salaries since they have gained experience, and the decline in profits did not give them a chance to have the increase. The company is at risk of losing great talent and expertise provided by its employees to competitors if wages aren't improved. The increase of commissions to employees will help ensure that employees do not feel sidelined (Keister, 2005). Slow year packs and salary increment as profits grow together with bonuses will also provide managers and employees all feel satisfied. Raising the salaries of front-line managers will be the best available option. It will motivate them to ensure that their branches grow

productivity.

The Mexican market has in the past years declined due to the political mayhem and environment issues. With the proposed rules on taxes and tariffs in the USA, it may make profits to decrease, and yet it is the largest profit maker for the company. Possible increase in the cost of production is also a major challenge with the economic struggles.

CCI should not outsource due to the current global economic situation. CCI does not have factories overseas, and this poses a problem given that it will be costly, time-consuming, subject to economic changes and also not a short-term decision (Sen, 2008). There is need to upgrade technology given the increase in the European market that is expected to be larger than the Middle East and the demand for specialized fashions is increasing.

The four uniquely manufactured dyes will be a good source of capital since they have not been duplicated. The increase of sales in Canada and global expansion in marketing will help increase sales, and the profit will help fund the upgrade in technology in faces. Returns from the first face of the update will also help increase productivity (Reuvid, 2010).

CCI should refrain from changing the dyes used entirely. It's forty years of existence has made it create a broad customer base and which would lose out in case of a significant change. The fact that it doesn't market its products may also make it tricky to change most of the cloth line.

The Mexican will be best suited for the CEO position. Having been raised in Mexico, he has experience on the political situation and will be able to make better decisions. His sales experience has helped build a better person, and he will make decisions with the Mexican environment in mind. However, CCI

may end up being dependent on the situation in Mexico since he will make decisions that are biased if he is involved in politicking so much.

My decision as CEO is neither prejudicial nor discriminatory. Having a local as head of the branch will give CCI a right public image. The Mexican is also in a position to understand better how to deal with the current atmosphere in the country. Although it may seem unethical, the two have high experience in marketing and high academic qualifications. The better understanding of Mexico gives the Mexican an added advantage.

Mission Statement: To be a leading Cloth Manufacturer and provide exceptional services and unique fashions in the industry and make fashion a daily taste of consumers. Being a leading manufacturer, it ensures that we use unique dyes and high technology in production. Unique styles ensure that our customers stand out.

Short-term goals: To increase profits by twenty percent and increase market to other countries.

Quality imperative Challenge: Incorporate the new dyes in production to ensure that sustainable returns are realized, and goals achieved.

References

Keister, L. A. (2005). Entrepreneurship. Amsterdam: Elsevier JAI.

Reuvid, J. (2010). Managing business risk: A practical guide to protecting your business. Philadelphia, PA: Kogan Page.

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