

Case study of the management and organisation of adidas



**ASSIGN
BUSTER**

Adidas is a Germany shoe, clothing and apparel company that also owns Reebok, Taylor Made and Rockport. Adidas is the largest sportswear company in Europe and is the second only to Nike as the largest sportswear company in the world. The company sports the recognizable logo of three slanted parallel bars of ascending height.

Adidas was founded in 1924 by Adolf Dassler, but it did not become a fully registered company until 1940. Its headquarters are located in Herzogenaurach, Germany, the hometown of its founder. Although many believe that Adidas stands for “ All day I dream about soccer” the true origin of the name comes from the amalgamation of Adolf’s nickname, Adi, and the first three letter of his last name.

Adidas specializes in the design and manufacturing of footwear, sportswear, sports equipment and, yes, even toiletries, most notably, deodorant. However, the company first gained international recognition in 1936 at the Summer Olympic in Berlin, where it outfitted U. S. track star Jesse Owens with its track shoes. Owens won four gold medals in the games.

With a specifically stated Corporate Strategy, the company needs to ensure that their organizational structure will allow for and be flexible to this strategy being sought after. Their objectives outlined in the corporate strategy ensure the mission statement will translate into action, while also guiding and coordinating decisions. There is no purpose in having well thought out strategic objectives, but no structure and cohesion to attain these objectives. The Adidas Group comprises of a four person executive board, including one Chief Executive Officer and three board members

representing the shareholders and six members representing the staff. The Supervisory Board advises and supervises the executive board in matters concerning the management of the company. It is the role of the supervisory board to ensure that the pathway and vision determined by the executive board is forthrightly followed by the rest of the organization from the top, all the way down to those entrusted with manufacturing their products.

The strengths of ADIDAS are strong management team and good corporate strategy in North American and overseas markets, brand recognition and reputation, diversity and variety in productions offered on the web (footwear, apparel, sporting, equipment, etc.), strong control over its own distribution channel, strong customer base, and strong financial position with minimal long term debts. Weakness of ADIDAS is negative image portrayed by poor working condition in its overseas factories, and E-commerce is limited to USA.

Planning

Planning is one of the most important project management techniques.

A plan is like a map, when following a plan, you can always see how much you have progressed towards your project goal and how far you are from your destination. Knowing where you are is essential for making good decisions on where to go or what to do next. The most important is to ensure that everyone is clear of what to accomplish. Planning meaning is how setting goals and defining the actions necessary to achieve the goals, in light of the situation. That situation must be analysed or understood and the appropriate goals and actions must be determined in order to take

advantage of opportunities and how to solve problems. Basic management
<https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

function involving formulation more than one detailed plans to achieve optimum balance of needs or demands with available resources.

First, the planning process identifies the goals or objectives to be achieved and formulates strategies to achieve them. The Managers throughout the organization must develop goals, strategy, and operational plans for their work groups that contribute to the success of the organizations as a whole. Planning is also crucial for meeting your needs during each action with your time, money, or other resources. With careful planning you often can see if at some point you are likely to face a problem. It is much easier to adjust your plan to avoid overcome crisis, rather than to deal with the crisis when it comes unexpected time. Example Adidas plans to expand their operations in Europe, so they need consultation to the Government of Germany. They have been granted landing rights in Paris and are awaiting further details from authorities. In addition, planning has a different meaning depending on the political or economic context in which it is used. Two attitudes to planning need to be held in tension on the one hand we need to be prepare for what may lie ahead, which may mean contingencies and flexible processes.

There is one thing on which every manager can expect to be appraised, the extent to which he or she achieves his or her unit's goals or objectives. Whether it's a work team or a giant enterprise, the manager in charge is expected to move the unit ahead, and this means visualizing where the unit must go and helping get there. Organization exists to achieve some purpose, and if they fail to move forward and achieve their aims, to that extent they have failed.

<https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

On the other hand, our future is shaped by consequences of our own planning and actions. Planning in organization and public policy is both the organizational process of creating and maintaining a program. In the psychological process of thinking about the activities required to set a desired target or goal on some scale. Business planning is like water to a thirsty plant. It keeps our business vital and thriving. Without business planning, business will never improve as it could may even loses or bankrupt. Many small business or stall owners don't have the business planning so they can't earn so much profit when their doing business. Their business unable further progress and stagnant it is, eventually as to close to close shop or behind other competitors.

The rapid of change in today's business world and globalization is making it increasingly necessary that mangers keep their plans current. Strategic management is the application of the basic planning process at the highest levels of the organization. Through the strategic management process, top management determines the long-run direction and performance of the organization by ensuring careful formulation and strategies. For example, top management may ask middle and lower-level managers for inputs when formulation top-level plans. Once top-level plans have been finalized, different organizational units may be asked to formulate plans for their respective areas. A proper strategic management process helps ensure that plans throughout the different levels of the organization are coordinated and mutually supportive.

The slogan of Adidas is " Impossible is Nothing". The mission of Adidas is to be Best Sport Brand in the world. They had achieved the mission but in this <https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

strong competitive era, too many company like Nike and Reebok also want to be globally recognized brand, but they will work hard to achieve their goals. Adidas is passionate about all sports. So Adidas Company will try their best for planning new product or equipment for athletes. As part of their End-to-End Planning initiative they have been focusing on implementing an optimized demand planning process and system more than 20 countries in Europe. They standardized or partially automated certain planning functions to increase forecast accuracy. Following the first wave of implementations in 2008, they continued the roll-out to the remaining European countries throughout 2009. Hereafter, they expect to continue the roll-out to other key Adidas Group markets such as Japan.

They set up a dedicated Profitability Management department to monitor macroeconomics trends, forecast the impact on product and supplier cost and devise their supply chain profitability strategy. In addition, their development teams also contribute significantly to this initiative by engineering their products with a stronger focus on price. Throughout 2009, they also engaged their supplier with the aim to increase transparency and predictability in costing. Such as, they closely tracked raw material costs and leveraged this information to consolidate volumes. This allowed them to negotiate more effectively and offset cost increase. In addition, their sourcing teams improved their products allocation process to better utilize supplier's capabilities and take into account of total supply chain cost. Moreover, by leveraging consolidated volumes, their Transport and Customs team success negotiated reduced transportation cost and optimized shipment routes with their service providers.

In conclusion, planning is very important for the organization to achieve their goals and objectives. Especially, current globalization every organization is using latest technology to do the market analyses and compressive planning. In order for them to survive and growth, for example, in year 2008, financial crisis, many banks in US will decline bankrupt. This is because of their poor planning.

Organizing

Organizing (also spelled organising) is the act of rearranging elements following one or more rules. For a company organization is means to an end to achieve its goals, which are to create value for its stakeholders (stockholders, employees, customers, suppliers, community). The Study of organisations includes a focus on optimizing organisation structure. According to management science, most human organizations fall roughly into four types. They are pyramids or hierarchies, committees' juries, Matrix organisations and Ecologies. Organising is the managerial function of making sure there are available the resources to carry out the plan. " Organising involves the assignment of tasks, the grouping of tasks into department, and the allocation of resources to department" Organising is the managerial function of arranging people and resources to work toward a goal. The purposes of organizing include but are not limited to determining the tasks to be performed in order to achieve objectives, dividing tasks into specific jobs, grouping job into department specifying reporting and authority relationship, delegating the authority necessary for task accomplishment, and allocating and deploying resources in a coordinated fashion. Managers must bring together individuals and tasks to make effective use of people

and resources. Three elements are essential to organizing to develop the structure of the organisation. Organising are also acquiring and training human resources. In addition, organising are establishing communication patterns and networks. Determining the method of grouping these activities and resources is the organizing process. Organising is the process of defining and grouping activities and establishing authority relationships among them to attain organisation objectives. Organisation is the process of identifying and grouping of the works to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most efficiently. Organising can be viewed as the activities to collect and configure resources in order to implement plans in a highly effective and efficient fashion. Organising is a broad set of activities, and often considered one of major functions of management. Therefore, there are a wide variety of topics in organising. The following are some of major types of organising required in a business organisation. Organising is the structural frameworks within the various efforts are co-ordinated and related to each other. Organising is one of the basic functions of management. Organising is referred to a creating a structure of relationship for the efficient management of the enterprise. In other words organisation means a group of persons working together to achieve some common objectives. It is related with building up of a framework or structure of various inter related parts. This is the process of allocating and arranging human and non human resources so to achieve organizational goals. Issues of organisational culture and human resource management are also related to this function. Furthermore, organising also includes the activity of acquiring the resources that the organisation needs to achieve its aims. In <https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

many organizations, staffing and sourcing of funds and raw materials take up much time and effort. Anything is commonly considered organized when it looks like everything has a correct order or placement. But it's only ultimately organized if any element has no difference on time taken to find it. In that sense, organizing can also be defined as to place different objects in logical arrangement for better searching. Organizations are groups of people frequently trying to organize some specific subject, such as political issues. So, even while organizing can be viewed as a simple definition, it can get as complex as organizing the world's information. Organising also means creating an organisation structure that is suitable for the achievement of the agreed objectives. Work has to be allocated, lines of authority and responsibility defined, and a system of rules and procedures that guide the conduct of employees laid down. The structure should not be regarded as permanent but as constantly changing to suit the organisation's needs. The organisation is where resources come together. Organisations use different resources to accomplish goals. The major resources used by organisation are often described as follow : Human resources financial resources, physical resources, and information resources. Managers are responsible for acquiring and managing the resources to accomplish goals. Organising will work towards maximum efficiency and minimum waste. Organising helps organisation to reap the benefit of specialization. Organising provides for optimum utilization of resources. Organising helps in Effective administration. Organising channels for expansion and growth. Organising achieves co-ordination among different departments. Organising creates scope for new change. The advantages of this include easy communication due to shared specialization, better performance evaluation within the team,

<https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

and quicker decision making as they are all on the same perspective. The main disadvantage is that coordination between different departments become more difficult. Divisional, which is based on product, market or geography has the advantage of functions being able to focus on a specific good, service or customer. This promotes high quality products and customer service. The risk is in conflict arising between division if they begin to compete for organisational resources or pursue individual objectives. Other than that, organising plays a central role in management process. Once plans are created the manager's task is to see that they are carried out. Given a clear mission, core values, objectives, and strategy, the relationship. It identifies who is to do what, who is in charge of whom, and how different people and parts of the organisation relate to and work with one another. All of this, of course, can be done in different ways. The strategic leadership challenge is to choose the best organisational form to fit the strategy and other situational demands. When organising, managers must take decision about the division of labour and work specialization, departmentalization, chain of command, span of management, centralization, and formalization. Collectively, these decisions are often called organisational design. There is no standard formula for the best way to organise an enterprise. Several factors have been shown to influence organising decision. Among the most important of these factors are strategy, size, environmental conditions, and technology. Managers organise in order to achieve the objectives for the enterprise for which they work. Thus, the strategy of the enterprise affects organising decision. Change in strategy frequently necessitates changes in the way the enterprise is organised.

Small enterprise tend exhibit less formalization, centralization, and

<https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

complexity in their organisational structure. Nevertheless, enterprises of the same size may be organised quite differently because of differences in strategy, environmental conditions, and technology. The key factor in the external environment that is relevant to organising is uncertainty. Some enterprises face competitive environments that change rapidly and quite complex, while others face relatively stable conditions. Generally, turbulent environments call for organising decisions that lead to less formalization and centralization in the organisational structure. The processes by which an enterprise transforms inputs into outputs may also affect organising decisions. Some research suggests that organising decisions that lead to high degrees of formalization, centralization, and work specialization are more appropriate for routine technologies and that the converse is true for non-routine technologies. Competition is tough but is steady and manageable, the handling of cost leadership is reasonable and such differentiation follows an organized pattern is such focused activities and events of the company. Adidas will be sustaining capital investment and access to capital and apply process engineering skills in such ideal supervision of labour in giving good brand value to such products being designed for manufacturing purposes as they have applied a structured organisation and responsibility driven business ways that narrow. Adidas ability to maintain enough of price differential to offset competitors' brand image for differentiation. The need for strong coordination among functions in R& D, product development and marketing and focus on company policies as directed in such strategic target.

Leading

Leading is organizing a group of people to achieve a common goal. The leader may or may not have any formal authority. Students of leadership have produced theories involving traits, situational interaction, function, behavior, power, vision and values, charisma, and intelligence among others. Leading has been described as the “ process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task.” Definitions more inclusive of followers have also emerged. Leading is ultimately about creating a way for people to contribute to making something extraordinary happen.” Leading needs to be distinguished from posturing . The following sections discuss several important aspects of leading including a description of what leading is and a description of several popular theories and styles of leading. This article also discusses topics such as the role of emotions and vision, as well as leading effectiveness and performance, leading in different contexts, how it may differ from related concepts of management, and some critiques of leadership as generally conceived . Leading as one of four functions of management, leading can be both extremely important and challenging. Along with planning, organizing and controlling, all managers will execute these four functions of management. From managing a local store to managing a large corporation, every manager will perform each of the functions at some point in their jobs. Ideally all managers should be good leaders; it is a way of establishing a cohesive group which moves towards organizational goals and objectives with spirit and vigor. While handling people a good leader will not only manage his own resources well, he or she also can motivation the worker, employee to complete their work that been given. A leader should strive to <https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

become an inspiration to the rest of the employees. Employees will follow a leader because the leader have the authority that given by boss to leading the employee. However, a leader that is an inspiration means that employees follow that person because they believe in what the leader is doing and they are trying to help the company achieve its goals. Finding ways to inspire employees means coaching them and motivating them to succeed as integral parts of the company. Significant relationships exist between leading and such individual traits as intelligence, adjustment, extraversion, conscientiousness, openness to experience, and general self-efficacy. Considering the criticisms of the trait theory outlined above, several researchers have begun to adopt a different perspective of leader individual differences – the leader attribute pattern approach . In contrast to the traditional approach, the leader attribute pattern approach is based on theorists' arguments that the influence of individual characteristics on outcomes is best understood by considering the person as an integrated totality rather than a summation of individual variables. In other words, the leader attribute pattern approach argues that integrated constellations or combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes, or by additive combinations of multiple attributes. In response to the early criticisms of the trait approach, theorists began to research leading as a set of behaviors, evaluating the behavior of 'successful' leaders, determining a behavior taxonomy and identifying broad leading styles. For example, Leading takes a strong personality with a well developed positive ego. Not so much as a pattern of motives, but a set of traits is crucial. To lead self-confidence and a high self-esteem is useful, <https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

perhaps even essential. The researchers evaluated the performance of groups of eleven-year-old boys under different types of work climate. In each, the leader exercised his influence regarding the type of group decision making, praise, criticism and feedback, and the management of the group tasks project management according to three styles is : authoritarian, democratic and laissez-faire. Authoritarian climates were characterized by leaders who make decisions alone, demand strict compliance to his orders, and dictate each step taken; future steps were uncertain to a large degree. The leader is not necessarily hostile but is aloof from participation in work and commonly offers personal praise and criticism for the work done. Democratic climates were characterized by collective decision processes, assisted by the leader. Before accomplishing tasks, perspectives are gained from group discussion and technical advice from a leader. Members are given choices and collectively decide the division of labor. Praise and criticism in such an environment are objective, fact minded and given by a group member without necessarily having participated extensively in the actual work. Laissez faire climates gave freedom to the group for policy determination without any participation from the leader. The leader remains uninvolved in work decisions unless asked, does not participate in the division of labor, and very infrequently gives praise. Positive reinforcement occurs when a positive stimulus is presented in response to a behavior, increasing the likelihood of that behavior in the future. The following is an example of how positive reinforcement can be used in a business setting. Assume praise is a positive reinforcement for a particular employee. This employee does not show up to work on time every day. The manager of this employee decides to praise the employee for showing up on time every day

<https://assignbuster.com/case-study-of-the-management-and-organisation-of-adidas/>

the employee actually shows up to work on time. As a result, the employee comes to work on time more often because the employee likes to be praised. In this example, praise is a positive reinforcement for this employee because the employee arrives to work on time more frequently after being praised for showing up to work on time. The use of positive reinforcement is a successful and growing technique used by leaders to motivate and attain desired behaviors from subordinates. Used reinforcement to increase productivity and also increase in performance. Additionally, many reinforcement techniques such as the use of praise are inexpensive, providing higher performance for lower costs.