

Mad about plaid



Castlebridge is at a cross-road – on one hand it has to reduce costs which will eventually lead to a loss in a numerous amount of local employees.

Reputational risk is now an issue as well brand-image. Once a provider for the wealthy, the company is concerned that tags relaying Asian manufacturing countries will undermine the confidence of the purchaser who is looking for something authentically British.

2. Niall Ferguson

Niall Ferguson takes the logical approach where the objective of any firm is to maximise profits. By not doing so, the firm will lose out to the competitors and will continue to face rising costs in keeping up with consumer preferences. Ferguson holds Ferguson Harold accountable for being overly nationalistic and even rather ignorant to the status of British clothing made in Malaysia and its effect on a Japanese consumer.

The main concern of backlash would be from local purchasers whose confidence may be undermined by the outsourcing of a classy British brand to a third world country. However, it is well pointed out that Mary Crane does not feel threatened by British media – supposedly she sees that production line workers are of the lower working class whereas buyers of Castlebridge's products are of the wealthier class. Besides, Ferguson debates, trade unions have been subdued during Thatcher's time.

It's true that no British manufacturing line can survive in their high cost market by maintaining production lines within the UK. Labour is just too expensive. As for brand image, maintaining the class, thus the quality, is

more important than running the risk of a complete closure and a shutdown of business.

I agree with Ferguson. Cutting down on costs is the method that Castlebridge should take in this instance. There is no need to maintain high costs and place burden upon shareholders of the company. However, this response leaves out the important factor of Castlebridge employees. They need to be accounted for, regardless of class – and there are ways of compensating them for their loss of jobs.

3. Dana Thomas

Dana Thomas, in her response, is more concerned with the fashion industry than other issues inherent in this article. The changes of fashion statements over the years and the paradigm expansion from just targeting the wealthier class to exposing brands to the middle class speaks volumes about what Castlebridge would have to go through in order to maintain sales.

There is too much emphasis on luxury brands that are authentically English, but surviving in the ever-changing world of fashion is impossible if Castlebridge continues to perspire over brand positioning and its nuances towards the upper class alone. However due to their new target market they also face the vulnerability in dealing with economic externalities such as economic down-turns.

Thomas agrees with the outsourcing of production lines to Asia while maintaining design houses in the United Kingdom.

In my opinion, this should be the correct strategy to take. At the end of the day, it is vital for a firm to maximise profits – this is how a business operates. Thomas' concerns lay essentially with stakeholders, as do mine, as she describes Britishness a euphemism of integrity and honesty – she also mentions " coming clean about strategies and objectives." Furthermore, with ever-changing tastes in the fashion industry, it only makes sense for brand image to also alter, according to customer whims. Hanging on Britishness will hardly be a priority if profits begin to decline in the long run.

4. Dov Seidman

So far, I agree most with Dov Seidman's approach in determining the elements of effective managerial changes. Though the underlying objective of the firm is to maximise profits, there are also qualitative aspects Mary Crane's proposed outsourcing move. Like Dana Thomas, Seidman suggests that the company plans effectively and honestly to maintain an amicable relationship with all relevant parties.

Management's role is more than just figure-oriented; it also looks into the human aspect of a company, imposing beliefs of fiduciary relationships upon more than just their stakeholders. Reputational risks are at stake if Castlebridge blatantly sideline their local work force who has been diligently churning out classy British produce for the past 30 years.

Therefore, it is mandatory for Castlebridge to execute their plan in a tactful manner, full compensating valued employees while demonstrating the utmost responsibility towards their stakeholders. With the fast-paced internet,

more people will know of a horrendous blind sight as compared to a good deed that Castlebridge executes.

Furthermore, his concern for the brand image of Britishness is also wayward. He believes there is not necessarily a sacrifice of the wealth image just by outsourcing a production line. Therefore, brand positioning as agreed upon by Thomas and Ferguson is the least of Castlebridge's concerns.

In hindsight, ethics is a concern for Seidman. A company cannot survive in today's age without a conscience. He even cites the example of Mary donating Castlebridge's used factory to the local community – it may be viewed as a PR gimmick. Seidman's holistic management approach is the most recent approach seen as of now in this article. He balances out the profits as well as the people aspect of the firm.

5. Gill Corkindale

Gill Corkindale concentrates on supporting Castlebridge's staff. She provides managerial steps in determining their well-being before, throughout and after the process of outsourcing. As with Seidman, she focuses on the human factor of this whole escapade – her major concern are the employees of Castlebridge.

Though she agrees that Crane is the ultimate forward-looking CEO who thrives from the betterment of the company, she has to consider those who have serviced Castlebridge over the years of providing for wealthy shoppers.

I agree with Corkindale to ultimately take steps to ensuring the welfare of future former employees. Again honesty and integrity surface here as well

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when dealing with staff anxiety and apprehension in such a massive managerial shift. However, Corkindale comments a lot about communication and "what to expect" from downsized employees. She does not suggest compensatory packages or any other means that Crane and her team should take to help ascertain a fair future for their employees. A simple example would be a motivating reference letter.

6. Commentary

Firstly, Castlebridge's management has a fiduciary duty to cater towards the betterment of stakeholders – the ultimate goal: maximise profits by increasing revenue and reducing costs. All respondents agree that outsourcing production lines to cheaper waged countries is the logical step for the company to take.

Secondly, a responsibility towards employees takes the humanitarian approach by Castlebridge. Sincerely caring for the welfare of retrenched workers is a laudable act – compensation schemes and references to new jobs is required to maintain Castlebridge's integrity in the market.

Thirdly, brand positioning can be accommodated through marketing tactics. Not all companies are born to remain wealth-targeted companies. Change and eventual evolution is part and parcel of any retail provider – especially when they rely heavily on consumers for sales. Brand identity can be repositioned / reinforced, whichever Castlebridge chooses to implement. Brand image should be the least of their priorities.

7. Conclusion

Castlebridge owes their shareholders a fiduciary relationship where their interests are placed higher than those of other parties. Strategically if the production lines have to be outsourced offshore, they should proceed with the outsourcing, exercising due care towards retrenched employees as well as the local community – this is to maintain Castlebridge's reputation as a British company that cares about the locals. Brand identity as well as customer perception can be emphasised through marketing tools that are inevitably available for companies today.

It is imperative that Castlebridge remains a profit maximising corporation or else, any heritage or standard they pride themselves in, in the first place, will cease to exist if costs begin to run higher than revenue lines. However, with principles in mind, Castlebridge can also turn its focus on philanthropic causes to maintain a degree of dignity in mind. Not only is this vital for the company's image, it also acts as an effective marketing tool, and in the long-run shareholders too will benefit from the exposure the company seeks through charitable causes.