

# Corporate strategy

[Business](#), [Management](#)



Trento and Hong Kong as well as operating distribution facilities at locations across the U. S. (PVH Annual Reports, 2008). In regards to the sourcing operations of the firm, according to the Corporate Social Responsibility report, PVH has implemented a ' Global Human Rights and Social Responsibility Program' which indicates that the standards for price, quality and logistics are kept on par with the human rights consideration (PVH CSR, 2008). What this means is that the firm self-identifies a global operator and all stakeholders are equally responsible for the firm's code of conduct.

Why PVH is a global firm is important because of the implications it has for the firm's strategy. According to the 2008 financial reports, more than 30% of the income derived before interest and tax comes from international sales which are up from 25% in 2007. It is the case that the retail sales of PVH are diverse across the company's product line, including the Calvin Klein brand which has approximately 56% of its sales in international markets to Bass where about 1% of sales are in international markets (PVH, 2008). Implicit in this is that different product lines have varying success and strategy in different markets.

The question of which value chain activities the company performs in house and which are outsourced is evident from the firm's financial reports. One specific example is the Calvin Klein brand; wherein the firm maintains dedicated in-house marketing, advertising, and design division. These divisions are responsible for maintaining and controlling the global marketing strategy of the brand and controlling product development for most of their product licensees. The reasoning behind this strategy is owing to the fact that the firm wants to exert a certain level of control over the entire brand to

ensure product and image quality.

An example of an activity that the firm has outsourced is simply the manufacturing of textiles. It is the case that the main focus of PVH is on the design and marketing aspects of the product lines that they employ, and it is likely that dedicated textile production in overseas facilities would not only be more cost-effective but would represent significant transportation savings in reaching markets in the region.

The success of this strategy is evident in the growing success of PVH's brands in the domestic and international markets. A snapshot of the company in 2007, when compared to 2008, indicates that international revenues are a growing trend for the firm and it is likely that the global sourcing of products is a trend that will also continue into the future.