

Corporate social responsibility and specific strategy differences



? Group 7 Exercises (suitable for use with the chapter relating to global competition and competing in foreign markets) 1. Is the international market arena in which your athletic footwear company competes characterized by multicountry competition or global competition? Explain why. We will say that it is global competition, because global competition refers to the situation when products and services requirements from country to country are similar and close. We will say that in this market they are pretty similar.

Of course there is a need to adjust our prices in countries with lower purchasing power but demand is huge for same products as in other regions.

2. Is your company employing a global strategy in branded footwear or a strategy that varies significantly from geographic region to geographic region? If the latter, what are the specific strategy differences from region to region? Our company employs global strategy. 3. Is your company employing a global strategy in private-label footwear or a strategy that varies significantly from geographic region to geographic region?

If the latter, what are the specific strategy differences from region to region?

Same strategy in this market as well. Only price is a bit different. 4. To what extent, if any, have you and your co-managers adapted your company's strategy to take shifting exchange rates into account? In other words, have you undertaken any actions to try to (a) minimize the impact of adverse shifts in exchange rates or (b) capitalize on the impact of favorable exchange rate shifts? Why or why not? Unfortunately we don't have production capacities in all regions and due to that fact it is impossible to completely minimize effect of exchange rates.

We chose to maintain our production in current regions (NA and AP). Hence, we are trying to mitigate exchange rate effect if it is (by exporting from regions where currency depreciates to the regions where currency appreciate) possible if it is not we are trying to reduce or limit export in those regions, regions with adverse exchange rates, and/or to transfer our costs to customers in those regions. Due to unavailability of hedging this risk with long term contracts (futures, options) this seems like best choice we have. To what extent, if any, have you and your co-managers adapted your company's strategy to take geographic differences in import tariffs into account? We did that by exporting from NA to LA where tariffs are non-existent. Also, the only tariffs we are paying are in EA region but they are not high enough to endanger our profitability. Group 8 Exercises (suitable for use with the chapter relating to ethical strategies, social responsibility and environmental sustainability) 1. What is your company's strategy for exercising social responsibility and being a good corporate citizen? We invest money in work diversity programs and ethic training of all employees.

Also we invest money in energy efficiency initiatives. 2. Would your company pursue a corporate social responsibility strategy if there was no payoff in the form of a higher image rating? Why or why not? Probably not because it doesn't have any impact on the game and the goal of the game is to have high profits. Hence, if our goal is to win this game that would be useless spending of money. 3. Should shareholders be pleased with your company's social responsibility strategy and the amount of resources you are devoting to this effort?

Cite at least 3 convincing reasons in support of your answer. Our shareholders are pleased. 1) We invest enough money to maintain good picture 2) But we don't overspend in that area which will diminish our shareholders' EPS 3) and ROI 4. Is there anything that your company is doing that could be considered as "shady" by your competitors? There is nothing that our competitors could consider "shady" in our company operations. However, they will give better answer on this question. 5. Is there anything that any of your competitors are doing that you consider as "shady" or "unethical"? There is nothing we consider "shady" in operations of our competitors. 6. Is it "unethical" or at least socially irresponsible for a company to avoid conducting its business in a manner in an environmentally sustainable manner? Why or why not? It is "unethical" and irresponsible because we should think about future generations. Business should involve examining business processes and practices in terms of people, planet and profit, and seeking out ways to create a positive impact in each of these areas. For example, implementing environmentally sustainable practices and green supply chain management has the potential to eliminate waste and generate cost savings, leading to a stronger bottom line. 7. Is it "unethical" or at least socially irresponsible for a company to make no charitable contributions whatsoever? Support your answer? It could be perceived as unethical. However in essence of business is making profit not making charitable contributions. Also, a lot of companies which gives charitable contributions do that because of some latent or manifest benefit they could have.

For example tax breaks or image improvement. Group 9 Exercises (suitable for use with chapters relating to strategy implementation, strategy execution, and efforts to achieve operating excellence) 1. Do you and your co-managers deliberately shift resources from one area to another to better support strategy execution efforts? If so, cite at least 3 such instances.

During the course of the game we shifted resources from one are to the other. 1. We decreased rebate offer but increased advertising budget and retailer support. 2.

We lower expenses for superior materials but boosted TQM/Six Sigma, Enhanced features and best practices. 3. During the first six years we put all our resources to branded and internet sales, we shifted some of those resources from private-label segment which we neglected in that period. 2.

Do you and your co-managers regularly study the benchmarking data on pages 5 and 6 of each year's Footwear Industry Report to see how well your company is doing? Do you consider the benchmarking information provided to be valuable? Why or why not?

Cite three recent instances in which your examination of the benchmarking statistics has caused you and your co-managers to take corrective actions to boost company performance. Yes, after every round we carefully study those pages in order to benchmark our efforts against efforts of our competitors.

They are very valuable, because according to those reports we could find out where our performance lag and try to improve those weak links. 1. We noticed that we invest too much money in advertising because all our competitors invest less money and have same effect, after that we

decreased our investing in advertisements. . Also, we noticed that our <https://assignbuster.com/corporate-social-responsibility-and-specific-strategy-differences/>

compensations our too high and they do not really correspond to the level of productivity. (Our rivals had smaller wages but better productivity) After that we decreased adjusted compensations. 3. On page 5 – Financial summary we noticed that we should warehouse expenses, afterwards we took proper actions to do that. 3. What is your company approach to workforce compensation? Is there any hard evidence you can cite that indicates your company's workforce compensation strategy is working?

For example, has your company's compensation approach actually boosted productivity? Can you cite evidence indicating that the productivity gains have resulted in lower labor costs? If the productivity gains have not translated into lower labor costs, then is it fair to say that your company's work force compensation approach is a failure? According to benchmark page 6 in FIR we have best workers' compensations in the industry.

According to the same page we have the highest productivity in NA region as well as in AP region. We are doing well in this aspect.

Higher productivity decreased number of workers we need to produce certain number of shoes. Hence we lower costs of production by employing fewer workers than earlier. Also, due to the fewer workers we also lower costs due to the less supervision costs we are paying. All in all our compensation policy is success. 4. Are you and your co-managers consciously trying to achieve " operating excellence? " What are the 3-4 best indicators of operating excellence at your company? Based on these indicators, how well does your company measure up?

Is there any evidence indicating that your company's management team is doing a better job of achieving operating excellence than are the management teams at rival companies? Our good result during whole game (steady market share and profitability) indicates that we are creating value for our customer which is one attribute of operational excellence. Also we think systematically about the game, we consider our company as an open system in constant interactions with its environment (Different market forces) and constant internal interactions.

This is the second indicator of our operational excellence. At the end we always seek perfection and we are focused on processes. We are trying to eliminate all handoffs and bottlenecks and to improve all processes of our company. We are constant process of trying to improve all our decisions and processes. We would rather say: Good Strategy + Good Strategy Execution = Good Management that is formula which describes our approach. Ipso facto we were among three top companies during the whole game and first for five consecutive