

Nike case answers essay



**ASSIGN
BUSTER**

When Nike CEO Phil Knight stepped down and handed his job to Bill Perez, he stayed on as chairman of the board. In what ways could Knight's continued presence on the board have created an informal structure that prevented Perez from achieving full and complete leadership of Nike?

Answer: Informal structures are the set of unofficial relationships between organization members.

Potential advantages of informal structures: Helping people accomplish their work Overcoming limits of formal structure Gaining access to interpersonal networks Informal learning When Knight remained on the board, old communication relationships may have survived his departure from the CEO position, cutting Perez off from valuable information. Knight's access to the informal communication network may have worked to spread rumors to Knight and back down the communication chain.

These rumors may have contained inaccurate information, caused resistance to change and distracted members from their work. This may have reinforced Perez's position as an outsider. 2. Discussion- Given the problems Nike has had with sweatshop labor being used by many of its foreign contractors, are there parts of the firm that need to be run with a mechanistic rather than organic design? Give examples to support your answer. Mechanistic designs are highly centralized and bureaucratic with an emphasis on command and control.

This might suggest that mechanistic designs are appropriate for manufacturing in foreign countries. Organic designs are adaptive, decentralized and tend to respond to change more quickly. This would

probably be a good fit for an organization that has far flung operations in different countries with different ultras that try to respond to rapidly changing technology, fashion, customer demands and economic conditions. Nike's manufacturing subsystem should be run with mechanistic rather than organic so as to protect the image brand and its Orlando ageless.

In an eagle's snout, the utmost unlace. Ana Turner Transliteration conforming to culture. Design is could be one competitive advantage so it is important that the manufacturing of the products are conformed to the original ideas of the maker, uninfluenced by any other factors involved in its manufacturing process. Example of this idea is the use of differentiation strategy of companies to main competitive advantage and also put standardization of the qualification of the labor being used. - Problem solving - Do you understand the network structure? Draw one that Nike could use to gain efficiency in operations while selling high quality and top design shoes? The network structures use information technology (IT) to link with networks of outside suppliers and service contractors. This outlines Nike's efforts to outsource many Non-executive responsibilities to reduce overhead. In addition to outsourcing production, the research and marketing business centers listed in the case could be part of a network structure.

Other functions may include design, advertising, licensing, compliance sports and entertainment marketing. [pick] 4- Further research - Gather information on Nike recent moves and accomplishments, and those of its rivals. Are the firms following the same strategies and using the same structure to support them? Or is one doing something quite different from

the others? Can Nike stay on top, or is some other firm destined to be the next industry leader?

Answer: The advertising strategy differs from company to company.

Generally, Nike believes in spending 5-7% of its revenues in advertising and endorsement. Nike has planned to spend \$4.2 Billion until forgo endorsements alone. With the huge size of Nike, it is tough for other companies to allocate a big amount for their marketing expenses. Moreover, Nike has always an edge when it comes to advertising and marketing. The table below shows the advertising strategy for the major players in the industry.

Company | Nike in world lifestyle & fashion | Strategy | Endorsing Athletes | Sponsoring Sports events | City based advertisements | Banners & Billboards | Themes on bringing inspiration and innovation to every athlete | Adidas, Reebok | Themes on improving performance of every athlete in the | Puma | Mixing influence of sports, Puma concept retail stores fashion shows | New stuff advertising campaigns | Building seasonal momentum during holiday seasons | Puma Others | Minimal or less advertising based on stores | Nike has invested a lot so far in developing a premium brand that implies high quality and care for the customer.

Nike has a wide range of products ranging from athletics to life style and also indifferent price ranges. Therefore, it is always a challenge to fight against brand dilution within Nike. The following gives an idea of the customer's perception of the brands: Company | Nike | Branding message and Strategy | Athletic, Influential, Outgoing, Aggressive, hi tech, futuristic,

retro cool American way of life living Associated with Athletes at top of their sport To bring inspiration and innovation to athletes in world.

Air every Air Max, Rebook Air Clear, orderly, Practical, hi tech, Sophisticated, Sincere Conservative European style To improve performance of every athlete in the world Associated with elite soccer players/teams, Air Max artists. Air Max stars, Hip hop Air Max Elegant, colorful, fresh, spontaneous, individual, metropolitan, international Mixing influence Air Max of sports, lifestyle & fashion brand, performance & casual footwear, fringe, extreme sports Air Max Others lines. Generally not a strong brand message Air Max Based on their product In general, Nike's shoes are associated to be of high quality and stylish.

Rebooks are comfortable and casual, and the Air Max brand boasts superior performance and is "perceived as a professional, technically orientated brand with strong European roots. Nikei fields some of the best in class technological practices and has a few patents to its credit. Nikei emphasizes on these and has developed a lot of new products with use of high technology and sophistication. An example of that is the microprocessor shoe to give great experience and comfort to the customer.

However, Air Max is also working on high tech innovations to provide high quality shoes. Lately, Air Max and Nikei have been doing entertainment based marketing campaign by forming alliances with technology/entertainment companies. Nikei had an alliance with Apple to sell Nikei shoes with Apple pods while Air Max tied up with Microsoft to sell Air Max goods with Microsoft Xbox gaming systems. So far the success of these alliances is yet to be

quantified. Nike follows a 100% outsourcing strategy. Most competitors follow the outsourcing strategy.

Exceptions to this are New Balance and other smaller players. New Balance claims that 75% of its production is from the US and other small companies produce in the US as well. In general, Nike might still be the industry leader if it compensates its weaknesses in organizational structures with Deterrent strategies such as Investing in innovation and development, following differentiation and pricing-based strategies, and investing in sustainability research. References: [http://www. Nike. Com/pH](http://www.nike.com/pH) http://en. Wisped. Org/wick/Nikei, _Len.