

# Communication processes in adidas



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The project illustrates communication process in Adidas, which is used to group and give out information and managerial data. The principle of this report is to assess Adidas in the existing processes of announcement and suggesting improvements, Identifying the communication skills of a good manager in Adidas , Identifying my personal rank, weaknesses during communication , Evaluating the significance of team meetings, group discussions so as to improve appropriate communication within the organization and Justifying improvements to guarantee greater incorporation of systems of communication in that organization was completed.

The other section includes Identifying how, Information Technology can be used, as controlling and coordinating method in Adidas, Evaluating existing approaches to the compilation, formatting storage space, decimation in order and knowledge, Discussing how IT systems may perhaps be used as communication supervision and controlling device, suggestive of right changes to get better the compilation, formatting storage, disseminating of information and awareness, Implementing a tactic to progress right of entry to systems of information and knowledge to others as suitable and Finally clearing up how organization traditions affect communication process for Adidas

## **1. Introduction to the company**

Adidas – a name that stands for competence in all sectors of sport around the globe. The vision of company founder Adolf Dassler has long become reality. The idea was as simple as it was brilliant. Adi Dassler's aim was to provide every athlete with the best possible equipment. Thereafter the brand famous brand “ Adidas” began. It was started in the year 1920, when Adi

Dassler made his first shoes using the few materials available after the First World War. Today, the Adidas product portfolio contains shoes, apparel and accessories for basketball, soccer, fitness and training to adventure, trail and golf. The Adidas name dates back to 1948, deriving from the first two syllables of Adi Dassler's first and last name.

In 1997, Adidas acquired the Salomon group, and they had to be changed to Adidas-Salomon AG. The Salomon group included Bonfire and the Taylor Made golf brands, among others.

Adidas completed and introduced its revolutionary three-divisional structure in 2002. The brand segmented into three which are the Adidas Sport Performance, Adidas Sport Heritage and Adidas Sport Style. The Sport Performance division products were focused on the sports performance market but have design appeal, which also encourages the consumers to wear the products both on and off the court or playing field. The Adidas Sports Heritage division contains Adidas originals products. Originals extend the unique and authentic heritage of Adidas products to the lifestyle market. The Sport Style division houses Y-3, a collaboration between iconic Japanese designer Yohji Yamamoto and Adidas. Y-3 combines the mission of the sports brand with the vision of style to develop an unexpected, radical appeal and the future in sportswear.

In October 2005, the Salomon business acquisition was sold to the Finnish Amer Sports Corporation. And thereafter the company changed its legal name to Adidas AG.

And on January 31, 2006, Adidas-Salomon AG acquired Reebok International Ltd. The closing of the Reebok transaction marks a new chapter in the history of the Adidas Group. By the combination of the worlds most well known and leading sports equipment manufacturers of this competitive world platform and well-defined and complementary brand identities, provides a wider range of products and a stronger presence across teams, athletes, events and leagues.

Today, the new Adidas Group which has more than 25, 000 employees across the world, with more than 2, 000 employees working at the company's headquarters in Herzogenaurach, Germany. This includes a team of designers, product developers and experts for biomechanics and material technology researchers.

## **1. 1 Mission Statement of Adidas**

“ Adidas-Salomon strives to be the global leader in the sporting goods industry with sports brands built on a passion for sports and a sporting lifestyle.

We are consumer focused. That means we continuously improve the quality, look, feel and image of our products and our organizational structures to match and exceed consumer expectations and to provide them with the highest value.

We are innovation and design leaders who seek to help athletes of all skill levels achieve peak performance with every product we bring to the market.

We are a global organization that is socially and environmentally responsible, creative and financially rewarding for our employees and shareholders.

We are committed to continuously strengthening our brands and products to improve our competitive position and financial performance.

In the medium term, we will extend our leading market position in Europe, expand our share of the US footwear market and be the fastest growing major sporting goods supplier in Asia and Latin America. The resulting top-line growth, together with strict cost control and working capital improvements, will drive over-proportionate earnings growth. .”

## **2. Stakeholders of Adidas**

**Our stakeholders are those people or organizations who affect, or who are affected by the operations of the organization. Companies do not operate in isolation from society and our stakeholders have a legitimate interest in the way we do business.**

By involving stakeholders in key decisions that shape day-to-day operations, we gain an understanding of present and the future issues and can balance interests and improve our performance. We recognize that clear, effective and honest communications with our stakeholders enhances the transparency of our business and demonstrates our commitment to being accountable.

**In short, actively engaging our stakeholders underpins all our efforts to be a more sustainable company.**

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Stakeholders can be categorized into three major groups: Internal, Connected and External Stakeholders.

## **2. 1 Internal Stakeholders**

Internal stakeholders include managers and employees and are those that are situated within the company and affect the ‘ day-to-day’ running of the organization.

## **2. 2 Connected Stakeholders**

Connected stakeholders cover groups such as shareholders, suppliers and customers, and are parties which invest or have dealings with the firm.

## **2. 3 External Stakeholders**

External stakeholders are those not directly linked to the organization but who can be influenced or influence activities of the firm through various means. External stakeholders include the Government, neighbors, pressure groups, local councils and the surrounding community.

These are some of the characteristics of stakeholders;

## **1. Owners and Shareholders**

The number of owners and the roles they carry out differ according to the size of the firm

In small businesses there may be only one owner (sole trader) or perhaps a small number of partners (partnership)

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In large firms there are often thousands of shareholders, who each own a small part of the business

## **2. Managers:**

organize

generate decisions

plan

control

are accountable to the owner(s)

## **3. Employees or Staff:**

A business needs staff or employees to carry out its activities

Employees agree to work a certain number of hours in return for a wage or salary

Pay levels vary with skills, qualifications, age, location, types of work and industry and other factors

## **4. Customers:**

Customers buy the goods or services produced by firms

They may be individuals or other businesses

Firms must understand and meet the needs of their customers, otherwise they will fail to make a profit or, indeed, survive

## **5. Suppliers:**

Firms get the resources they need to produce goods and services from suppliers

Businesses should have effective relationships with their suppliers in order to get quality resources at reasonable prices

This is a two-way process, as suppliers depend on the firms they supply

## **6. Community:**

Firms and the communities they exist in are also in a two-way relationship

The local community may often provide many of the firm's staff and customers

The business often supplies goods and services vital to the local area

But at times the community can feel aggrieved by some aspects of what a firm does

## **7. Government:**

Economic policies affect firms' costs (through taxation and interest rates)

Legislation regulates what business can do in areas such as the environment and occupational safety and health

Successful firms are good for governments as they create wealth and employment



These stakeholders also have certain objectives, for example customers, managers, employees they all seek benefit in every action they do. Following will be some of the key objectives of the main stakeholders of an organization.

### **Stakeholder objectives**

Customers: value for money, good service, quality

Owners/shareholders: satisfying/maximizing return on investment

Managers: status, performance bonuses

Employees: high wages, conditions of work

Suppliers: to sell a lot at a high price, repeat orders, customer loyalty

Pressure groups: to force a reduction of environmental impact

### **3. The range of decisions to be taken to effectively communicate with the organizations stakeholders**

Good decision making is a vital skill for career success and effective leadership. If you can learn to make timely and well-considered decisions, then you can often lead your team to spectacular and legitimate success. However, if you make poor decisions, your team risks failure and your time as a leader will most likely be short.

Therefore decisions which are to be taken with the organizations stakeholders should be effective.

There are three main levels of decisions. The three levels of decisions are as follows;

Strategic

Tactical

Operational

### **3. 1 Strategic decisions**

Strategic decisions are the highest levels of decisions. Here a decision is concerned on long term goals and values. These decisions are least structured, most risky and of the most uncertain outcome.

### **3. 2 Tactical decisions**

Tactical decisions are the decision which supports the strategic decisions. They seems to be medium range, medium significance, with controlled consequences.

### **3. 3 Operational decisions**

These are the decisions which are taken everyday and used to help the tactical decisions. These decisions are structured and their impact is immediate, short term, and usually with low costs. When considering about the consequences of these decisions, bad operational decisions will be minimal. Also operational decisions can be preprogrammed.

Communication between the organization and the stakeholders are being a vital way for an organization to be effective and also to keep the good relationship with the stakeholders. The following will be some of the main

ways of communication with the stakeholders and the key concerns of the stakeholders.

## **Employees**

### **Key concerns:**

Job security

Safety

Pay/benefits

Pride in company

### **Communication methods:**

Bulletin boards

E-mail

Intranet/Internet

Direct home mailings

Company letters

## **Investors**

### **Key concerns:**

Company financial performance

Risk prevention

## **Communication methods:**

Annual meetings

Annual reports

Internet

Media coverage

## **Community**

### **Key concerns:**

Understanding of company activities

Health impacts

Jobs

Emergency response

### **Communication methods:**

Web site

Tours

Community news letter

Media

Customer centre

## **Customers**

### **Key concerns:**

Product quality

Product cost

Product safety

Product liability

Companies image

### **Communication methods:**

Web site

Advertising

Point-of-purchase

Sales calls

Product information

Customer care centers

## **Suppliers**

### **Key concerns:**

Long-term relationship

Being the supplier of choice

## **Communication methods:**

Intranet/internet

Workshops

Contracts

Day-to-day contacts

Networks

## **Government**

### **Key concerns:**

Compliance of laws and regulations

### **Communication methods:**

Regulatory bodies

Trade associations

## **4. State the information requirements at the different levels of the organization hierarchy**

### **4.1 Levels of the organizations hierarchy**

The diagram above depicts the boundaries between strategic, tactical and operational roles are related to the hierarchies. In the diagram above the decision making and the responsibilities of the levels of the organization can be mapped from the product and calendar hierarchies. As in the diagram Adidas long term decisions and the company product and the department is controlled by the strategic level, which means the strategic level consists of the senior executives and the senior managements. Therefore in the <https://assignbuster.com/communication-processes-in-adidas/>

strategic level, long-term decisions are taken by the senior executives for example expansion of the organization.

When considering to the tactical level, this is where Adidas department managers are classified. As in the diagram in this level the main aim for the department managers are to be responsible for monthly performance and to be responsible for their respective department.

And finally the operational level, this is where the Adidas supervisors, salesmen, officers etc belong to. In this level all the short-term decisions are taken.

The collection of information at different levels of hierarchies is not the end but it is also essential in decision-making. The collected information should be analyzed correctly.

It must be recognized that information are required at all the three levels, strategic, tactical and operational, each three steps will be influenced by what has happened or what is happening at the other two levels. All these three levels require different information to different levels.

Therefore not only collecting information but analyzing the information in decision making also should be considered.

Whereas Knowledge also plays a vital role in decision making, when making a decision the decision maker should have knowledge, which means confident understanding of the subject with the ability to use it in decision making.

Knowledge can be categorized into two main types.

### **Explicit knowledge**

Explicit are knowledge which can be articulated into formal language, including words and numbers, mathematical expressions, manuals etc. This knowledge can be readily transmitted to others.

### **Tacit knowledge**

Tacit knowledge is vice-versa of explicit knowledge. Tacit knowledge is tougher to be articulated but it's not impossible and this knowledge includes subjective insights, intuitions, and hunches.

In order to enhance the decision making skills, six steps should be followed.

## **4. 2 Decision making in six steps**

### **Defining the problem**

### **Develop alternatives**

### **Evaluate alternatives**

### **Make the decisions**

### **Implement the solutions**

### **Monitor the solutions**

### **Defining the problem**

The first step towards decision making is to define the problems. Obviously, there is no need of making decisions without having a problem. Therefore the first thing that the Adidas executives should consider is to state the problems that has to be solved. Also the outcomes and the goals of Adidas



after making the decisions should be considered. Stating the goals of the company at first will help you in clarifying in your thoughts.

## **Develop alternatives**

A decision making commences because there are many alternative ideas. The next step after entitling the main problem of Adidas is to state the alternative ideas. In this step Adidas executives are free to think about the options. In this step the executives of Adidas will come up with the necessary facts that would aid in solving their problem.

## **Evaluate the alternatives**

This has been considered as one of the most important step in decision making. In this step Adidas executives will analyze each alternative they have come up with. Once they have analyzed, Adidas executives are supposed to find out the advantages and disadvantages of each option. This can be done by researches. There after the evaluation of the alternative the next step is to

## **Make the decisions**

This is the step where the hard work the executives have put in analyzing the options would guide to. After the evaluation process, Adidas executives would have looked into the available options and thereby would have picked the most applicable option.

## **Implement the solution**

After choosing an option, the next step would be implementing the solution. Decision making only would not give the expected results. But you have to work on the decision made. In order to get successful results, Adidas

executives and also the people involved should know the implications of making this decision. This will therefore give successful results to the organization.

### **Monitor the solutions**

Only by decision making and implementing is not the end of the decision making process. It is vital to monitor the decisions regularly. A close eye should be kept on the progress of the solutions and whether the expected results are gained.

These six steps of decision making may seem very complicated. However these are the essential processes of a successful decision.

## **5. Asses the internal and external sources of information**

Information comes from different sources. The challenge for Adidas and any other business organization is to capture and use the information that is relevant and reliable. There are two main sources of information, internal information and external information.

### **5.1 Internal information**

Internal information refers to the activities and transactions which are being carried out within the organization. The internal information activities generate costs and revenues, therefore all the collected will be quantitative.

Mainly internal sources of information are classified into departments of the organization, such as purchasing department, sales department, production etc.

Following are some of the internal sources of information related to Adidas.

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Accounting ledgers – These ledgers are used in predicting the future events. This is important for Adidas, because this relevant department will know if the organization is running in a loss or profit and also how the cash flow in and out of the organization. These information are very essential in making the future predictions.

Personnel and payroll systems – This source of information is used for costing an activity and to assure the availability and rate of pay levels.

Production department – By this the Adidas group will find out the machine capacity, usage of machines, fuel consumption and anything related with the production process will be found out in this department.

Marketing department – This is again the same as the production department, whereas production department gives the information related to the production process and the marketing department gives information related the marketing process, some of the information which can be found in the marketing department is the information about the customers and the promotional activities etc.

## **5. 2 External information**

External information is the information collected from outside sources. These information can be formal or informal, official or unofficial. These information includes statements form the organization, published documents and company advertising formal sources.

Following are some of the external sources of information.

Government statistics – These are the information related to the government, and the information collected by Adidas from the government statistics are population census, import/export statistics, social surveys, family expenditure surveys etc.

National and international institutions – These are the information which can be collected through reports, articles, journals etc. This information is usually collected from bank reviews, university research reports and information collected from international agencies.

## **6. Identify methods of collecting information for business decisions**

Information can be collected in many ways. Organizations adopt certain ways of collecting information. This information collected maybe very effective. Therefore it's very important for an organization to adopt effective ways of collecting information.

Following will be some of the effective and most used ways of collecting information.

Questionnaires – questionnaires are producing certain questions such as questions about the product or organization, to the public. These questionnaires are in two ways; this can be either paper-pencil questionnaires or web based questionnaires. Paper-pencil questionnaires are questions sent to a large number of people. This is effective, because people are truthful while responding. Whereas web based questionnaires are questions produced using the internet. These questions can be asked from the public in the company website.

Interviews – This is a very effective way of collecting information.

Interviewing is directly asking questions, it maybe from the customers or collected set of people. Interview can be held in three ways, face-to-face interview, telephone interview and computer assisted personal interview.

This form of collecting information is effective because the interviewer get the feedback on time.

Observations – This is observing the market that is to observe how the consumers behave. It is important for an organization to do a market research and find out if the consumers are satisfied with their product and what are the changes the consumers need in the product. Therefore observing the consumers and being updated is very essential.

## **7. Make recommendations for improvement**

Adidas is very large set of a group, and every year there has to be certain improvements in their management process, production etc.

Adidas has put on some of their important changes to be made within this year. Following will be some of their improvements to be made.

Enhance teamwork – For an organization teamwork is very important, if a team emerges the contribution is more and eventually the organization aim is achieved. Therefore mutual understanding among the Adidas group is important. By this improvement it helps each person of Adidas group to understand his or her unique personality, characteristics and strengths.

Decision making – Decision making is usually taken by the strategic levels. Adidas has decided to take decisions by involving the tactical level too. This

means all the department managers will be also involved in decision making. This is because to motivate the employees and also to gain more ideas.

## **8. Suggest methods to ensure secrecy**

When considering about Adidas. As we all know Adidas is a multinational company, which manufactures various products namely, shoes, t-shirts, cosmetics etc. Therefore the information related to Adidas is very important and therefore need high security in order to protect these informations.

When looking at the competitors of Adidas, Adidas lead them by the high quality of their products. This has been a secret of Adidas. Adidas always tries to advance its feature in every product they produce. For example if we consider about an Adidas shoe, every shoe of Adidas adds a new feature on it, such as long lasting rubber sole, damage resistant structured shoe etc.

These information related to the production styles are kept as a secret, the employee who is involved in the related process is allowed to view and know the ways of producing, minimizing costs etc.

These information can be stored in the computers with password protected. Therefore only the person who has the authority will be able to view these informations.

But when considering to this era, most of the security measures can be hacked. Therefore these informations are needed to be prevented. As a solution to this problem Adidas group can have firewall protections to prevent unauthorized electronic access.

Collectively, it is very important to password protect all its information.

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## **TASK 02**

### **Personal Networking**

Relationship between people has become a critical success. So often knowing the right person to ask has become very valuable as knowing the answers yourself. Therefore being well connected is the ultimate source of personal effectiveness and advantage.

So networking focuses on the social ‘meeting people and making friends’ or ‘influencing and connecting’. Personal networking provides a straight forward approach in building and working with networks. It delivers a practical guide to create the kind of network that you need, and becoming a natural and effective networked communicator.

Therefore in simple personal networking is the art of making personal connections to improve your own situation. Whether you’re extroverted or introverted, networking and referral groups are powerful way to operate and it’s as much about helping others as it is about helping yourself. This class offers helpful tips and strategies for social networking how to seek out new people and maintain the right connections.

## **Launch of a new product to Adidas**

**Adidas is a leading company in the market of sports and accessories; Adidas has launched several products in 2010. Adidas PREDATOR® 2010 CLIMACOOOL® jersey is one of the product to be launched this year.**

### **Product details**

Annihilate your competition on the soccer field when you wear the Adidas® Predator® ClimaCool® Jersey.

ClimaCool design brings cool air in and transports heat and sweat away from your skin.

Mesh panels increase ventilation in critical heat zones.

The Predator's ClimaCool fabric wicks away moisture and dries quickly to keep clamminess at bay.

Slim fit.

Adidas brandmark at center neck.

100% polyester.

Machine wash warm and line dry.

### **Images of Adidas® Predator® ClimaCool® Jersey**

#### **1. List of people you need to reach to promote your product**

Expansion of contacts in order to reach more customers of Adidas. For a successful launch of a product you need certain contacts. This includes good customers, suppliers, retailers and media too.



When considering to customers, customers play a major role. Because they are the ones who decide if the product should stay up in the market or not. Adidas should be able satisfy its consumers by the new product. Therefore the product will make profits for the organization.

Suppliers should be also considered in the launch of a product. Suppliers can be said as the main source in producing quality products. This is because a supplier should supply with good quality raw materials, therefore the final product will in good standard.

Adidas stores operating within Srilanka are lesser than in other countries. Therefore countries like Srilanka are mainly targeted on retailers; Haameedia's is the sole retailer within Srilanka. Adidas new jersey will be available at Haameedia's and also Adidas stores.

The final and the most important contact that Adidas would have in order make a successful launch of the new Adidas Predator ClimaCool jersey. Jerseys need to be promoted using the media, so that the general public is aware of this new product of Adidas.

## **2. A review of the amount of information you need to make available to each person**

Adidas needs to give the relevant information about the new product to the above mentioned people. To start with the;

Customers – For any organization, they should have the necessary information to provide its customers. Some of the main information that Adidas group should make available of the product is;

Price of the product

Material used to produce

Washing methods, if its hand wash or machine wash

Quality of the jersey

Suppliers – Adidas is a very large organization, therefore the production level is also very high. Adidas group should notify the suppliers of their production, so that they could supply them with the best quality and the most appropriate type of raw materials for the manufacturing process.

Product information

Type of raw materials needed

When to be delivered

Payment schemes

Retailers – retailers should be given the detailed information about the product

Cost of the product

Commission that the retailer gains

Discounts

Product information

Media – Information a media needs is comparatively lesser than the other contacts.

Duration of the advertisement

Price of the product

Benefits using the jersey

Language advertisement should be presented

### **3. Contacts with them & develop relationships, elaborate how the relationship will be beneficial**

Developing relationships simply means, to enhance or to know a person even further. Multinational companies like Adidas will need to have a very good relationship with the customers. Good customer relationship drives the business to success. Make the customers believe in the ability of Adidas to satisfy the customers needs and fulfill their expectations.

Customer relationship can be developed by many ways; following are some of the ways of developing;

Keep in touch with the customers – Customers may come today and may not come tomorrow; even the loyal customers of Adidas would turn back. This why once a relationship is created do not end them. The process should continue, the organization should constantly communicate with its customers. Also for the existing customers should be provided with the latest updates of new products of Adidas. It is a way of educating the customers with the latest market and also keeping them up-to-date.

Keeping in touch with the customers will not reduce its customers, if the customers are educated with the latest products, they are aware of that particular product. Therefore keeping touch with the customers will minimiz