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Cases 3.1 & 3.2

- Nike succeeds due to a global presence

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Global from the Get-Glo (bal)

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- Nike always had industry ties outside U.S.
- Foreign production
 - Vietnam (39%)
 - China (33%)
 - Indonesia (24%)

Global Expansion

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- Canada: 1972
- Europe: 1978
- Puma expanded outside EU: 1959
- Took Nike 14 years
- Took Puma 35 years

1980s Slump

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1986: Indonesia allows workers to strike

- They did
- Almost 80% of Nike workers strike
- Nike lost major product
- \$\$\$ Reserves kept Nike
- Other factories increased production

1998 Financial Crisis

1998 Financial Crisis

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- Asian currency depreciated
- Nike's sales in the region fell by 19 percent
- Laid off 15% of Asian managers
- Survived because its huge scale of globalization





Nike Supply Chain

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- Guidelines
- Mandatory penalties if not met
- 68% of factories meet minimum requirements
- **None are above the minimum requirements**
- HRM support for 61% workforce

Organizational Structure

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- Nike = Central rules, external operation
- Apple = Centrally run
 - Stores, ads, websites, products = same
- Apple not favored well in Japan
 - Changed design --> Profits +16%
- Tailoring a brand towards a market increases sales