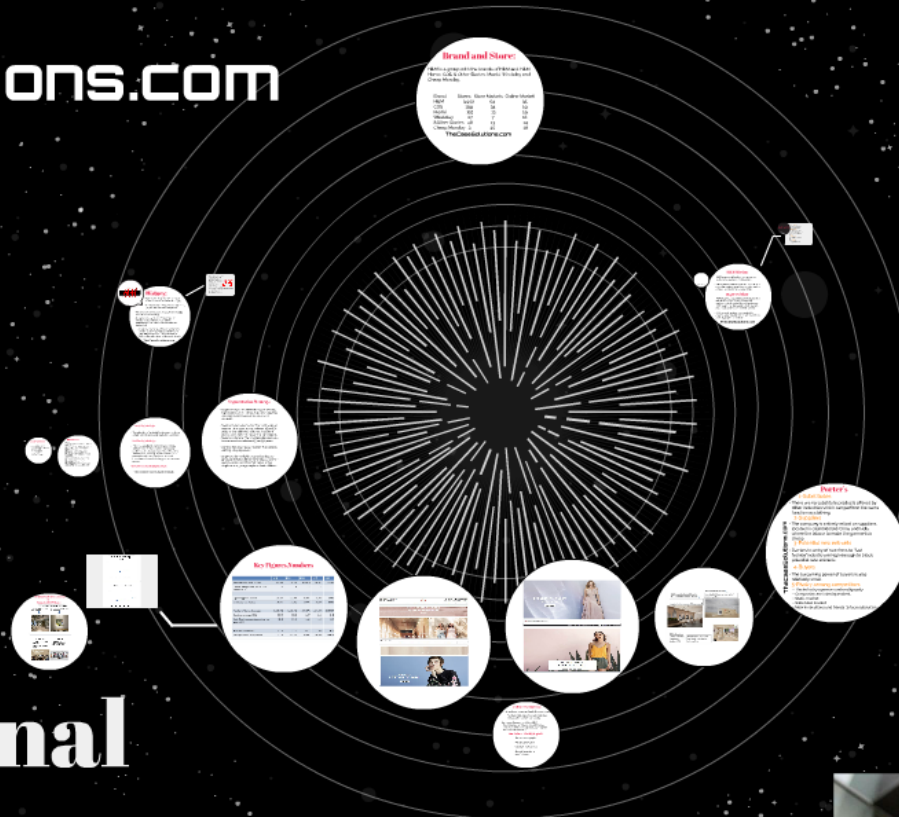




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Organizational Ambidexterity in Action: How Managers Explore and Exploit





History:

- H&M started its operations as a small womenswear store in Sweden, in 1947.
- The founder was Erling Persson who was a 30-year-old Swedish entrepreneur.
- He opened the first store in Stockholm in 1952 and the second in 1954.
- By 1969, the brand had 42 stores. It had its first store abroad in Norway, and then relatively Denmark, the United Kingdom and Switzerland
 - In 1974, Hennes & Mauritz went into the lists of Stockholm Stock Exchange. In the same year, the new name of the brand became H&M as the abbreviation of Hennes & Mauritz.

- In 1980s, new stores were opened in Germany and Netherlands. In 1982, the CEO of the company was changed to Stefan Persson who was the son of Erling Persson.
- In 1998, H&M started using online services for sale. The first service became activated in Sweden. In the same year, the first store was opened in Paris, France and it continued to open stores in Europe.
- The first store outside Europe was opened in New York, America in 2000
- . In 2010, a collection made from sustainable materials was launched in 2010. Other Stories brand was launched in 2013. H&M Foundation launched the Global Change Award in 2015.
- Now, H&M has stores in Europe, North America, Asia, the Middle East, Africa, South America, and Australia.



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Brand and Store:

H&M is a group with the brands of H&M and H&M Home, COS, & Other Stories, Monki, Weekday and Cheap Monday.

Brand	Stores	Store Markets	Online Market
H&M	3,962	64	35
COS	199	34	19
Monki	115	13	19
Weekday	27	7	18
&Other Stories	48	13	14
Cheap Monday	3	35	18

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H&M Mission

- H&M's purpose is to offer their customers fashion and quality at the best price.
- H&M states numerous of times that quality is more than making sure that products meet or exceed their customers expectations

H&M'S VISION

- H&M's business operations aim to be run in a way that is economically, socially and environmentally sustainable. By sustainable, H&M means that the needs of both present and future generations must be fulfilled.
- H&M wants to make more sustainable choices in fashion affordable and desirable to as many people as possible

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STRENGTHS

- They are the one of the largest global clothing retailer
- They have about 2300 stores in approx 45 countries and around 95000 people employed under them

Weaknesses

- Buying large volumes could lead to overstocking and later on lead to lowering of the already affordable prices
- Also their target customer base is highly affected by the changing macro -economic conditions

Opportunities

- Online shopping is gaining a lot of importance
- Emerging economies will support H & M's expansion plans

Threats

- Weak competitive situation as the prominence of value retailers and premium luxury brands increases

Porter's

1-Substitudes

- There are no substitute products offered by other industries which can perform the same function as clothing

2-Suppliers

- The company is entirely reliant on suppliers located in countries like China and India where the labour to make the garments is cheap

3-Potential new entrants

- Barriers to entry of new firms to "fast fashion" industry are high enough to block potential new entrants

4-Buyers

- The bargaining power of buyers is also relatively small

5-Rivalry among competitors

- The industry operates under oligopoly
- Companies are interdependent
- Static market
- Saturated market
- New innovations and trends to face saturation