**Nike Management Strategy Analysis**

**History, Growth and Development**

Nike is currently one of the largest manufacturers and distributors of sports shoes and apparel in the world. The company was originally formed in 1964 as a maker of sports goods. In the early phase of its operations, the company mainly acted as a retailer of sports equipment made by other companies. Eventually, internal adjustments were made that saw the company make and sell its own goods.

Nike’s growth is mainly attributed to its innovative strategies that made it stand out from other companies selling sports apparel. A key aspect of its strategy that at the time was not common among companies making sports apparel was its partnership with leading athletes. A partnership between the company and Michael Jordan is, for example, considered to be a key aspect of its operations that has led to its growth as a leading brand in sports goods (Childs & Jin, 2018). As the company succeeded in becoming a major local sports goods manufacturer and retailer, it undertook a major globalization strategy that was meant to make its products available in almost all parts of the world. New production facilities were established in different parts of the world that would make it easier for the company to operate in major international markets.

Over time, Nike has made major changes to its operations that have enabled it to attain sustainable competitive advantages that set it apart from other companies in its market. Technology and innovation have, for example, become a critical aspect of the company’s operations. The company is, for example, among the leading online retailers of sports shoes, which enables it to reach customers in almost all parts of the world.

**Competitive Environment**

The sports apparel industry is highly competitive, with major players including multinational companies that have almost unlimited resources. Key competitors include Adidas, Puma, Under Armor, New Balance, and Reebok. Firms in the industry mainly rely on differentiation as a way of making their products more noticeable to customers (Borts, 2018). Each product made needs to have distinct features that can differentiate it from others in the market. Partnerships with leading athletes are a key method used by firms in the industry to stand out and make sales in certain markets. While Nike was among the first companies to use athletes as brand ambassadors, other companies have followed suit, making brand endorsements a critical area of competition in the industry. Innovation and effective supply chain management practices are also critical for firms in the industry looking to create and maintain a competitive advantage. Firms with global supply chains that can enable them to reduce their operating costs generally have a better competitive position when compared to other firms in the industry.

**Planning**

Strategic management and planning are critical aspects of the operations of the organization. The company’s strategy has largely relied on innovation to make it stand out from its competitors in the industry. Key products of the company often include new features that make them stand out from others in the market. The company, as a result, has one of the highest research and development budgets in its industry (Nica et al., 2021). Nike also effectively plans on how it can grow its market in different parts of the world. While its operations initially began in the US, they have been expanded to almost all parts of the world. By partnering with athletes in key markets, the company is able to more easily market its products. Through product diversification, the company has also been able to improve its appeal in different international markets and grow its revenues significantly.

The company’s strategy is also meant to make its operations sustainable with the least damage to the natural environment. As a major company with a significantly large supply chain, parts of its operations can be harmful to the natural environment. The company has put in place a number of measures that are meant to ensure its operations are sustainable and minimize resource use and other aspects that can have a negative impact on the environment (Kim, 2020). The company has also developed one of the largest online stores that make it possible for consumers to purchase its products from Amazon, part of the world. This also gives it a competitive edge in its operations by reducing its reliance on third-party sellers. Generally, planning is a critical aspect of the operations of the company that has enabled it to become a global giant in the production and sale of sports apparel.

**Organizing**

The company’s organizational structure is also designed to be flexible enough to support its operations and the changes they may go through. The company’s operations are first split into geographic divisions, which helps it develop products that meet the needs of specific customer segments in different parts of the world (Jamil et al., 2019). Some products are more suitable for certain markets due to features such as price and purpose. This enables the company to get the most out of each market. The company’s operations are also organized in terms of product divisions, such as footwear, apparel, and other products that the company deals with. This is also important for its operations, as it ensures the performance of each product is reviewed independently, which aids in identifying areas for improvement.

The company also uses a decentralized management structure, where the leaders of each key division of the company have autonomy in making key decisions regarding the operations of their division. This improves the overall creativity of the organization by ensuring new insights and ideas are provided on key issues related to the management of the company. Senior management can focus on creating the more general strategy for the organization. The company, however, encourages collaboration between its key departments, which ensures that knowledge and information acquired by one division can benefit the rest of the company. Marketing initiatives by the company also consider all its different divisions. Nike's operations are generally designed in a way that ensures its staff is as innovative as possible, which means more autonomy than would be possible in most other organizations.

**Leading**

The company uses a transformative leadership strategy that is meant to continuously make changes to its operations in line with the changing external operating environment. Key leaders of the company, such as Phil Knight, have been credited with creating a culture that aims to make the operations of the company highly innovative (Standaert, 2022). Through partnerships with athletes and other innovative marketing strategies, the company has been able to stand out from others in its industry and create a strong brand name that is easily recognizable in most parts of the world.

Nike is also known for relying on diversity, equity, and inclusion as a means of making its operations more creative and innovative. The company has a detailed diversity and equity policy that is meant to ensure the company hires from different demographic groups (Jiang, 2019). The company has also supported campaigns meant to promote racial justice in the communities in which it operates. These initiatives have aided in branding the company positively and, as a result, making it easier to grow its sales. To grow its internal leadership capacity, Nike invests in the capacity and abilities of its employees. Staff at different areas of its operations are provided with training on key aspects of the company’s operations that can make it easier for them to take on more challenging roles in its operations.

**Controlling**

The analysis of performance metrics is a key method used by Nike to ensure that its operations are going as planned and its strategy is being effective. Key performance metrics used by the company focus on different aspects of its operations, such as the profits made, sales, market growth, and other internal factors relating to its performance. Management can, as a result, be able to make changes to its operations with time in line with the long-term goals and objectives of the company.

The company also has a comprehensive risk management strategy that is meant to identify and address key risks in key areas of its operations. By managing risk, the company is able to anticipate major challenges that can take place in its operations and put in place a comprehensive strategy that can be used to address them. Risk management also enables the company to have better control over its supply chain by identifying challenges that are likely to take place in advance and putting in place measures that can be used to address them (Champaneri & Jain, 2021). Control is also exercised over the company’s supply chain to make it sustainable. The company evaluates the performance of its supply chain in terms of sustainability to identify areas that can contribute to waste and other environmental problems. Changes are then made that make the operations of the company sustainable. The company generally uses continuous monitoring and reporting to exercise control over key areas of its operations.

**Recommendations**

To keep growing its operations and improve its profitability, the company should invest more in sustainable initiatives. Sustainability has been shown to be effective in reducing costs and improving overall performance. By investing in renewable energy, the company can, for example, be able to significantly reduce costs and grow both its profitability as well as its brand value. Addressing areas of inefficiency in its supply chain as they relate to sustainability will also be crucial to its operations.

The company also needs to grow its online stores to cover more parts of the world. While the online selling platform used by the company has been successful in making thousands of sales each year, it still covers only major markets. Expanding its sales and delivery services to cover more parts of the world can significantly boost sales and grow the overall profits of the company.

The company also has the chance of diversifying its operations to other business interests in addition to sports. While it has been able to successfully build a strong brand in the sports apparel segment, it can grow its operations to cover other areas of fashion. Due to its strong brand reputation, the company can be able to introduce new products more easily. Expanding its product offerings can therefore enable the company to significantly grow its revenues and profits in the long term.

Stronger engagement with the communities that it operates in can also help the company grow its brand reputation. Social responsibility initiatives play a critical role in shaping a company’s brand reputation. By investing in its community, the company will convince customers that it is interested in their overall well-being, which creates customer loyalty and encourages them to make repeat purchases.

**Conclusion**

As a leading manufacturer and distributor of sports apparel, Nike mainly relies on innovation to differentiate itself from the competition and grow its market share. The company has been able to position itself as a manufacturer of high-quality sports goods, and through partnerships with leading athletes, it has been able to grow its brand popularity and become one of the most recognizable brands in the world. Through strategic management and effective planning, the company has been able to identify effective methods that can be used to grow its operations and remain competitive. Through its decentralized organizational structure, the company has also been able to improve internal creativity and, as a result, find ways of standing out from the competition. By evaluating key metrics related to its operations, the company has also been able to gauge the effectiveness of its strategy and make changes where necessary to remain competitive. The company has generally been able to effectively utilize all key functions of management in its operations.

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