GLOBAL SOURCING AT NIKE

Group 10

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1 Overview

With its *virtual (network) structure*, Nike has a global network of over 500 supplier factories from 37 countries. Managing such a large network of suppliers is a challenge, especially when it comes to ensuring that the suppliers comply with the company's standards. Below are the pros and cons of this structure.

Pros	Cons
- Increased productivity	- Lack of control over suppliers
- Cost efficiency	- Problems with partners may occur

Table 1: Pros and cons of Nike's virtual (network) structure

Nike has been criticized for its poor working conditions in its supplier factories, and the company has taken several steps to improve the situation. In this report, we will discuss the ethical issues that Nike faced, and the actions that the company took to address them. Finally, we will discuss the current challenges that Nike faces, and provide recommendations for the company to overcome them.

2 Ethical Issues Nike Faced

- 2.1 Labor Exploitation
- 2.2 First Actions

3 Supply Chain Improvements

- 3.1 Country Risk Index
- 3.2 Manufacturing Index
- 3.3 Reorganizing Global Sourcing & Manufacturing

4 Global Sourcing at Nike

- 4.1 Focusing on Long-Term Suppliers
- 4.2 Supplier Compliance
- 4.3 Building a Supplier Capability

5 Conclusion & Recommendations

- **5.1 Current Challenges**
- 5.2 Recommendations

A Appendix