

# **Company: Cool Ankles Warm Feet (CAWF)**

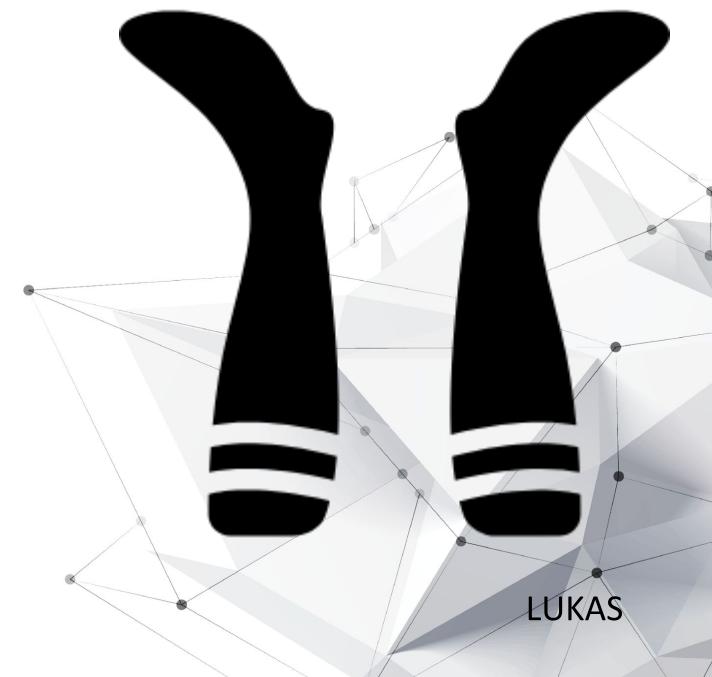
## **Spring 2019 TECH 330 Tech and the Global Society, Final Presentation, Leading in a Global Environment, Integrative Team Project**

**Professor Bob Snip**

15 April 2019

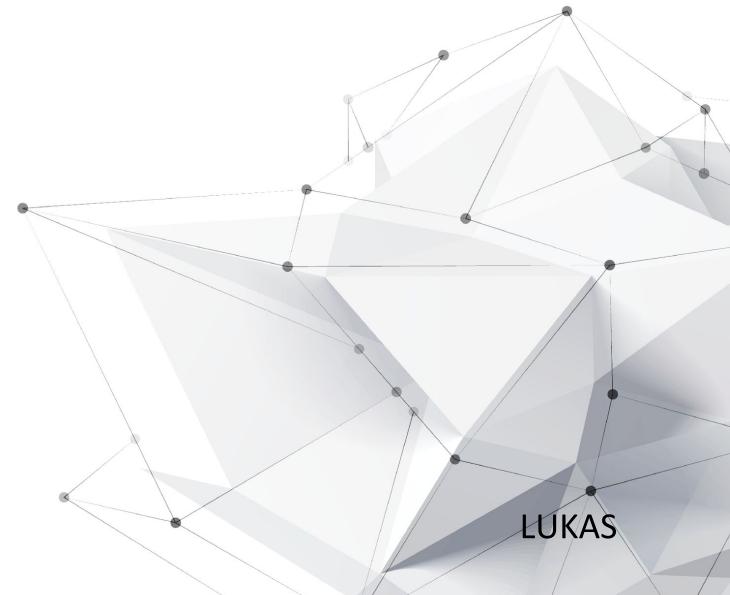
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**Team 1**



# Assignment Instructions

**Create an imaginary company that has been operating domestically (in the United States). Our team represents top management, this presentation outlines why we have decided to go international.**



# Agenda

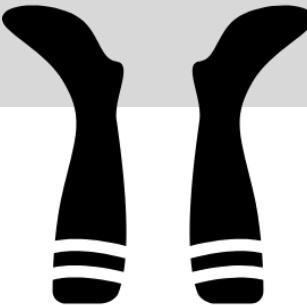
- I. Introduction**
- II. About CAWF**
- III. Summary & Review of Objectives**



# I. Introduction

## 1. Overview of CAWF

- "Cool Ankles Warm Feet"
- **Bespoke designer socks for the discerning professional**
- We make the best and last pair of socks you ever need, but you probably can't afford them **yet**
- Target market **demographic** is financial services professionals: Hedge Fund managers, top 1%
- **Adding additional manufacturing** to Toronto Ontario Canada, mainly because of government tax incentives



[Images CIA Factbook]

# I. Introduction

## 2. Objectives

### Course Objectives



#### i. Cultural Knowledge

"To develop an understanding of how to work with people from different cultural backgrounds."

#### ii. How to Manage OPP (Organizations, Processes, and People)

"To learn how to manage organizations, processes and people in other countries."

#### iii. Manage multinational business with technology

"To learn how to [manage] a multinational enterprise in a technology based environment."

#### iv. Business Ethics, values and social responsibility

"To develop an awareness of how to incorporate ethical principles, personal and organizational values and social responsibility practices in global management."

(Snip, Syllabus, Spring 2019) [Image Canada-U.S. Blog]

## II. About CAWF

### 1. Company, operations, relative size, why international? 1 of 2

- Cool Ankles Warm Feet
- **We make bespoke designer socks for the discerning professional**
- We cater to financial services sector clients
- **CAWF holds a number of international patents**
- Our unique single layer upper and double layer lower sock keeps your ankles cool and your feet toasty warm

#### **Out Patented Sock Technology**

- ✓ Hypoallergenic Merino Wool
- ✓ Carbon Nanotubes
- ✓ Gold Nanofibers
- ✓ Unique pattern only for you

#### **Material**

- ✓ No more hot ankles
- ✓ Self wicking to keep your feet dry
- ✓ Self cleaning, no more smells
- ✓ Tear resistant, no more holes
- ✓ Silky Smooth for all day comfort

## II. About CAWF

### 1. Company, operations, relative size, why international? 2 of 2

#### Operations, relative size

- Manufacturing is mostly automated with custom machines
- **Small business with 50 employees**
- 25 for Engineering, Production, and Ecommerce in New Albany, IN
- **25, Sales for our Walk-In Boutique on Wall Street, NY**

#### Why international?

- We have "*been operating in the domestic arena for some time*" and our group which "*represents top management*", has "*decided it is time to go international*".  
[Snip, Integrative Team Project handout, 2019, p. 1]
- **Expand manufacturing international**
- Cater to Canadian financial services sector cliente at the Toronto Stock Exchange (TSX)

## **II. About CAWF**

## 2. Why Canada?

- ✓ **Cultural Similarities**
    - North America
    - Low-context culture
    - Feelings and thoughts are expressed in words
  - ✓ **Financial Incentives**
    - Bidding process with 3 cities; Vancouver, Winnipeg, and Toronto (Winner)
    - Government tax incentives
  - ✓ **Language**
    - About 50% population speaks English



- ✓ **Import Export Opportunities**
    - Largest importer of goods and services from the United States
  - ✓ **Target Market Demographics**
    - The Toronto Stock Exchange (TSX) was ranked third among North American exchanges [McCarthy Tetrault, p. 7]

## II. About CAWF

### 3. Planned Entry Strategy

Plan to set up additional manufacturing in Toronto Ontario

- ✓ **Stable government**  
federal constitutional monarchy
- ✓ **Stable economy**  
11th largest, strong social safety-net
- ✓ **Stable laws**  
that protect business intellectual property
- ✓ **Financial Incentives**  
Tax bidding process



[Image Toronto Ontario Canada Tourism]

- ✓ **Cultural distance**  
negligible (due to geographic proximity)

Low	High
<ul style="list-style-type: none"><li>● Barriers to entry</li><li>● Country Risk</li></ul>	<ul style="list-style-type: none"><li>● Opportunities and Incentives</li><li>● Ability to protect proprietary technology</li></ul>

## II. About CAWF

### 4. Environment, Critical Operational Factors, why?



#### Environment

- Warm humid summers
- Cold winters average Temperature range of 17-78 °F
- Snowfall of 0.4 IN ~65 days/year
- Toronto is one of Canada's warmest cities
- Smog (during summer), relatively healthy air quality



#### Critical Operations Factors

- Weather specific transportation equipment required
- Factory must be able to adapt to warm humid summers and cold winter weather



## **II. About CAWF**

### **5. Toronto Ontario Canada Cultural Profile, Worker, Local Government, Supplier, Distributor Reception**

#### **Cultural Profile**

- **Population:** 36 million people
- European culture mostly British and French
- Little USA influence culture
- 140 different languages
- English predominant languages
- French languages second
- 67% Christian
- Diverse population in ancestry
- Mostly white

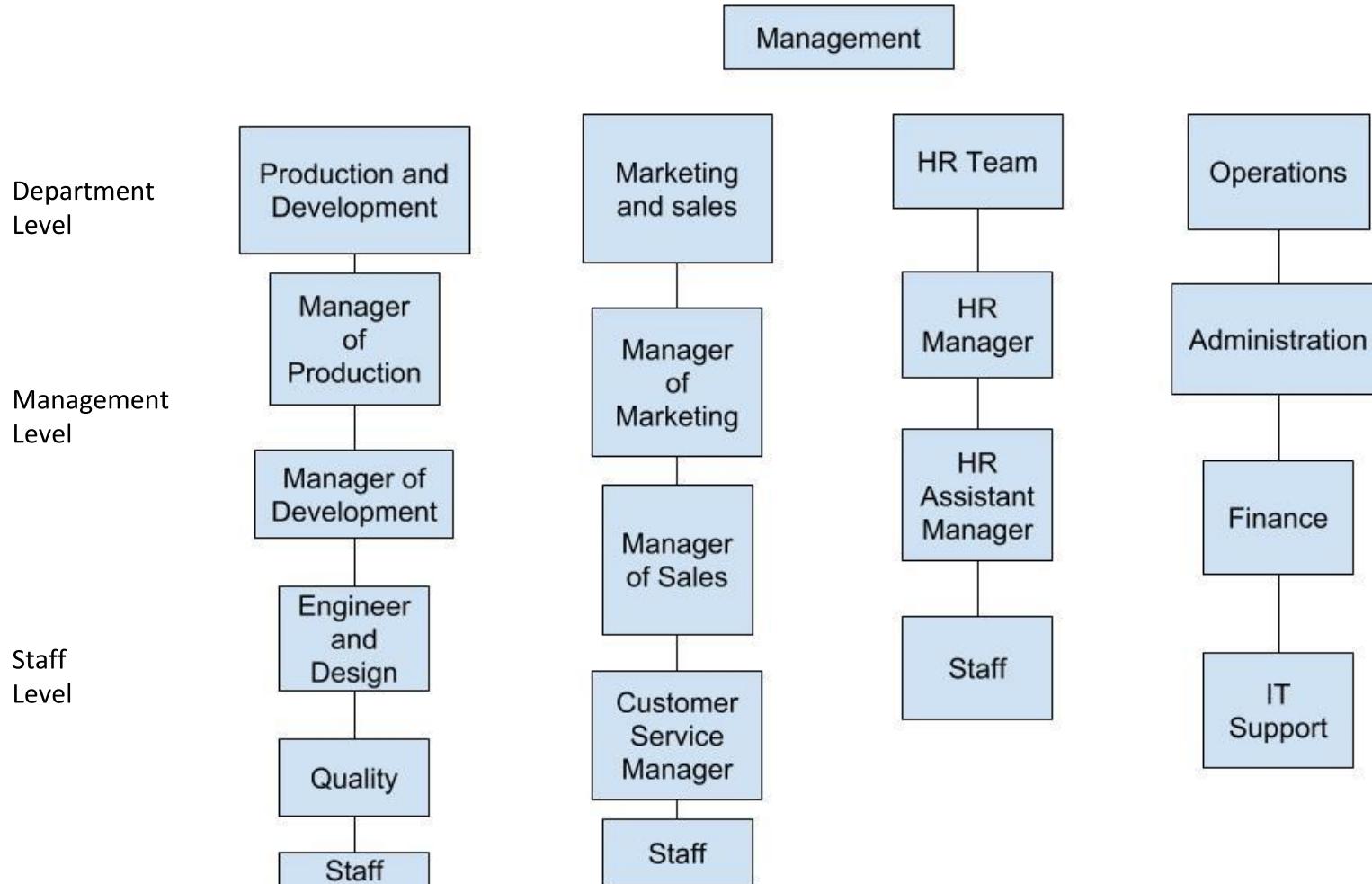
#### **The government of Toronto**

- High Taxation Compared to U.S.
- Free Public Health Services
- Same sex marriage is legal
- Open and accepting of different cultures in the city



# II. About CAWF

## 6. Organizational Chart



## **II. About CAWF**

### **7. Staffing Policy for top-level managers**

- **Polycentric Approach**
  - Most qualified
  - Flexible
  - Increase knowledge of market
  - Better opportunities/career for locals
  - Training will be mandatory
- **Disadvantage**
  - Pressure on HR management
  - Performance gap between home country managers and host country managers



## **II. About CAWF**

### **8. Effective Leadership and Motivational System Policy**

- **Benefit packages**
  - Incentive Trends Survey, 68% agreed
  - Improve production, 72% agreed
  - Improve performance, 54% agreed
  - 69% implemented for overall improvement
  - Improve overall competitive advantage
- **Rewards Program**
  - 67% offer store specific gift cards
  - Gift cards, 38% said prepaid cards are the best option
  - Gift rewards for every 5 years of service such as gift cards or latest trending electronics

[Staff, p. 1]



## **II. About CAWF**

### **9. Potentials for Communication **Problems** for management in Canada, and policy**

#### **Big Differences**

- Metric system vs. Imperial system
- US \$0.75 = 1 canadian dollar
- Languages are mainly english but with french



#### **How to Overcome Differences**

- Use a converse sheet for measurements
- Have a Canadian bank
- Have a translator/bilingual
- Sock measurements are the same

## **II. About CAWF**

### **10. Special Control Issues and Plans for Mitigation**

#### **Management Information System (MIS) key benefits for CAWF**

- Management can get an overview of our entire operation
- CAWF can maximize benefits from our investments by seeing what is working and what isn't
- CAWF can drive workflow improvements that result in better alignment of business processes to customer needs

- Utilizing MIS, CAWF should reach our goals faster, because we can review the data



## **II. About CAWF**

### **11. Canadian **Concerns** and how to address them**

- **Failure to establish company**
  - Higher labor wages
  - Reconfigure logistic channels
  - Resources
  - American Retailers assume that Canadian consumers are identical
  - 60% of effective US ads have lower effectiveness in Canada
- **Resolutions**
  - Valuable product
  - Adapt to consumers
  - Establish relationships
  - Build trust from consumers and staff



# III. Summary & Review of Objectives

Why we have decided to go **international?** "Canada: Not just colder, cooler."

(PRI, 2012)

- ✓ Cultural Similarities
- ✓ Language
- ✓ Target Market Demographic
- ✓ Import Export Opportunities
- ✓ Stable government, economy, and laws
- ✓ Low Barriers to Entry
- ✓ Low Country Risk
- ✓ High Opportunities and Incentives
- ✓ High Ability to protect proprietary technology
- ✓ Financial Incentives, \$250,000 tax break over 5 year period



***CAWF: bespoke designer socks for the discerning professional.***

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