

MAN 4633 Homework 9

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Chapter 9

1. Widely known as an ethical company, Dell recently committed itself to becoming a more environmentally sustainable business. After reviewing the About Dell section of its website (www.dell.com/learn/us/en/uscorp1/about-dell), prepare a list of 10 specific policies and programs that help the company achieve its vision of driving social and environmental change while still remaining innovative and profitable.

1. By 2030, 50% of our global workforce and 40% of our global people leaders will be women
2. With our technology and scale, we will advance health, education and economic opportunity initiatives to deliver enduring results for 1 billion people by 2030
3. By 2030, we will fully automate our data control processes, making it easy for our customers to control their personal data
4. We will reduce Scopes 1 and 2 greenhouse gas emissions by 50% by 2030
5. We will source 75% of electricity from renewable sources across all Dell facilities by 2030 — and 100% by 2040
6. Using renewables is essential in the fight against climate change. We're 100% in support of 100% renewable power generation.
7. We will reduce the energy intensity of our entire product portfolio by 80% (FY12-FY21)
8. We will partner with our direct material suppliers to meet a science-based greenhouse gas emissions reduction target of 60% per unit revenue by 2030
9. Our carbon footprint includes emissions our suppliers create as they provide products or services to us. So we support them as they work toward more renewables, greater energy efficiency, and better measurement and reporting.
10. We will drive sustainability improvements in our global workplaces through 2030

2. Prepare a one- to two-page analysis of a recent ethics scandal using your university library's access to LexisNexis or other Internet resources. Your report should (1) discuss the conditions that gave rise to unethical business strategies and behavior and (2) provide an overview of the costs resulting from the company's business ethics failure.

- In late 2018 and early 2019, two Boeing 737 MAX planes had abrupt mass casualty events. People were quick to try and draw conclusions about why these planes were crashing and tried to switch their flights to other models of plane. Eventually, the investigations turned to the 737 MAX's flight control software which was used to prevent engine stalls. It eventually came to light that the software was rushed out, production was not monitored, and that tests were not adequately administered. In addition, pilots were not made aware of the new software or how to disable it with manual override. Subsequently, the planes were grounded for several years while

investigations were done, corrections were made, and the planes were approved again by the FAA.

When the new 737 MAX planes were launched, they were so similar to past generations of 737 that pilots were only tasked with training on a tablet-based course like Canvas or Google Classroom, instead of a fully-equipped simulator like they would be if they were coming to a new plane. Similarly to the pilots, because the plane was so similar, Boeing did not have to get the plane fully re-certified. On October 29, 2018 Lion Air 610 crashed into the Java Sea and killed everyone on board. On March 10, 2019 Ethiopian Airlines 302 crashed and killed everyone onboard.

Ultimately, the failures and groundings cost several hundred people their lives. Any airlines that flew the plane lost money from having it grounded and re-tooled. Boeing lost a lot of public trust and a lot of money when all is said and done.

3. Based on information provided in Illustration Capsule 9.3, explain how Warby Parker's CSR strategy has contributed to its success in the marketplace. How are the company's various stakeholder groups affected by its commitment to social responsibility? How would you evaluate its triple-bottom-line performance?

ILLUSTRATION CAPSULE 9.3

Warby Parker: Combining Corporate Social Responsibility with Affordable Fashion

Since its founding in 2010, Warby Parker has succeeded in selling over one million pairs of high-fashion glasses at a discounted price of \$95—roughly 80 percent below the average \$500 price tag on a comparable pair of eyeglasses from another producer. With more than 25 stores in the United States, the company has built a brand recognized universally as one of the strongest in the world; it consistently posts a net promoter score (a measure of how likely someone would be to recommend the product) of close to 90—higher than companies like Zappos and Apple.

Corporate responsibility is at Warby Parker's core. For each pair of glasses sold, the company provides international nonprofit partners like VisionSpring with a monthly donation of glasses; with Warby Parker's support, these partners provide basic eye exams and teach community members how to manufacture and sell glasses at very low prices to amplify beneficial effects in their communities. To date, VisionSpring alone has trained nearly 20,000 people across 35 countries with average impacts of 20 percent increase in income and 35 percent increase in productivity.

Efforts to be a responsible company expand beyond Warby Parker's international partnerships. The company voluntarily evaluates itself against benchmarks in the fields of "environment," "workers," "customers," "community," and "governance," demonstrating a nearly unparalleled dedication to outcomes outside of profit. The company is widely seen as an employer of choice and regularly attracts top talent for all roles across the organization. It holds to an extremely high environmental standard, running an entirely carbon neutral operation.



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While socially impactful actions matter at Warby Parker, the company is mindful of the critical role of its customers as well. Both founders spent countless hours coordinating partnerships with dedicated suppliers to ensure quality, invested deeply in building a lean manufacturing operation to minimize cost, and sought to build an organization that would keep buyers happy. The net effect is a very economically healthy company—they post around \$3,000 in sales per square foot, in line with Tiffany & Co.—with financial stability to pursue responsibilities outside of customer satisfaction.

The strong fundamentals put in place by the firm's founders blend responsibility into its DNA and attach each piece of commercial success to positive outcomes in the world. The company was recently recognized as number one on *Fast Company's* "Most Innovative Companies" list and continues to build loyal followers—both of its products and its CSR efforts—as it expands.

- Warby Parker makes sure that it is only buying from responsible producers and donates to nonprofits to help other people see. In addition, they let potential customers try on glasses at home before buying so that they can reduce waste from people buying glasses then deciding they don't like it. I think it's triple-bottom-line performance is great.
- 4. Go to www.google.com/green/ and read about the company's latest initiatives surrounding sustainability. What are Google's key policies and actions that help it reduce its environmental footprint? How does the company integrate the idea of creating a "better web that's better for the environment" with its strategies for creating profit and value. How do these initiatives help build competitive advantage for Google?
 - Google's key environmental policy is to be carbon free by 2030. It is planning on doing this by heavily investing in renewable energy and resources.

LMVH Case Study

Please read LVMH in 2016: ITs Diversification into Luxury Goods. Please read this case and submit your one-page analysis via Canvas by 3/7/21.

All uncited quotes are from the textbook

This analysis of LVMH will be done in the SWOT format.

Strengths

- LVMH is a very well established brand
- In 2016 they had sales of €35.7 billion
- They merged with several other large competitors
- Their own stores

Weaknesses

- Expensive products
- Bloated brands

Opportunities

- Lower-cost products

Threats

- Other high fashion brands

I think that LVMH is a powerhouse within the high-fashion industry and in the case study did not do anything wrong. The study presents LVMH as an unstoppable force in the industry.

