

UNIT 3: STRATEGY



Intelligent Business
Intermediate

Content

- Vocabulary: Strategy
- Article: “Nike’ s Goddess”
- Grammar: future forms

The big picture



Keynotes

Developing a successful **strategy** is a vital part of the **planning process** for all business organisations. Analysing where a business stands in relation to its **markets** and **competition** enables it to identify potential **opportunities for growth** and potential **threats**. It is then possible to set **strategic objectives** and to predict the human and financial **resources** needed to achieve them.

The big picture

Keynotes

- Strategy (n), strategic (a)
- Vital (a)
- Planning process (n)
- Market (n)
- Competition (n)
- Opportunity (n)
- Threat (n)
- Strategic objective (n)
- Human and financial resource (n)
- Achieve (v)
- Predict (v)

3. Strategy



The development of goals, strategies, task lists and schedules required to achieve the objectives of a business

3. Strategy



Planning process

The development of goals, strategies, task lists and schedules required to achieve the objectives of a business

1. Types of company



**A potential danger
to the interest of a
company**

3. Strategy



Threat

A potential danger
to the interest of a
company

3. Strategy



**successfully bring
about or reach a
desired objective or
result by effort, skill,
or courage**

3. Strategy



Achieve

successfully bring about or reach a desired objective or result by effort, skill, or courage

3. Strategy



A **defined objective** that an organization must achieve to make its **strategy** succeed

3. Strategy



Strategic objective

A **defined objective** that an organization must achieve to make its **strategy** succeed

3. Strategy

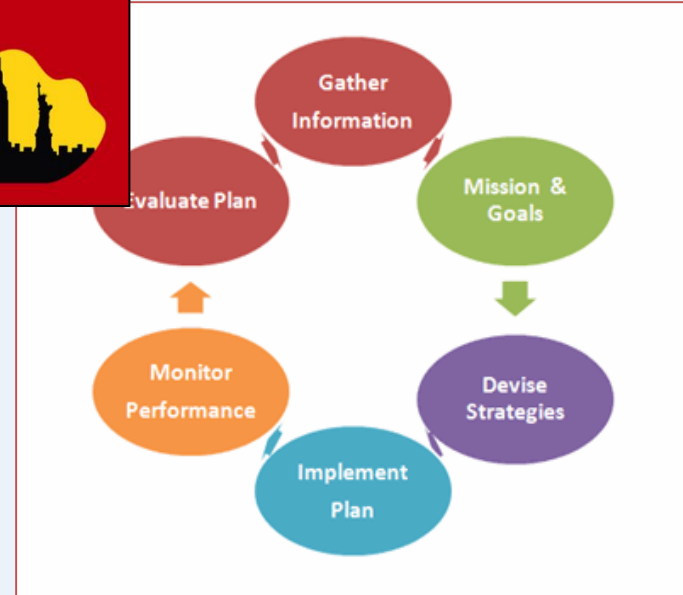


people who make up the workforce of an organization, business sector, or economy.

3. Strategy



Human resources
people who make
up the workforce of
an organization,
business sector, or
economy.



Types of strategy

- Marketing strategy
- Distribution strategy
- Overall corporate strategy
- ...

Factors in a strategic planning process

- **Economic forecasts** (the process of making predictions about the economy)
- **Competitors** (any person or entity which is a rival against another)
- **Fashions and trends**
- **Current sales**
- **Technology**
- **Product development**
- **Human and financial resources**

Listening 1

David Drexler is a professor of economics. Listen to him explain one approach to the strategic planning process and draw the diagram he describes.



S	W
O	T

SWOT

A tool commonly used at the start of strategic planning to focus on the situation of the company

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

Listening 1.2

2 The Quadrant corporation has prepared a SWOT analysis. Some of the different points that appear in the analysis are listed below. Under which heading would you put them?

- 1 Our prices are higher than the competition but our margins are lower.
- 2 Planned EU legislation will force us to invest in new equipment.
- 3 We have a highly-skilled young staff.
- 4 We have a strong internet presence.
- 5 We have discovered a new and potentially cheaper source of supply.
- 6 Our brands are not recognised internationally.
- 7 New companies are entering our industry.
- 8 Analysis shows our products could be successfully introduced in Asia.

Strengths: 3 4

Opportunities: 5 8

Weaknesses: 1 6

Threats: 2 7

Reading: The Nike strategy

- God , Goddess (n)
- Goddess of victory (n)
- Masculine /'mæskjəlɪn/ (a)
- Undisputed (a) cannot be questioned
- Beneath (under)
- An Achilles' heel
- Perceive (v)
- Potential (n)
- Run out of ...
- Dig into (v)
- Approach (n)
- Destiny (n)
- Buddy (n) a friend
- Core attribute (n) /ə'trɪbjʊ:t/ quality
- Vice president (n)
- Global apparel (n) /ə'pærəl/ clothing
- Seniority (n) /,si:ni'ɔ:rəti/ rank
- Retail icon (n)
- Pitch (v) persuade people to do something
- Turnoff (n) demotivating factor
- Harsh (a) unpleasant
- Redefine (v)
- Galvanize (v) /'gælvənaɪz/ to make somebody take action by shocking them or by making them excited, motivate
- Re-energize (v)

Reading: The Nike strategy

Nike's Goddess

Could a famously masculine company finally click with female customers? That was the challenge behind Nike Goddess, whose goal was to change how the company designed for, sold to and communicated with women.



Reading: The Nike strategy

In its 30-year history, Nike had become the undisputed leader in sports marketing. But beneath the success was an Achilles' heel. Nike is named after a woman — the Greek goddess of victory — but for most of its history, the company had been perceived as being mostly about men.

Could Nike do more to realise the full potential of female customers? And how could it afford not to, given the threats to its future with Air Jordan running out of air and brands like Skechers digging into the teen market with shoes inspired by skateboarding, not basketball. That was the huge question at Nike HQ. The launch of Nike Goddess was the makings of an answer.

Reading: The Nike strategy

Just Doing It Differently

For much of its history, Nike's destiny was controlled by its founders, Phil Knight and his running buddies, who signed up athletes in locker rooms and made the executive decisions. But by throwing together a diverse team of people with different backgrounds and different levels of seniority, Nike has found that it can keep many of its core attributes while adding new sources of inspiration.

Take the combination of star designer John Hoke and newcomer Mindy Grossman, vice president of global apparel. Hoke designed the look and feel of the first Nike Goddess store. Then Grossman, whose career has included helping make Ralph Lauren into a retail icon, pitched the design ideas to Nike's top retailers as stores within stores. Now it looks like Nike has a chance to reach a crucial objective: double its sales to women by the end of the decade.

Reading: The Nike strategy

How to Sell to Women

Nike Goddess began as a concept for a women-only store, and there's a reason why. Many of the retail settings in which the company's products were found were a turnoff to female customers: dark, loud, and harsh – in a word, male. In sharp contrast, the Nike Goddess stores have the comforting feel of a woman's own home.

How to Design for Women

Designing a new approach to retail was only one element in Nike's campaign. Another was redesigning the shoes and clothes themselves. Nike's footwear designers worked on 18-month production cycles – which made it hard to stay in step with the new styles and colours for women. The apparel group, which worked around 12-month cycles, was better at keeping up with fashion trends. But that meant that the clothes weren't co-ordinated with the shoes – a big turnoff for women.

Reading: The Nike strategy

How to Talk to Women

When Jackie Thomas, Nike's US brand marketing director for women, first heard the phrase 'Nike goddess,' she wasn't impressed. 'I don't like talking to women through gender,' she says. Nike Goddess had to mean something to women and it was her job to make that happen. 'Women don't need anybody's permission. We are at our best when we are showing women a place where they didn't think they could be.' For John Hoke, the real power of Nike Goddess is not about traffic at stores. It's about changing minds inside the company. 'I knew that Goddess could galvanise us,' he says, 'It was an opportunity to redefine and re-energise our entire brand around a market that was taking off.'

Complete the SWOT analysis with the different elements of Nike's strategic position

Strengths <i>leader in sports marketing</i>	Weaknesses
Opportunities	Threats

Strengths: Leader in sports marketing

Weaknesses: Unappealing to women, Niketown stores are dark, noisy and harsh, fashion and shoe cycles do not match

Opportunities: To use the targeting of women as an opportunity to redefine / re-energise the entire brand

Threats: Competition

What three changes has Nike had to make in its effort to appeal to a female audience?

Opened stores aimed specifically at women, redesigned shoes and clothes, worked in twelve-month cycles to keep up with fashion trends

Who was responsible for the following?

3 Read the text again. Who was responsible for the following?

- 1 Nike being seen as a male brand
- 2 taking market share away from Nike
- 3 creating a new style of Nike retail outlet
- 4 persuading Nike retailers to accept the Nike Goddess concept
- 5 putting sports celebrities under contract
- 6 communicating more effectively with women

1 Phil Knight

2 Skechers

3 John Hoke

4 Mindy Grossman

5 Phil Knight

6 Jackie Thomas

Vocabulary 1

1 Replace the *italicised* words with one that has a similar meaning.

- 1 Nike's destiny was controlled by its *founders* ...
a designers b sponsors c creators
- 2 The company had an *Achilles' heel*.
a strongpoint b secret weapon c hidden weakness
- 3 ... a collection of people with different levels of *seniority*.
a knowledge b rank c performance
- 4 Nike has found that it can keep many of its core *attributes* ...
a origins b qualities c aspects
- 5 ... vice president of global *apparel* ...
a clothing b equipment c designs
- 6 Footwear designers worked on 18-month production *cycles*.
a shifts b delays c periods
- 7 'I knew that Goddess could *galvanise* us.'
a motivate b surprise c renew

1 c 2 c 3 b 4 b 5 a 6 c 7 a

Voc. 2: Breaking into a new market

Complete the text with the following words:

leaders trends threat founder opportunity concept

Mario Moretti Polegato is the ¹ founder of Geox footwear. In the early 1990s he created a new footwear ² _____: a special membrane that could be used in shoes to prevent perspiration. He approached Nike, Adidas, Timberland, the ³ _____ of the footwear market.

But nobody was interested. So he decided to go it alone and set up his company with five employees. Today the company has 2,800 employees and sales of \$350m. Mario thinks the company's next ⁴ _____ will come from the clothing market and he plans to produce a range of clothes incorporating the same patented material. The only ⁵ _____ that Geox faces is the same for all fashion businesses: a sudden shift in consumer ⁶ _____.

Future forms

- **Present simple**: Scheduled events
- **Present continuous**: Arranged future
- **Simple future**: Spontaneous decision, prediction
- **Near future**: Plan and intention

Future forms

We use different verb forms to talk about the future:

- a *The marketing department is launching* the new campaign this spring.
- b We **start** the visit with a tour of the Indonesian factory.
- c I'll **forward** the report to you by email.
- d There is no doubt in my mind. We **will succeed**.
- e We're **going to target** a new customer profile.

Which future forms are used to:

- 1 make a prediction
- 2 describe a timetabled event
- 3 talk about a personal intention
- 4 talk about an event arranged for a certain time
- 5 make a spontaneous decision or offer

1 d 2 b 3 e 4 a 5 c



Listening 2

Bruce Hector is organising an ‘Asian Strategy and Leadership’ conference in Shanghai. Listen to his conversation with Naomi Wang, the regional conference manager for Asia and complete it with the appropriate future forms.



Listening 2

2 Complete Bruce and Naomi's conversation with the appropriate future forms. Then listen again and check your answers.

Naomi Hi, Bruce. It's Naomi here. I'm calling about the conference in Shanghai. We (¹ have to) _____ make some changes.

Bruce Hi, Naomi. OK, hang on, let me get a pen. Right, fire away.

Naomi I don't think the Yangtze Garden (² be) _____ big enough. We (³ need) _____ a centre that can seat at least 600.

Bruce That many? Any suggestions?

Naomi The Mandarin Palace Center (⁴ be) _____ free that day. I've already spoken to them and I (⁵ meet) _____ the conference manager tomorrow. It (⁶ mean) _____ increasing the registration fee by \$50 though.

Bruce That (⁷ not / be) _____ a problem. Anything else?

Naomi Alasdair Ross can't do the morning session as his plane (⁸ not / land) _____ until 9:30, so I've arranged things with Jimmy Tan and they (⁹ switch) _____ slots. Also, Milan University say they (¹⁰ send) _____ Carla Marisco because Professor Bertoni can't make it. But the talk (¹¹ be) _____ the same.

Bruce Fine. Make those changes and I (¹² inform) _____ everyone at my end.

Attitudes to timing

- Some cultures: **high punctuality**
- Other cultures: **flexibility with schedules and itineraries.**
- What effect could this have on meetings, presentations and appointments?

Vocabulary

Vocabulary 1

Achieve; competition; economic forecasts; financial resources; human resources (HR); market; opportunity; planning process; strategic objective; strategy / strategic; threat; trends; vital.

Vocabulary 2

Achille's heel; apparel; approach; core attribute; founder; leader; retail; SWOT (Strengths, Weaknesses, Opportunities, Threats); turnoff.



Thank You!