

NIKE

Case Study



AGENDA

NIKE

- 01 Business Model & Strategy Foundation**
- 02 External Analysis & Industry Attractiveness**
- 03 Internal Assessment & Competitive Position**
- 04 Strategic Outlook & Recommendations**



Business Model & Strategy Foundation



NIKE OVERVIEW & EVOLUTION



Phil Knight and William Bowerman, Founders



Nike Waffle Trainer



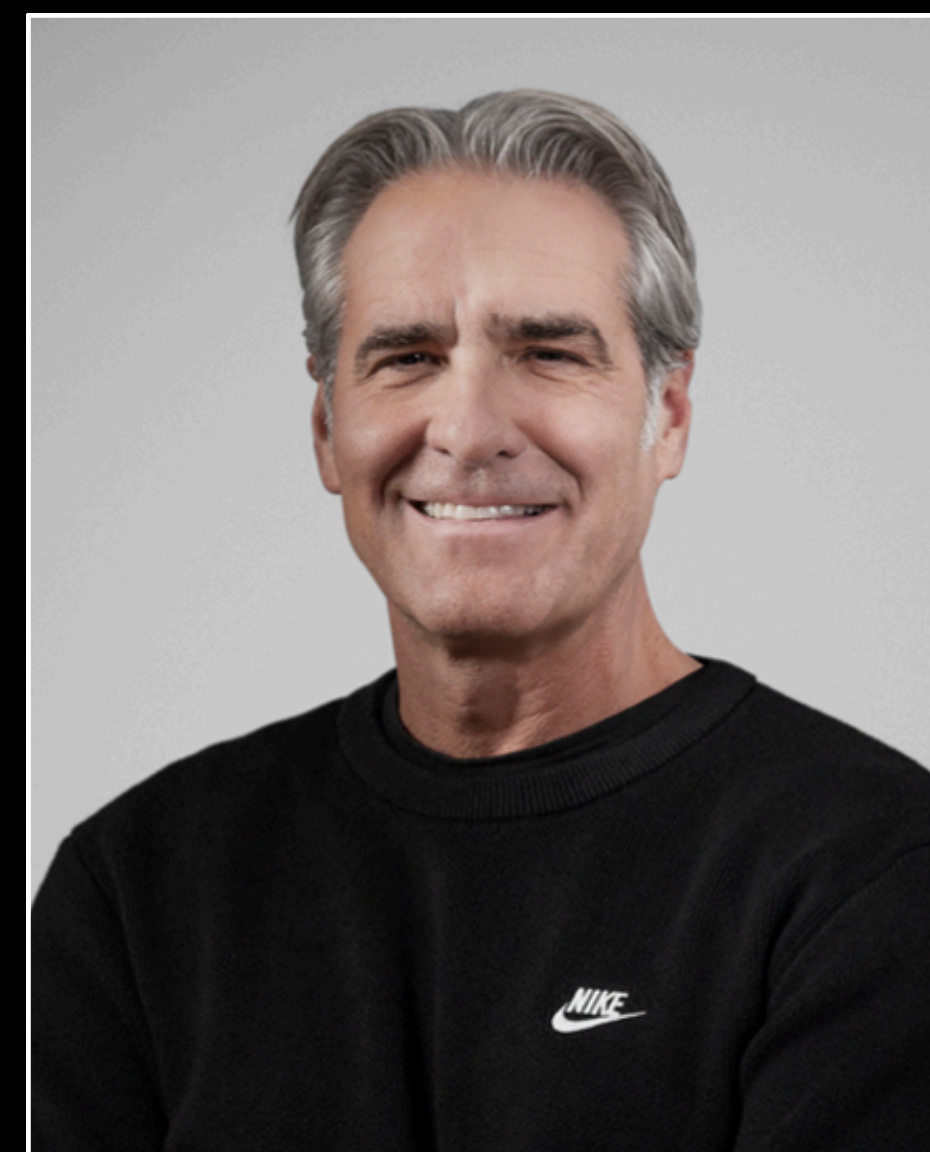
NIKE OVERVIEW & EVOLUTION



Mark Parker



John Donahoe



Elliott Hill



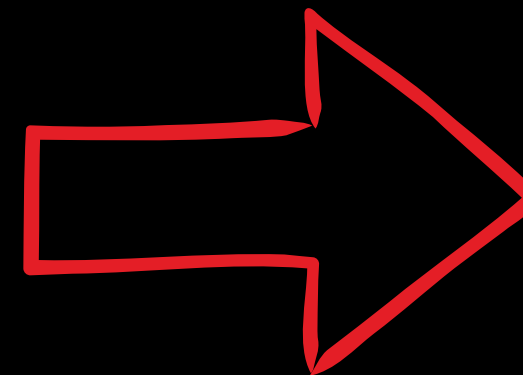
PROBLEM STATEMENT

Declining innovation, weakened wholesale relationships, and loss of brand storytelling have eroded Nike's leadership in the global athletic market

\$28 Billion Market Cap Drop

-9% Wholesale vs -14% DTC

Employee Morale Down



How should leadership prioritize Nike's "Win Now" strategic actions to rebuild culture, restore innovation, and drive lasting growth?



BUSINESS MODEL



Customer Value Proposition

- Empowerment Through Sports
- Inclusivity “Everyone With a Body is an Athlete”



Profit Formula

- Product and Channel Variety
- Investment in People
- Brand Deals & Sponsorships



01

NIKE

CURRENT STRATEGIC APPROACH

DIFFERENTIATION

- ✓ Innovative
- ✓ Emotionally Engaging
- ✓ Socially Influential



ACID TEST

GOODNESS OF FIT

Moderate

Strategy aligns with digital trends but misaligned execution reduced short-term competitiveness

SUSTAINABLE COMPETITIVE ADVANTAGE

Strong but Threatened

Core brand and scale advantages remain strong, but there is a need to reinvigorate innovation and agility

\$\$\$ PERFORMANCE

Healthy.

Growth and profitability remain steady, but returns require a boost through optimized channels and products

NIKE PASSES THE ACID TEST



STRATEGIC MISSION & VISION

MISSION

"To bring inspiration and innovation to every athlete in the world. With an emphasis that **if you have a body you are an athlete.**

VISION

"To do everything possible to **expand** the human potential."



External Analysis & Industry Attractiveness



CAGR ANALYSIS

	<i>Nike</i>		
	<u>2019</u>	<u>2024</u>	<u>CAGR</u>
<u>Income Statement</u>			
<u>Rev</u>	39,117	51,362	5.60%
<u>COGS</u>	21,643	28,475	5.60%
<u>SG&A</u>	12,702	16,575	5.50%
<u>TE</u>	34,345	45,050	5.60%
<u>EBITDA</u>	5,492	7,155	5.40%
<u>Balance Sheet</u>			
<u>TA</u>	23,717	38,110	10.00%
<u>TL</u>	14,677	23,680	10.00%
<u>OE</u>	9,040	14,430	9.80%

	<u>2019</u>	<u>2024</u>
<u>Current Assets</u>	16525	25382
<u>Current Liabilities</u>	7866	10593
<u>Cash</u>	4663	11582
<u>Net Income</u>	4029	5700
<u>Financial Ratios</u>	<u>2019</u>	<u>2024</u>
<u>Current Ratio</u>	2.1	2.4
<u>Debt to Equity</u>	1.62	1.64
<u>Debt to Assets</u>	0.62	0.62
<u>Cash Ratio</u>	0.59	1.09

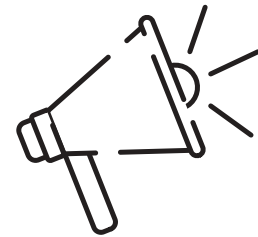


KEY SUCCESS FACTORS

- ✓ Brand Image
- ✓ Product Innovation
- ✓ Product Range
- ✓ Community & Lifestyle Integration
- ✓ Athlete Endorsement
- ✓ Globalization
- ✓ Sustainability Practices

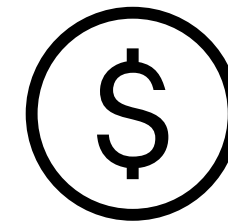


PESTEL ANALYSIS



POLITICAL

Intense due to high tariffs and trade restrictions



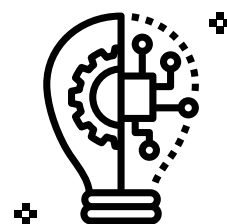
ECONOMICAL

Underperformed internally, yet remain strong in revenue against competition



SOCIAL

Strong community influences and brand partnerships which drives brand perception



TECHNOLOGICAL

A strong digital ecosystem and product innovation are important to market success



ENVIRONMENTAL

Nike "Move to Zero" movement goal to zero carbon and waste



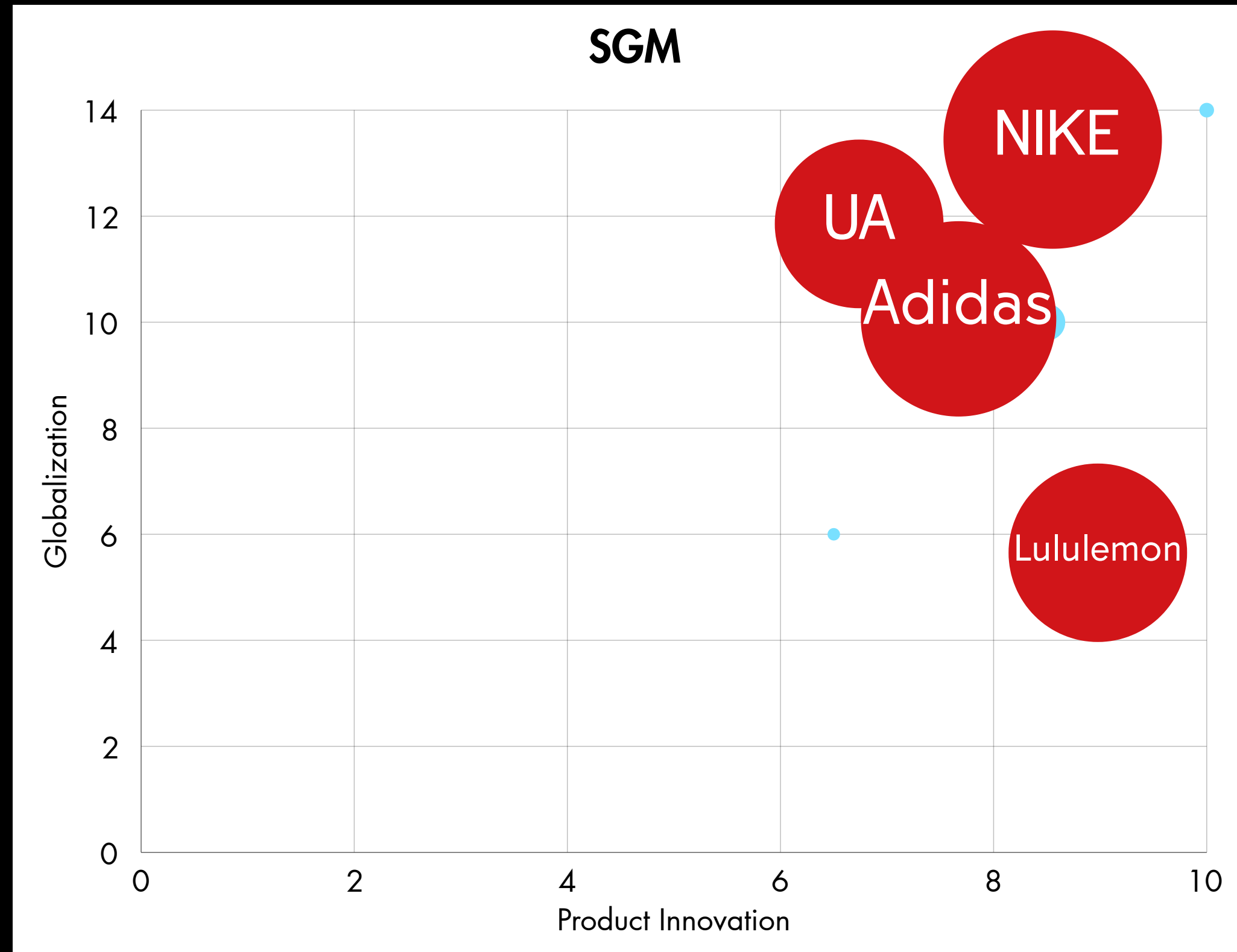
LEGAL

Class Action Lawsuit





STRATEGIC GROUP MAPPING



Internal Assessment & Competitive Position



SWOT ANALYSIS

STRENGTHS

- Business Model
- Global Brand Leadership
- Partnerships
- Revenue against competition

OPPORTUNITIES

- Innovation
- Increasing Sustainability Initiatives
- Revised Branding

WEAKNESSES

- Low Performance in Whole Sales
- Financial Underperformance

THREATS

- New Market Entrants
- Loss of Brand Sophistication and Popularity



03

NIKE

VALUE CHAIN MATRIX



Supply
Chain
Management

Operations

Distribution

Sales &
Marketing

Service



WEIGHTED COMPETITIVE STRENGTH ASSESSMENT

Sportswear WCSA										
		Nike		Under Armour		Adidas		Lululemon		
KSF	Weight	Rating	Score	Rating	Score	Rating	Score	Rating	Score	
Brand Image	0.25	10	2.5	7	1.75	7.5	1.875	8	2	
Product Innovation	0.2	8.5	1.7	6.5	1.3	7	1.4	10	2	
Product Breadth	0.15	10	1.5	9	1.35	7	1.05	5	0.75	
Environmental Sustainability	0.1	9	0.9	5.5	0.55	7.5	0.75	4	0.4	
Globalization	0.15	10	1.5	6	0.9	8.5	1.275	6.5	0.975	
Community & Lifestyle Integration	0.15	9	1.35	7	1.05	6	0.9	9	1.35	
	1		9.45		6.9		7.25		7.48	



Strategic Outlook & Recommendations



KEY TAKEAWAYS

To “Win Now,” Nike must not just sell products, they must reignite its purpose

- Overemphasis on DTC has Hurt Accessibility & Brand Reach
- Innovation Slowdown Allowed Competitors to Catch Up
- Athlete Partnerships Remain Core to Brand Identity



04

Strategic Personnel Decisions *NIKE*

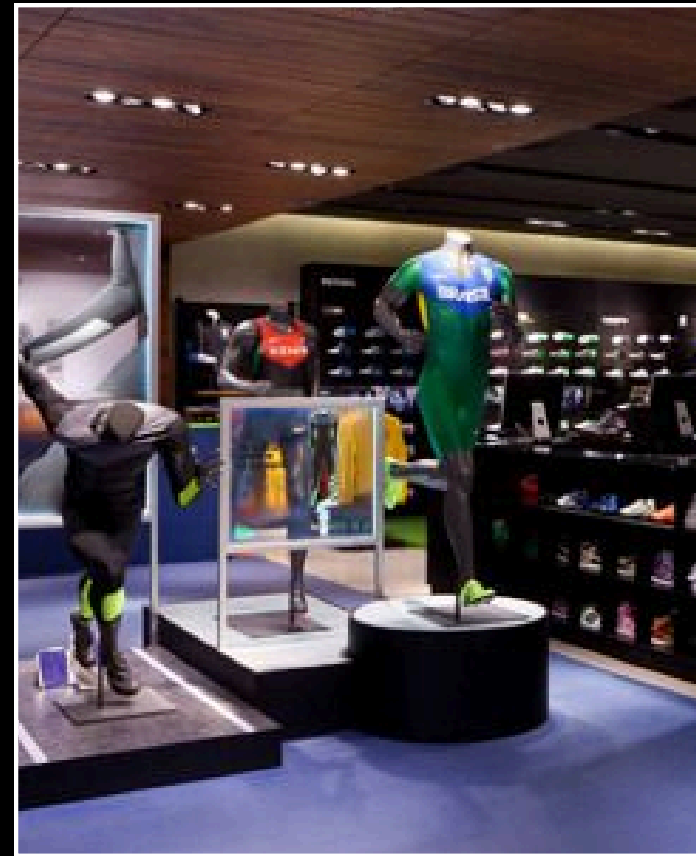


Thomas Clarke

July 2024: Senior Advisor on
Strategic Growth initiatives

1994-2000: Former COO

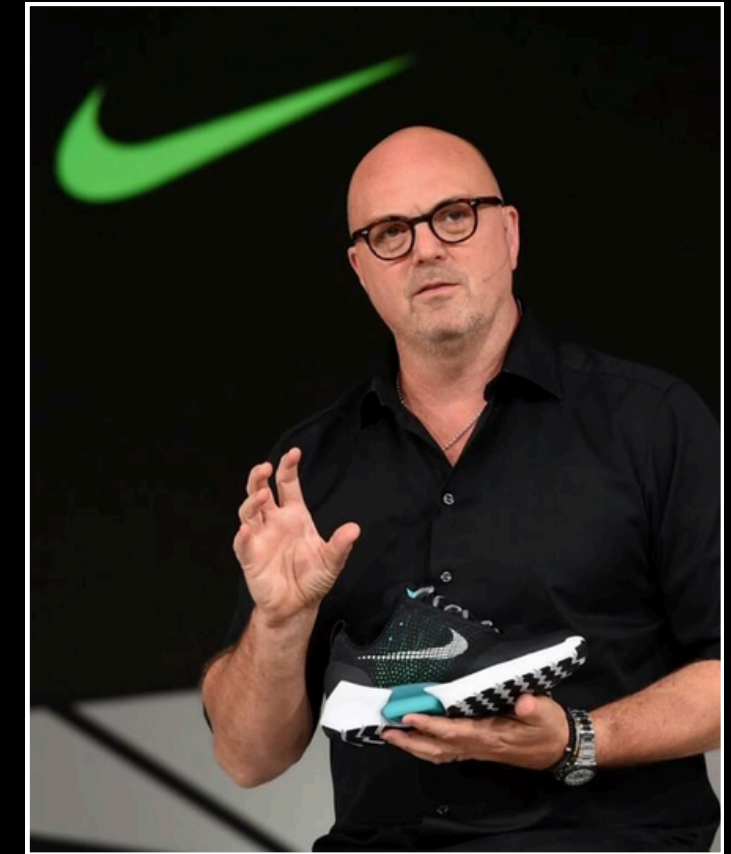
2009-2020: President of
Advanced Innovation



Tom Peddie

July 2024: VP of
Marketplace

1990-2020 VP of North
America Marketplace



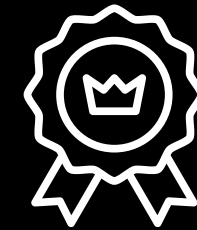
John Hoke

Nov. 2023: Chief Innovation
Officer

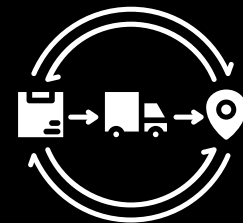
Chief Design Officer 1990-
2023



RECOMMENDATIONS



Refocus of Branding and Image



Reinforce Supply Chain Agility



Reignite Product Innovation



Rebalance Distribution



THANK YOU

Questions?

