A Simplified Operational Management Plan basing our Arguments on the Nike Company

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The operational management plan refers to the focus of the practices designed to manage and monitor every process in the production and distribution of the business's products and services. The main activities of operational management aim to create products, develop services, and efficiently distribute them (Collins, 2018).

Management of the purchases, monitoring of the inventories, and preservation of quality are the key goals of the operational plan. The plan also includes an analysis of the company's internal processes and, ultimately, the way the organization performs operational management, depending on the nature of the products and the services that are being offered. Therefore, in this paper, we are going to illustrate a simplified operational management plan based on the Nike Company.

Nike Company is an American multinational company that has been engaged in the design, development, production, sales, and marketing of apparel, footwear, accessories, equipment, and services. The company's headquarters is located in Beaverton, America. The company is the largest supplier of athletics apparel and shoes, with a net income of over eight million per year. The company's management works in unison where the Nike environment is collaborative, and the management often reports in two areas, i.e., global and geography functions. This is because the company covers a wide range of areas, including North America, the Middle East, Europe, and Africa. In regard to the company's website (www.nike.com), it aims at helping the consumers to thrive a sustainable economy in which the planet, the people and profit are at balance. Apart from the manufacturing of sports wares and equipment, the company has been involved in the operation of retail stores in different towns and sponsoring proficient athletes and good sports teams around the world.

Demographic of customers

The customer demographics are the classifications of the consumers who are relevant to the business purposes, such as designing and marketing the products. The classification of the customers can result in endless variable numbers. Therefore, the customers' classifications based on the Nike Company include gender, age, geographical location, hobbies, household income, educational level, marital status, and occupation (usa.gov, 2018). The demographics are essential in identifying who the customers of the company are, where they reside, and the likelihood that they will purchase the products and services being sold. The analysis of the demography is important to the company since it helps Nike Inc. to make decisions on the channels of communication that are valuable to the customers. It also helps in the identification of potential and new customers and in locating the demographic region that has many potential customers.

Race	Population	Female	Male
New York	8,175,133	4,890,026	3285107
Chicago	3,792,621	1,996,509	1796112
Texas	2,695,598	1,000,956	1694642
California	2,099,451	1,121,856	977596
Florida	1,307,402	890,467	416935
Georgia	1,445,632	795,351	650281
Virginia	945,942	546,203	399739
Philadelphia	1,526,006	713,956	812050

From the data, it can be illustrated that there are many more people in New York than in other states. Therefore, the company uses that demographic property to supply a lot of its products in the stores that are available in New York as compared to the stores that are in Virginia. Similarly, the company uses the demographic property of gender to determine the kind of products that could be supplied to the region and which customers to target. Therefore, the analysis of the demographics of the customers increases personalized interaction, improves the customer's services, and also fosters the customer's loyalty.

Design of the Supply Chain

The best way to consider supply chain management is to achieve the future needs of the organization. These are achieved through the development of new products, technological growth, channels of operation, the strategies of marketing, and the intellectual capital brand. Nike Inc. is a company that works properly for invention and innovation. The unique way of designing their products to suit the quality needed in the market makes the company lead in the production of sporting products like athletics shoes, etc. The company doesn't design cosmetically pleasing products, but they aim at performance. For instance, they aim at lightening, responsive increase, fit, injury protection, support, and cushioning. The strategy of ordering the product from the company is effective since the customer needs to place the order on the company's website. This increases the speed of processing via ERP and proper customer relationships. Therefore, due to good design to increase quality and faster processing, the company can easily meet its objectives and goals.

Material resource planning

Nike Inc. has an Enterprise Resource Planning (ERP), which they are using to manage their demand and supply. The software is essential in providing integration between purchasing, marketing, manufacturing, logistics, and sales (nike.com, 2017). Therefore, ERP software is important in determining the raw materials needed for the company's production process. The company makes use of the six major materials in the manufacturing process. They are polyester, rubber, EVA foam, cotton, synthetic leather, and leather.

Suppliers Relationship Management Plan

Nike is an innovative company that plans and designs for a suitable tomorrow's economy. The main goal of Nike's supply chain is to reduce its carbon footprint; therefore, the company is working closely with third-party logistics to provide the opportunity to optimize the consumer and accelerate the use of alternative fuels. The business impact of Nike Inc. is to improve the visibility of the supply and demand, the planner that empowers a better supply with the demand and better ROI for the existing SCM and ERP solutions.

Production

Nike Company is an iconic American multi-country corporation that is involved in the production of footwear, equipment, apparel, and accessories. The Nike products are produced in different factories worldwide. The company has revolutionized its production processes and developed innovative new products to meet its goals. Despite the company's headquarters being in Beaverton, Oregon, the shoes that the consumers purchase are produced by hundreds of firms around the world. The largest producers are in China, Indonesia, and Vietnam. Nike Inc. doesn't directly own the factory; instead, the administrators are involved in hiring factory owners to produce their products using the design and materials provided by Nike Inc. The company itself aims to design the shoes and other products, and after production, they are marketed and advertised in the most appealing manner.

The production of athletic shoes in the factories is categorized into three different parts of the shoe. They are the shoe top or upper, the midsole, which protects the foot, and the outsole or sole. It's the variation of the materials used in the three parts that bring a difference in the type and brand of the shoes. The midsole is made from a combination of the materials like Phylon, Polyurethane, Phylite, and EVA, which is a flexible and foam-like material. The sole is a blend of the synthetic compounds of rubber. The Nike shoes are unique in many athletic shoes, and experimentation design processes have shown that the model can take three years. The introduction of the midsole cushioning system, which was first implemented by Nike Inc., has led to a change in the way athletic shoes are produced. The company has frequently been criticized for being involved in child labor, fragrant abuse and abuse of wages, and also overtime laws that go unchecked in the factories found in third-world nations. However, Nike Inc. is responsible for the workforce, increased exploitation of the factory workers, and provision of unbiased working conditions.

Packaging

As a form of marketing strategy, no one can understand the power and the need for packaging of the products. The company spends most of its time designing the packaging and the tape blogs. They reiterate the packages so that the company doesn't go into a lot of detail. However, there is no doubt that the packaging of the products drives sales, and in fact, this is a strategy that Nike understands very well.

Most of the modern packaging is simple, sustainable, and also easy to use, and these have been met by many brands so that they should remain competitive. Nike has outperformed in every aspect. The common modern and iconic Nike packages are made of recyclable materials of cardboard that offer a clean, better-known display of the conspicuous tick. These characteristics are also applicable to other aspects of packaging materials, such as recyclable paper bags.

Transportation

The Nike products are mainly produced in four different nations, i.e., China, Indonesia, Thailand, and Vietnam. After a complete manufacturing process, the products are distributed to stores in different nations. When it comes to the transportation of Nike products, the company aims to reduce CO2 emissions into the environment and reduce carbon footprints. For the transportation process, their creativity is not only reducing carbon footprints and CO2 emissions but also an effective way of saving some money. The company has been mostly involved in the transportation of its products from one continent to the other via cargo ships instead of airplanes. Vehicles are used to carry the products for small distances.

Cost of Goods Sold

The cost of goods sold by Nike Inc. is directly linked to the profit of the company by gross margin. It's also linked to the company's inventory turnover. Therefore, the cost of goods sold is the total inventory cost of the goods and services that are sold during a particular period. Through calculation, the cost of the goods sold for the trailing twelve months, which ended on November 17, is $19520 million. Nike's Gross margin for the three months that ended in November 2017 was calculated (Gross margin= (Revenue – Cost of Goods Sold)/ Revenue) and found to be 43%. The company can expand, or ain't, in the gross margin through the increase in the price of goods that it sells, and the cost of the goods that it sells remains unchanged. It may also reduce the cost of the goods and the sales price unchanged. Also, the cost of the goods sold in the company is directly linked to the aspect of inventory turnover. Inventory turnover is calculated by dividing the cost of goods sold by the total inventories. Nike's inventory turnover for the three months that finished in Nov 2017 is 0.93. Inventory turnover is essential in illustrating how fast Nike Company turns the inventory. When its high the company have a light inventory, and thus a company spends few amount of money on storage, absolute inventories, and the writedowns. When the inventory is light, it affects sales and the company's relationship management plan.

Nike Inc. has been concerned with customer relationship management for many years so that they can generate profit with customer satisfaction. The company makes use of the online site (www.nike.com) to track valuable information that can optimize customer relationship manga and enticement information. The order allows the customer to insert the name, location, and contact information, and therefore, the information is used to track the customer's buying habits. The use of the online blog on the site is essential for customer-centric utilization so that they can improve services and products. The browser-based application that is being used by Nike Inc. enables someone to join the Nike community and also invites others to the community. This makes the company gain profit and creates customer trust and satisfaction.

Sustainability And CSR Plan

Nike Inc.'s sustainability is based on the prospects for the future so that it can maintain its profitability and reputation, taking into deliberation the social responsibility of a company. Sustainability strategies are required to ensure that every company gets a stable supply of raw materials, manufactures the products, markets products, and sells the products at favorable prices. Some of the sustainability innovations at Nike Company are as follows: The first one is that Nike's management performance aims at the reduction of waste and water use. This is done through the recycling of polyester materials used to make Nike football kits. The company is also involved in the reduction of emissions and the use of less energy.

The company has offered a greater investment in the transformation of the manufacturing process. They have piloted research programs that target uncovering the way technology, services, and changes in benefits and compensation systems positively affect workers. The companies have the leverage to help kids get moving and ensure that there is zero waste. The last strategy is reaching more customers through social media advertisement and customer care services.

Recommendation And Conclusion

The recommendation to Nike Inc. will allow the company to face challenges and weaknesses so that it can grow its brand and improve its financial performance. Since Nike Company is an international supplier and it's difficult to create loyalty all over the world and hence expand quickly, I may recommend that the company concentrate on the creation of the domestic fields for the brand and the products. The analysis shows that the company's strength is in supporting the leadership of the world concerning footwear, apparel, and equipment. The address of the company concerns labor practices, competition, and protection of a patent. Therefore, I may recommend that the company should come up with a reformation concerning the strategies of the area.

The third recommendation is that the company use the money efficiently. This can be accomplished by expanding the promotion to involve entertainment and other nonsporting venues since the line concerning entertainment sports looks blurred. The paper has illustrated that an operational management plan is a process of focusing on the practices that are designed to manage and monitor every process in the production and distribution of the products and services in the business. In the paper, we have illustrated the demographic of customers, the design of supply, production, transportation, customer relationship management, and sustainability of Nike Inc. Therefore, from the paper, we can conclude that the operational management plan will be helpful bringing a new direction to the Nike brand a greater benefit to the running of companies.

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