Adidas Organizational Structure and Business Environment

Posted on September 25, 2026

Introduction

Adidas is one of the world's largest sporting-goods companies, producing footwear, clothing, accessories, and equipment for sport and lifestyle markets. The company's origins go back to the Dassler brothers' shoe business, registered in 1924, while the adidas company itself was founded by Adolf "Adi" Dassler in Herzogenaurach, Germany, in 1949 (adidas, 2026a). Today, adidas operates internationally and combines product development, marketing, retail, logistics, finance, human resources, technology, and regional operations on a global scale.

This report examines the business environment in which adidas operates. It explains the purpose and legal structure of public, private, and voluntary-sector organisations; considers organisational size and scope; compares adidas with Genius Sports; and evaluates how organisational structure and functional relationships influence business performance.

P1 Types, Purposes, and Legal Structures of Organisations

Public Sector Organisations

Public-sector organisations are owned, controlled, or substantially directed by government bodies. Their main purpose is normally to provide public services and meet social needs rather than maximise profit. Typical examples include public healthcare services, police forces, armed forces, local authorities, and state-funded education. Their funding commonly comes from taxation, government budgets, service charges, or a combination of these sources. Because they use public resources, they are expected to operate with accountability, transparency, and compliance with public law and policy.

Legal structures vary according to jurisdiction and purpose. Public-sector bodies may operate as government departments, local authorities, statutory corporations, public agencies, or publicly owned companies.

Private Sector Organisations

Private-sector organisations are owned by individuals, families, shareholders, or other private investors. They usually compete in markets and aim to generate sustainable returns by providing products or services that customers are willing to purchase. Their funding can come from owners' capital, retained earnings, bank finance, bonds, or equity investment. Common legal forms include sole traders, partnerships, private limited companies, and publicly listed companies.

Adidas belongs to the private sector. Formally, adidas AG is a listed German stock corporation whose shares trade on the Frankfurt Stock Exchange. It is the parent company of the adidas Group and is governed under German stock corporation law (adidas, 2026b). This legal form allows members of the public and institutional investors to own shares while the company continues to operate as a private-sector business.

Voluntary Sector Organisations

Voluntary-sector organisations exist primarily to pursue social, charitable, environmental, cultural, or community objectives rather than distribute profits to private owners. Funding may come from donations, grants, membership income, fundraising, or trading activities. Examples include charities, foundations, voluntary associations, cooperatives, and some social enterprises. Organisations such as Oxfam, Amnesty International, Greenpeace, and the Red Cross illustrate how voluntary-sector bodies can operate at a substantial international scale while retaining a mission-led purpose.

Understanding the differences between public, private, and voluntary organisations helps explain why ownership, purpose, accountability, and legal form affect the way organisations make decisions and measure success.

P2 Size and Scope of Different Organisations

Organisations differ considerably in size and scope. Large organisations normally employ substantial workforces, control significant assets, serve large customer bases, and operate through multiple departments or geographic regions. Their scale may create advantages in purchasing, brand recognition, research, technology, and distribution, but it also increases coordination and governance requirements.

Medium-sized organisations operate with fewer employees and resources than major multinational corporations but may still serve national or international markets. Their structures are often less complex, allowing faster communication and decision-making. Small organisations usually operate with limited staff, capital, and geographic reach. They may benefit from flexibility and close customer relationships, although they often have fewer resources for large-scale investment, research, and expansion.

Adidas clearly belongs to the large multinational category. At the end of 2025, the company reported approximately 64,938 employees worldwide, with operations across Europe, North America, Greater China, Latin America, emerging markets, and Japan/South Korea (adidas, 2026c). Its scale allows it to invest heavily in product development, marketing, digital systems, logistics, and global partnerships.

M1 Comparison of Adidas and Genius Sports

Adidas and Genius Sports both operate within the wider sports economy, but their structures, sizes, scopes, and business objectives differ significantly.

Adidas. Adidas develops and markets sporting goods, including footwear, apparel, and accessories. Its global scale requires coordination among product development, marketing, sourcing, logistics, retail, finance, technology, and regional operations. The company employed 64,938 people at the end of 2025 and serves consumers across major international markets (adidas, 2026c). Its objectives include profitable growth, brand strength, product innovation, consumer relevance, and long-term competitiveness.

Genius Sports. Genius Sports is a sports-technology company rather than a sporting-goods manufacturer. It provides data, technology, broadcast, betting, and fan-engagement services across the sports ecosystem. The company currently reports around 2,600 employees, 18 locations, and hundreds of long-term partnerships worldwide (Genius Sports, 2026a). Its business therefore depends less on physical manufacturing and retail and more on technology platforms, data rights, software, media services, and partnerships with leagues, teams, sportsbooks, broadcasters, and brands.

The comparison shows how organisational size and structure are closely related to business models. Adidas requires a broad international structure to manage physical products, supply chains, retail, and consumer markets. Genius Sports is smaller in workforce terms and more technology-focused, allowing it to concentrate on sports data, AI, computer vision, broadcast technology, and digital services. Both firms operate globally, but their organisational needs differ because their products, customers, and value-creation processes are different.

These differences can be understood more broadly through the principles of organizational structures and future organizations, where functional, divisional, matrix, team-based, and network forms offer different approaches to coordinating people and resources.

D1 Organisational and Structural Complexity

Organisational complexity refers to the difficulty of coordinating multiple functions, locations, stakeholder groups, reporting relationships, and strategic priorities. Complexity increases as organisations grow in size, geographic reach, product variety, regulation, and stakeholder expectations.

Public-sector organisations can be highly complex because they must balance service delivery with legislation, budgets, political oversight, accountability, and the expectations of citizens and employees. Private-sector firms face a different form of complexity: they must respond to competition, customers, investors, regulation, innovation, cost pressures, and changing markets. Voluntary organisations may operate with fewer formal layers, but they still face challenges involving funding, volunteer coordination, governance, mission alignment, and stakeholder engagement.

Adidas demonstrates several forms of complexity. Its formal governance is built around the German dual-board system, in which the Executive Board manages the company and the Supervisory Board advises and supervises management (adidas, 2026d). Operationally, the company must also coordinate global functions, regions, product categories, digital systems, suppliers, retail operations, and brand activities.

Adidas can be analysed as having matrix-like coordination requirements because functional specialists must work across product, regional, and commercial responsibilities. Publicly available governance material does not present the entire company as a simple classic matrix, so the more accurate description is a complex multinational structure with strong cross-functional and regional coordination.

A useful comparison is the analysis of organizational structure, mission, and strategic objectives at Amazon, which similarly shows how very large multinational firms combine formal hierarchy with specialised functions and cross-unit coordination.

P3 Relationships Between Organisational Functions

Adidas depends on close relationships among design and product development, marketing, operations, finance, human resources, technology, and regional commercial teams. These functions have different responsibilities, but they must support shared organisational objectives.

Design and product development. Product teams create footwear, apparel, and accessories that meet consumer needs and support the company's innovation and performance goals. Their work depends on feedback from athletes, designers, marketing teams, material specialists, sourcing teams, and market data.

Marketing. Marketing communicates product value, builds brand recognition, supports campaigns, and adapts messages to different consumer groups and markets. It must work with product teams so that campaigns accurately reflect product features and with regional teams so that global ideas remain relevant locally. The role of coordinated product, price, place, and promotion decisions is also discussed in Academic Master's overview of the marketing mix concept.

Operations and supply chain. Operations coordinate sourcing, production, logistics, inventory, and distribution. Effective operations are essential because product availability, delivery speed, quality, and cost all influence customer satisfaction and profitability.

Finance. Finance supports budgeting, investment decisions, performance measurement, risk control, and financial reporting. It also helps other departments evaluate whether proposed projects and campaigns are economically sustainable.

Human resources. Human resources supports recruitment, employee development, performance, workforce planning, and organisational culture. Adidas emphasises people and culture as central to business performance, employee well-being, and development (adidas, 2026e). Similar relationships between workforce strategy and operational performance can be seen in discussions of human resources and supply-chain functions.

These functions are interdependent. Product teams cannot launch effectively without marketing, operations cannot deliver efficiently without forecasts and finance, and all departments depend on human resources and technology to maintain the capabilities needed for performance.

M2 Benefits and Drawbacks of Interrelationships Between Functions

Interrelationships among organisational functions can create important advantages. Knowledge sharing allows specialists from different departments to solve complex problems together. Product developers and marketers can cooperate on new launches; finance and operations can evaluate cost implications; and human resources can ensure that projects have the necessary skills and staffing. Cross-functional collaboration can therefore improve innovation, consistency, and responsiveness.

Coordination can also improve the customer experience. When design, marketing, sales, retail, and logistics work toward the same product promise, customers are more likely to receive a consistent message and dependable service. Shared information can also accelerate decision-making because teams have access to relevant expertise and data.

However, interdependence also has disadvantages. Different functions may have conflicting priorities. Marketing may want a rapid launch, while product and quality teams may require additional testing. Finance may seek tighter cost control while other departments request greater investment. Complex approval processes can slow decisions, while shared responsibility may make accountability unclear if roles are not defined properly.

For adidas, the challenge is therefore to combine global coordination with enough local and functional flexibility to respond to markets. Clear decision rights, shared objectives, performance measures, communication systems, and cross-functional teams can reduce confusion while preserving the advantages of collaboration.

Conclusion

Adidas provides a useful example of how organisational purpose, legal structure, size, scope, and functional relationships shape business performance. As a listed German stock corporation, adidas operates in the private sector and combines formal corporate governance with extensive international operations. Its scale creates significant advantages in brand reach, innovation, investment, and market coverage, but it also increases organisational complexity.

Comparison with Genius Sports demonstrates that companies operating within the same broad sports economy can require very different structures because their products and business models differ. Adidas manages physical products, supply chains, retail, and consumer markets, whereas Genius Sports concentrates on data, technology, broadcast, and digital sports services. In both cases, success depends on aligning organisational structure with strategic objectives and ensuring that functions such as marketing, operations, finance, technology, and human resources work together effectively.

References

adidas. (2026a). *History*. adidas Group. https://www.adidas-group.com/en/about/history

adidas. (2026b). *Notes to the Consolidated Financial Statements*. adidas Annual Report 2025. https://www.report.adidas-group.com/2025/en/consolidated-financial-statements/notes.html

adidas. (2026c). *Strategy and Employee Headcount by Geographical Area*. adidas Annual Report 2025. https://www.report.adidas-group.com/2025/en/group-management-report-sustainability-statement/esrs-2-general-disclosures/strategy.html

adidas. (2026d). *Declaration on Corporate Governance*. adidas Annual Report 2025. https://report.adidas-group.com/2025/en/to-our-shareholders/declaration-on-corporate-governance.html

adidas. (2026e). *People and Culture*. adidas Group. https://www.adidas-group.com/en/people-and-culture

Genius Sports. (2026a). *About Us*. https://www.geniussports.com/about-us/

Genius Sports. (2026b). *Genius Sports Announces Availability of Its 2025 Annual Report on Form 20-F*. https://investors.geniussports.com/news/news-details/2026/Genius-Sports-Announces-Availability-of-Its-2025-Annual-Report-on-Form-20-F/default.aspx