

NIKE

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Various Products Of Nike



NIKE

**Introduction:**

Nike Inc. is an American multinational corporation that is engaged in the design, development, manufacturing, and worldwide marketing and sales of footwear, apparel, equipment, accessories, and services. Company headquarter is located in Beaverton, Oregon, in the Portland metropolitan area. The company was founded on January 25, 1964, as Blue Ribbon Sports by Bill Bowerman and Phil Knight, and officially became Nike Inc. on May 30, 1971. The company takes its name from Nike; the Greek goddess of victory. Nike is the world's largest supplier of athletic shoes and apparel and a major manufacturer of sports equipment with revenue over US\$24.1 billion in its fiscal year 2012 (ending May 31, 2012). Currently, Nike employed 73,100 people worldwide. Nike ranked No. 89 in the 2018 Fortune 500 list of the largest United States corporations by total revenue and now it ranks 90 in the list making it the most valuable brand among sports businesses. As in 2017, the Nike brand is valued at \$29.6 billion and now it is \$36,397.0 million. Nike remains the largest athletic apparel maker in the world, though its hegemony is under pressure. The company turned in three straight quarters of growth in 2018, turning around an extended slump that allowed German rival Adidas to emerge as the more profitable of the two. But in 2018, the company's big bet was Colin Kaepernick. The quarterback and controversial civil rights activist played a starring role in the 30th anniversary of the company's "Just Do It" marketing campaign, a series of five ads which first rattled, then delighted, investors. Despite political headwinds, the company showed continued strength in China, with 2018 sales of \$1.54 billion, a 26% jump from the year prior. And the company continues to reduce its traditional retail presence to focus on direct-to-consumer sales.

**Section 1:****Company & its environment:**

Nike believes to have a responsibility to conduct business ethically. they expect the same from their suppliers and focus on working with long-term, strategic suppliers that demonstrate a commitment to engaging their workers, providing safe working conditions, and advancing environmental responsibility. This includes working to combat risks of forced labor, modern slavery, and human trafficking.

Nike is a company of purpose, growth, and innovation. They seek to move the world forward through sport, they believe the success of their teammates drives the success of their business. This is reflected in their ongoing commitment to fostering an environment focused on equality, inclusion, empowerment, and respect. When our teams feel supported and inspired, they turn that creativity into innovation to serve our athletes globally and deliver against us goals. They support equality that Provides 1:1 Pay equity for women globally and the U.S. underrepresented groups. 39% Of Vice Presidents at Nike are women, a 3-percentage point increase from 2018 to 2019. Nike is at its best when every member of the team feels respected, included, and heard—when everyone can show up as themselves and do their best work every day.

Nike believes in the power of sport to break down barriers, overcome differences, and bring people together. Nike is committed to an environment focused on respect, equality, inclusion, and empowerment. For Nike to grow and evolve, they think that they require the best and the brightest to help us play sports a daily habit and inspire consumers globally. Employees with the necessary skill sets, expertise, and qualifications are critical for them to drive the business forward. At Nike, more than 12000 people have completed manager expectation training. Diversity allows for a breadth of perspectives and experiences to develop thoughtful and original ideas; it's a key component of innovation.

Nike value representation across our business and will continue to seek the best talent to help them grow. They continue to focus on increasing representation of women globally and underrepresented groups (URG)<sup>1</sup> in the U.S. For the 18th year in a row, Nike earned Best

The place to Work for LGBTQ Equality with a score of 100 in the Human Rights Campaign Foundation annual Corporate Equality Index. The Index scores companies on LGBTQ inclusion. Nike is one of 686 companies to score 100 in the 2020 CEI. With new and higher Benchmarks, this was the most comprehensive assessment of workplace LGBTQ inclusion in the report's 18-year history.

When it comes to business and sport, “we value fair play” this is Nike understanding. Nike believes world-class manufacturing is grounded in standards that respect the environment, the people who work in factories, and the principles of a healthy and safe workplace. Introduced in 2012, Nike's Manufacturing Index scores factories based on four equally weighted categories: sustainability performance (including labor practices), and three traditional manufacturing metrics (cost, quality, and on-time delivery). We assess the sustainability component through our Sustainable Manufacturing and Sourcing Index and focus on bringing all factories to a Bronze rating (our minimum standard) or above. Nike has introduced a Nike employee network. Nike UNITED Networks Bring Together Employees and Allies Who Represent the Unique Experiences, Perspectives, and Ideas of Diverse Global Employee Team. These networks serve to advance the development of their members, promote Nike cultural awareness, and demonstrate our commitment to diversity and inclusion in the communities where we live and work. Nike has eight Employee Networks, collectively known as Nike UNITED. These employee-formed and -managed communities offer resources to a diverse spectrum of individuals across Nike. All employees are welcome and encouraged to join, participate, or become leaders within the Networks.

The Nike UNITED Employee Networks are:

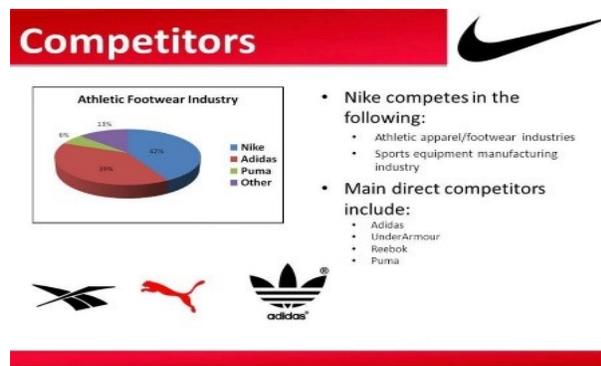
- Ability Network.
- Ascend Network & Friends.
- Black Employee Network & Friends.
- Latino & Friends Network.

- Nike Military Veterans & Friends.
- Native American Network & Friends.
- PRIDE Network.
- Women of Nike & Friends.

**Competitors:**

Without a competitor, there is no taste in business. Competition increases hunger to grow more, to achieve more & to target more. Nike’s main competition comes from Adidas and Reebok Along with many small companies such as New Balance, K-Swiss, etc. Due to Nike’s huge Brand awareness, its competitors have to put in more effort to sell their products and also New Entrants in the industry should have a huge amount of capital to invest in advertising to Create Brand awareness and to become a significant if not a major player.

Nike’s other Competitors are as follows:



- Under Armour
- Adidas
- Reebok
- Puma

- Sketchers
- New Balance
- FILA

### **Services/product Offered by Nike:**

NIKE Inc. together with its subsidiary's designs develops, markets, and sells athletic footwear, apparel, equipment, and accessories worldwide. The company offers NIKE brand products in six categories, including running, NIKE basketball, the Jordan brand, football, training, and sportswear. It also markets products designed for kids, as well as for other athletic and recreational uses, such as American football, baseball, cricket, golf, lacrosse, skateboarding, tennis, volleyball, walking, wrestling, and other outdoor activities; and apparel With licensed college and professional team and league logos, as well as sells sports apparel. Besides, the company sells a line of performance equipment and accessories comprising bags, socks, sports balls, eyewear, timepieces, digital devices, bats, gloves, protective types of equipment, and other equipment for sports activities; and various plastic products to other manufacturers.

### **Global Reach Of The Company**

Nike has contracted with more than 700 shops around the world and has offices located in 45 countries outside the United States. Most of the factories are located in Asia, including Indonesia, China, Taiwan, India, Thailand, Vietnam, Pakistan, the Philippines, and Malaysia. Nike's geographic market consists of major markets throughout the globe. Until 2009 Nike's geographical markets consisted of the United States, Asia-Pacific, Americas, and an area comprising of Europe, the Middle East, and Africa. However, in March 2009, Nike announced its plan to reorganize its global business to bring goods closer to the markets and in turn consumers as well as to reduce management overlap. Following this plan, Nike then decided to develop its market share in North America, Western Europe, Eastern/Central Europe, Greater China, Japan, and Emerging Markets. Nike is exposed to the international nature of trade. It buys

and sells in different currencies and hence, costs and margins are not stable over long periods due to changing exchange rates.

The method used by Nike to reach out globally, Nike makes the international expansion of Nike products very successful are its strategic sponsorships and partnerships. Through the years, Nike has been associated with many famous athletes and sports personalities such as:

- Michael Jordan
- Kobe Bryant
- Sebastian Coe
- Jackie Joyner-Kersey
- Carl Lewis
- Tiger Woods
- Rory McIlroy
- Neymar
- Cristiano Ronaldo
- Ronaldinho
- Wayne Rooney
- Ronaldo

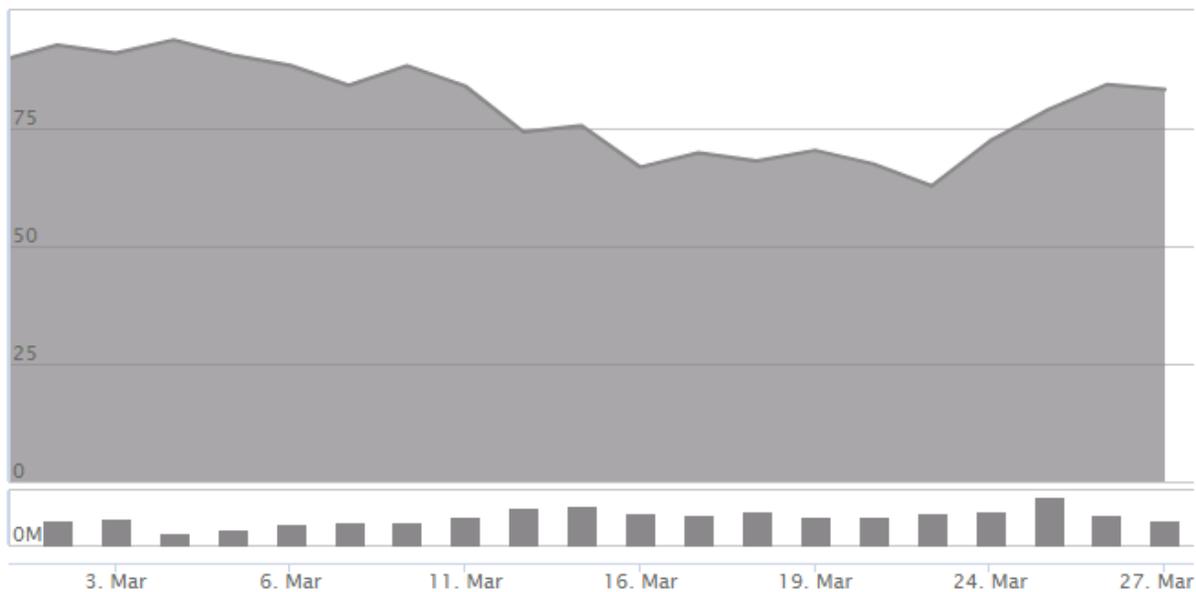
Sponsorship deals help them to be known all over the globe and reach out in every corner. Nike is present in almost all sports and sporting activities. It sponsored all the uniforms of the

NFL teams, several association football clubs in Africa, Asia, the Middle East, Europe, Oceania, North America, and South America. It is also a sponsor of the national football teams around the world.

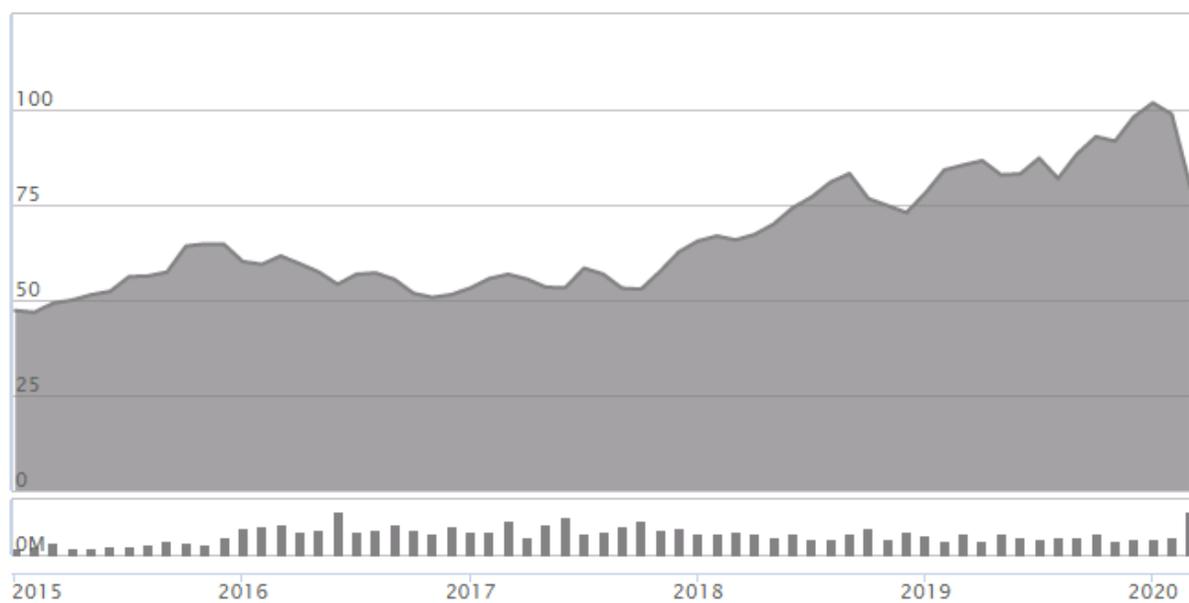
**Section 2- stock market**

Nike is listed in NYSE. The total market capacity is \$127.81B. total numbers of shares in the market 1242.36MM. they have book value per share is \$5.40. The p/E ratio is 34.08. The average stock Price ranges from \$65 - \$85 for March 2020. The highest for March 2020 is \$93.79 with a total volume of 6,904,400. 52 Week High & low stock price as on 28 March 2020 is \$105.62 & \$60.00 respectively.

**Stock history for March.**



**Stock history for the last 5 yrs.**



(source: nike.com)

Since 2004 the company has increased its annual dividend rate demonstrating the strength Of business and commitment to increasing shareholder value for our stockholders. Quarterly Dividends on NIKE common stock, when declared by the Board of Directors, are paid on a Calendar year basis on or about January 5, April 5, July 5, and October 5. All dividend amounts have been restated to reflect all historical stock splits and have been rounded to the nearest thousandth.

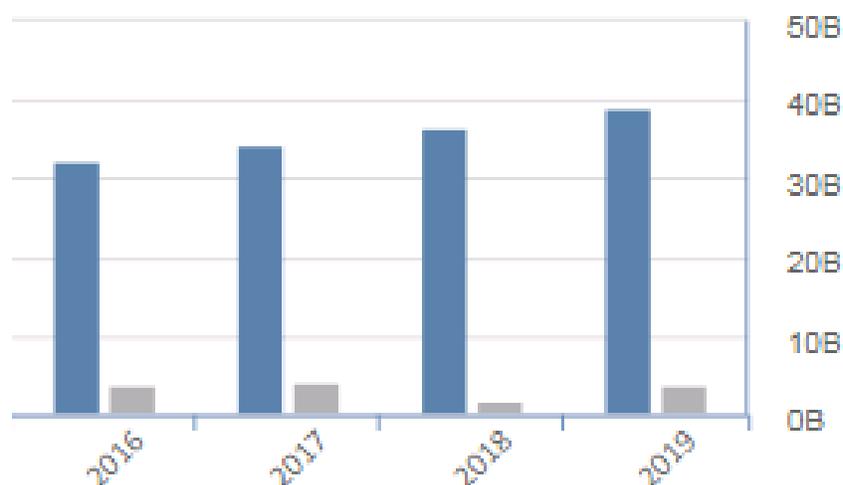
#### Nike Inc.: Share Earnings Data (In USD)

	2013	2014	2015	2016	2017	2018	2019
Basic earnings per share	1.26	1.53	1.90	2.21	2.56	1.19	2.55
Diluted earnings per share	1.23	1.49	1.85	2.16	2.51	1.17	2.49
Dividend per share	0.35	0.47	0.54	0.62	0.70	0.78	0.86
Distribution of dividends	188.00	209.00	240.00	271.00	300.00	320.00	346.00

**Nike Inc.: Key Data (In USD)**

	2013	2014	2015	2016	2017	2018	2019
Sales per share	13.82	15.34	17.35	18.63	20.24	21.92	24.17
P/E ratio (year end quote, basic EPS)	25.07	25.90	27.48	25.56	21.11	61.37	30.99
P/E ratio (year end quote, diluted EPS)	25.07	25.90	27.48	25.56	21.11	61.37	30.99
P/E ratio (year end quote)	25.07	25.90	27.48	25.56	21.11	61.37	30.99
Dividend yield in %	1.14	1.21	1.06	1.12	1.32	1.09	1.11
Equity ratio in %	62.18	57.19	57.89	56.33	53.34	43.54	38.12
Debt ratio in %	37.82	42.81	42.11	43.67	46.66	56.46	61.88

For the nine months ended 29 February 2020, Nike Inc revenues increased 7% to \$31.09B. Net income increased 10% to \$3.33B. Revenues reflect corporate segment increase of 57% to \$11M, North America segment increase of 100% to \$8.28B, Comparable Store Sales (Growth- %), NA increase from -4.3 to 0%, Online Sales - North America increase of 27% to \$1.43B. Net income benefited from Merchandise Margins, Total -% increase of 1% to 44.9%.

**Financial statement.****NKE Income Statement »**

Period Ending:	May 31, 2019	May 31, 2018	May 31, 2017	May 31, 2016
Total Revenue	39117	36397	34350	32376
Gross Profit	17474	15956	15312	14971
Operating Income	4772	4445	4749	4502
Net Income	4029	1933	4240	3760

(Source: investing.com)

### **Section- 3: corporate governance.**

Corporate governance is the combination of rules, processes, or laws by which businesses are operated, regulated, or controlled. The term encompasses the internal and external factors that affect the interests of a company’s stakeholders, including shareholders, customers, Suppliers, Government regulators, and management. The board of directors is responsible for Creating the Framework for corporate governance that best aligns business conduct with Objectives. An example of good corporate governance is a well-defined and enforced The structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards, best practices, and formal laws. Alternatively, bad Corporate governance is seen as poorly-structured, ambiguous, and noncompliant, which could damage the image or financial health of a business. Corporate governance is a very important part of a good healthy business. Nike follows the principle of good corporate Business. The Board of Directors (the “Board”) of NIKE, Inc. (the “Company”) has adopted.

The following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor The effectiveness of policy and decision making both at the Board and senior management Level, to enhance long-term shareholder value and corporate purpose, including Corporate responsibility, sustainability, human rights, global community and social impact, And diversity and inclusion. These Guidelines will be reviewed annually by the Corporate Responsibility, Sustainability & Governance Committee and the Board, and are subject to Modification from time to time by the Board. Waivers of these Guidelines may be made only by the Corporate Responsibility, Sustainability & Governance Committee, or the Board.

### **The role of the board (board of directors) in corporate governance.**

The Board, which is elected by shareholders, is the ultimate decision-making body of the Company, except for those matters reserved to the shareholders. The Board represents shareholders' interest in the operation of the business. The Board's goals are to build long-term shareholder value, including by promoting the sustainability of the Company, and to responsibly address the concerns of other stakeholders, including employees, consumers, customers, suppliers, shareholders, governments, local communities, and the general public. The Board acts as an advisor to and oversees the senior management team, and ultimately monitors its performance. The Board has the responsibility to ensure that in good times, as well as difficult times, management is capably executing its duties.

The board is responsible for all the activities done for the growth of the company. The role of directors expects to spend time and effort necessary to carry out their duties and Responsibilities. Normally management has to formalize, propose and implement strategic choices, and the Board's role to approve strategic direction and evaluate strategic results. The selection of chairman and CEO is done by the board. In the past few years, Nike has implemented a size of the board to 10-14 members, they believe that this is sufficient to permits Diversity of experience without hindering effective discussion.

#### **Board meeting.**

There should be a meeting of the board regularly, that is properly followed by Nike corporate governance they held five regular meetings every year. Meeting Consist Of Several Points: agenda for board and committee Meetings, Attendance of management at board meetings, executive session for non-employee directors.

#### **Agenda for board and committee Meetings by Nike:**

The Chairman of the Board, and the Chairs of the Board committees, set the agenda for Board and committee meetings, respectively. Directors are invited to suggest the inclusion of items on the agenda and are free to rise at any Board meeting subjects that are not specifically, on the agenda. Materials related to agenda items are provided to directors sufficiently in advance of Board meetings, where necessary, to permit directors to review and prepare for discussion.

#### **Attendance of management at board meetings by Nike:**

At the invitation of the Board, members of senior management recommended by the CEO

attend Board meetings or portions thereof to present information regarding a particular matter or participating in discussions. The Board is free to excuse members of senior management from meetings at any time.

Executive session for non-employee directors by Nike:

Executive sessions or meetings of non-employee directors without management present are held at least once each year, over which the lead independent director presides as chair. In the absence of a lead independent director, the responsibility to preside as chair of the executive sessions or meetings are rotated among the Chairs of the Board committees as designated by Corporate Responsibility, Sustainability & Governance Committee. After the above all the process there must be a management review and succession report or meeting to analyze the work that had done till now.

Management review and succession consider of:

- Evaluation of CEO
  
- Succession planning
  
- Stock ownership
  
- Policies and guidelines

All the procedures and policies regarding good corporate governance are followed by Nike. As they are implemented corporate governance they also follow its rules and regulation. From the Appointing board of directors until updating their governance policy on their website. Nike Understand their role in corporate governance and delivering it perfectly.

#### **Section-4: Supply Chain Structure.**

NIKE is the largest seller of athletic footwear and apparel in the world. Nike sells the products through NIKE-owned retail stores and digital platforms, to retail accounts, and through a mix of independent distributors, licensees and sales representatives in virtually all countries around the world. Virtually all the products are manufactured by independent Contractors. Nike aims to be a brand with a purpose that moves the world forward. To achieve that, Nike needs all parts of the value chain to understand and deliver on their goals—from Leaders To product designers to the employees in stores, and workers in contracted factories who make Nike products. A strong supply chain governance structure coupled with a sustainability mindset provides the foundation for driving collective decision making and accountability across the company.

#### **Corporate Responsibility, Sustainability & Governance Committee for the supply chain.**

Our ability to succeed starts with leadership commitment at the highest level. The Corporate Responsibility, Sustainability and Governance (CRS&G) Committee of our Board of Directors are responsible for reviewing Nike's significant strategies, activities, and policies regarding sustainability, contract manufacturer labor practices, community impact and charitable activities, among other duties, and make recommendations to the Board. The committee sets the tone and pace for sustainability within Nike's business strategy.

#### **Responsibilities included by Nike supply chain management:**

- Review and guide management on sustainability issues and impacts, and the integration of sustainability into Nike's business, including innovation, product design, manufacturing and sourcing, and operations.
- Review, guide management, and report to the Board on sustainability (including labor practices) within Nike's supply chain, and review reports of Nike's sustainability audits.
- Review and guide management regarding Nike's work with industry. Organizations and non-governmental organizations concerning corporate responsibility.

- Annually review the activities of the Nike Foundation and Nike community impact initiatives.
- Review and make recommendations to management on reporting to shareholders and other communities regarding corporate responsibility activities.
- Review, guide management, and report to the Board regarding the involvement of significant corporate responsibility issues in major business decisions, to protect Nike's valuable goodwill and human and intellectual capital.
- Review and make recommendations to the Board to any shareholder proposal that relates to the matters overseen by the Committee.
- Annually evaluate the performance of the Committee and report the results of the evaluation to the Board.
- Review and assess annually the adequacy of the Committee's charter.
- Perform such other duties and functions as may, from time to time, be assigned to the Committee by the Board.

We are focusing on quality, long-term supply agreements with fewer factories, that are committed to our strict standards of sustainability and product excellence. Our sourcing strategy prioritizes and favors suppliers that show demonstrable leadership in corporate responsibility and sustainability, seeking to move beyond minimum standards. As part of our growth strategy, we seek suppliers who drive sustainable business growth by minimizing their environmental impacts, fostering a strong culture of safety, and developing an engaged and valued workforce.

NIKE's commitment to ethical practices in our operations and our supply chain begins at The highest level – from our CEO and Board of Directors. NIKE, Inc.'s Corporate Responsibility, Sustainability & Governance Committee of the Board of Directors review and

Evaluate the Company's significant strategies, activities, policies, investments, and programs Regarding corporate purpose, including corporate responsibility, sustainability, human rights, The global community and social impact, and diversity and inclusion; and, provide oversight of Management's efforts to ensure that the Company's dedication to sustainability (including Environmental and supply chain sustainability and human rights) is reflected in its business Operation.

### **Conclusion**

With all the competitors in the market with high competition, you need to be on the list of Fortune 500. There are some tactics and regulations that need to follow to be competitive in the market. From an employee to the customer everyone needs to be happy with your products. Company stocks one of the main elements for your company that helps in finance service mean it attracts the investor to invest in the company if not they will not invest in your company there can be a shortage of finance. To get better stocks to result there should be good corporate Governance which helps in maintaining stocks and their Price, financial stability of the company. At last one more element that is the supply chain, you need to transfer your product from raw material to the customer which can be done by supply chain and you need a good supply chain management help in less wastage of money & time. It is good for your company and for your customers that make them happy. Happy customers always increase the sales of the company.

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