

# Capstone Case Study



## Nike : Company Background

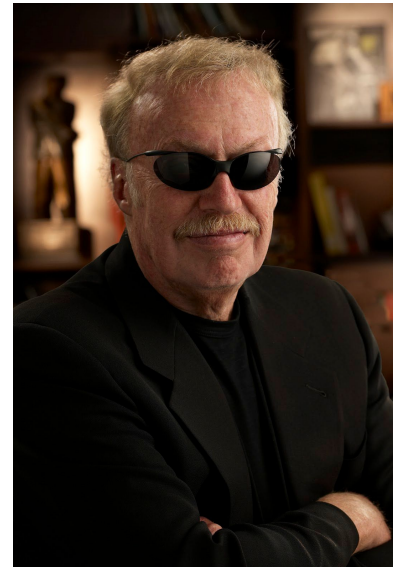
Nike is an American sportswear company founded by Bill Bowerman and Phil Knight in Beaverton, Oregon, in the US and incorporated in 1967. Its primary business purpose is to design, develop, market, and sell athletic footwear, apparel, equipment, accessories and services worldwide.

Nike has evolved throughout its many years of doing business. One of the factors that has contributed to its success has been a close connection with athletes, who endorsed company products and informed product development.

Started as an athletic shoe company, Nike product offerings have expanded significantly through both acquisitions and in-house Research and Development.

At the beginning of the 21st century, Nike began offering wearable technology accessories such as heart rate monitors, compasses, and fitness trackers.

The company with its famous motto “Just Do it”, has never stopped innovating. Its leadership recognized a big opportunity to enter the digital service technology space. It did so by connecting customer journey points of purchasing products, tracking their performance, and training through its Nike App, Nike Run Club app, and its Nike Training app.



[Picture caption: Today, Phil Knight serves as a Chairman Emeritus at Nike Nike.com]

## Company Culture

Every culture is built on a set of values. Nike is guided by 11 maxims, which closely resemble the Agile Manifesto. Management at Nike also relies on four principles that comprise a manager's manifesto. These are to Lead, Coach, Manage, and Inspire. Despite these principles in place, news outlets like CNBC reported cracks in company culture in 2018, which the then CEO had to address. Among some of the issues mentioned was an issue that some employees were feeling excluded and were without proper management support.



[Photo by [Ian Schneider](#) on [Unsplash](#)]

By addressing some of the leadership and management oversight gaps, Nike now seems to generally be on the right track. It has a strong 4.1 company score on GlassDoor. This is a digital job board platform that collects employee feedback and aggregates it into a score. Some of the recent positive sentiments include statements like the following:

1. "You and your work-life balance matter. Surrounded by people who care. Encouraged to support the causes that are meaningful to you"
2. "Great company, opportunity, activities and connections."
3. "Compared to other technology companies, Nike offers a fantastic culture and workplace environment, driven by great values."
4. "Competitive and fun work environment."
5. "Sports, Innovation, great Campus facility, international presence."
6. "Culture is amazing. Some of the most talented people I've worked with. Love going to work."

Some of the cons of working at Nike that its former or current employees shared on Glass Door include the following:

7. "Communication between departments is a struggle."
8. "Many systems make the process more complicated than necessary."
9. "Some managers lack the skills or tools to support their teams."



10. "Very competitive, cliquish, and hierarchy matters."
11. "Seemed to be a slight divide from managers and employees."
12. "It's a big, matrix organization. Not many opportunities to influence "up" the chain."
13. "Large and complex matrix, sometimes hard to get work done."
14. "Limited progression, changes happen, management."
15. "Micro-managing, no room for growth, work drama."
16. "Bad management in some departments."

A few current and former employees offered the following advice to managers:

1. "Need to train managers into better leaders."
2. "Focus on those that don't sit at the "cool table." These people are just as talented." and eager for more just as much as the well connected and in the know talent.
3. "Listen to your employees and allow them to express how they feel about department managers."

Based on this feedback, it seems that there may still be room for improvement.



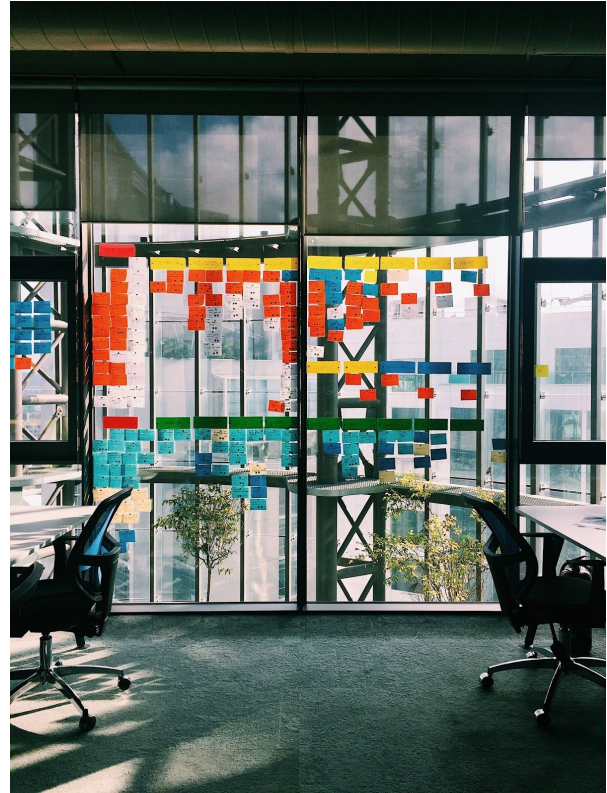
## Agile at Scale/ DevOps

Nike is not new to innovation but its innovation has largely been supported by traditional processes and practices. Nike made a move from Lean to Agile in 2016 in its technology space. In a Nike presentation [DevOps at Nike: There is No Finish Line](#), Nike shared how it made this transition possible from a mindset, culture, and process perspective.

Today, Agile at Nike is adopted by its many IT teams. However, the company now has had to find additional efficiencies. It has to evolve its culture and business processes to provide greater support for Agile teams. It also has to improve the culture by reinforcing its values by addressing concerns raised by current and former employees.

The company faces strong competition and according to its [10K report](#), the leadership identifies the following companies as its primary competitors: adidas, Anta, ASICS, Li Ning, lululemon athletica, Puma, Under Armour and V.F. Corporation.

The number of risks has increased significantly in 2020. COVID-19 pandemic triggered additional risks. Your task is to develop a change management plan to strengthen Nike's internal culture, to further support innovation, and to fend off intense competition.



[Photo by [Irfan Simsar](#) on [Unsplash](#)]



## Your newly formed team



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Your goal is to create an Agile team from the employees, who have been identified as great performers, but have no experience with Scrum or Agile.

You need to plan a Sprint for preparing ten newly selected current company employees to be on an Agile team.





### **Capstone Course Assignment Overview:**

1. Complete the Transformation Roadmap (Module 1, 2, & 3)
2. Plan a personal development one-month long Sprint (Module 1)
3. Plan a new Agile team development one-month-long Sprint (Module 2)
4. Develop a change management plan to strengthen Nike's internal culture, support innovation, and fend off intense competition (Module 3)

### **Agile Team Sprint Planning Instructions:**

How would you introduce Agile to a team unfamiliar with Agile? Create a plan that will train your team on principles of Agile and Scrum and address the following elements:

1. Training your new team on the principles of Agile and Scrum
2. Building a positive culture
3. Promoting Nike's 11 maxims
4. Addressing at least two of the issues brought up by employees about the company within your team.

### **Change Management Plan Instructions:**

Create a 6-8 page Transformation packet document, which includes all 4 above-mentioned elements.

1. Envision Statement (limit to three years, goal is to get to Agile Enterprise phase)
2. Select Two Change Management Theories (e.g. Kotter and McKinsey 7S)
3. Explain model selection - why did you decide on these two
4. Nike is currently at Agile at Scale phase. Design a phased approach to Agile Enterprise transformation.
5. Design a plan for transformation. What do you need to do during each phase to make sure the transformation is successful and sustained throughout the organization?

Use course and any outside materials to build your packet.



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