



Executive Summary

Senior Executives, with the implementation of our recommendations within five years, Nike will:

- ✓ Successfully shift the production of collegiate apparel to **India, Nicaragua, and Vietnam** for lower costs and better development
- ✓ Improve traceability of the supply chain for collegiate apparel
- ✓ Build strong consumer awareness of company's commitment to sustainability and improved labor
- ✓ 2014-2018 NPV IN 5 YEARS: \$7.05B

Country Selection

With the currency appreciation and increasing labor cost in China, we will have to remove the collegiate apparel production in China. Nike seeks for sustainability for the long-term development as well as cost efficiency. Therefore, we used comprehensive factors and criteria including government compliance, GNI per capital, cotton production by country and etc., our standards (sustainability, labor practices, costs and other competitive factors) are the guide lines where we can eliminate those countries which are unqualified. India, Nicaragua, and Vietnam stood out from more than 200 countries and appeared to be the best choice as our new sourcing options.

“UP, UP” Strategies

Implementing Traceability- “UP” strategy

- ✓ **Union power by cooperates with H&M----Traceability for Nike**

The apparel companies are actually sharing supplies. The cooperation with H&M generates some advantages:

- Reduce Nike's “heavy lifting”
- The power comes from the “Union” can strongly force the suppliers to implement the traceability action.

- ✓ **Process tracing map----Traceability for customers**

Every piece of Nike clothing has a story. When people buy a piece of new Nike



clothing, they can scan the QR code on the label. People can find out where this piece of clothing exactly comes from and how it was produced. People can also click the interface to enjoy the scenery of the manufacturing countries.

Building consumer awareness- “UP” strategy

✓ Utilization of used clothing

As people especially college student care more about sustainability, we can catch their eyes by doing recycling with business partner called I:CO, a famous recycling company from Sweden. It's a win-win result that consumers can get discount by doing recycling and we can donate the money, earned by selling used clothing to I:CO, to United Nations Children's Fund (UNICEF).

✓ Play game for yourself and people in need

College students can use the application (Traveler) to play Bet Game. Each time the player wins the game, than he/she can get one credit for gift exchange and gain 1 cent as bonus to specific workers. It shows our concern about the labor practices and we take action on it. Meanwhile, it's a kind of promotion and consumers can have fun with it.

General Implementation

- ✓ Immediate(1Y-2Y):-shift supply chain and combine supply chain innovation with Marketing & branding
- ✓ Middle-term(3Y-5Y):develop well& low cost& 3P Program
- ✓ Further Growth:achieve the Double UP expectation

Specific Implementation

- ✓ Supply chain transferring and developing
- ✓ Double UP