Becoming Future-Ready: Understanding the Behaviors We Need

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IMD / Real learning
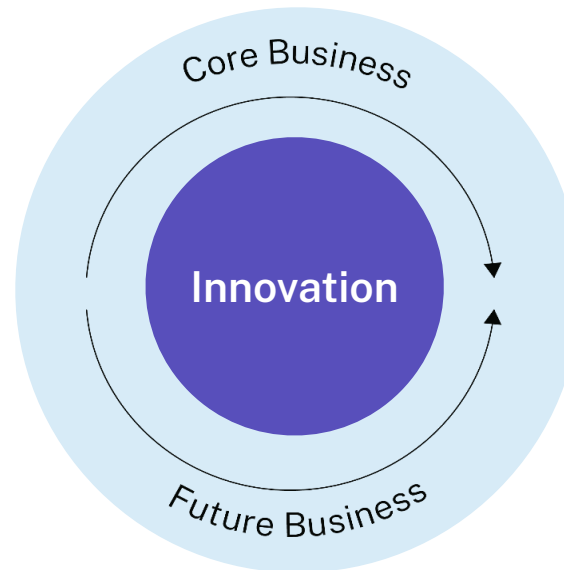Real impact

PERFORM

TRANSFORM

PERFORM
Reposition core business to maximize resilience

TRANSFORM
Create new growth engines

Goal: find the strongest competitive advantage your current model can sustain in a changing market

Goal: Embrace the possibilities of a new market to conceive new competitive advantages

Not only cost-cutting but also asking: what can we still do better than our rivals?

Not further exploiting current advantages but asking: what unmet needs do new customers have in the future environment?

What must we do differently?

Why do customer stay with us?

Core Business

Innovation

Future Business

Why so few companies get this right, while it is so obvious?!

Percentage change of stock price

Fashion Industry – January 2020 to January 2022

Percentage change of stock price

	+67.7%
	+65.9%
	-0.8%
	-3.9%

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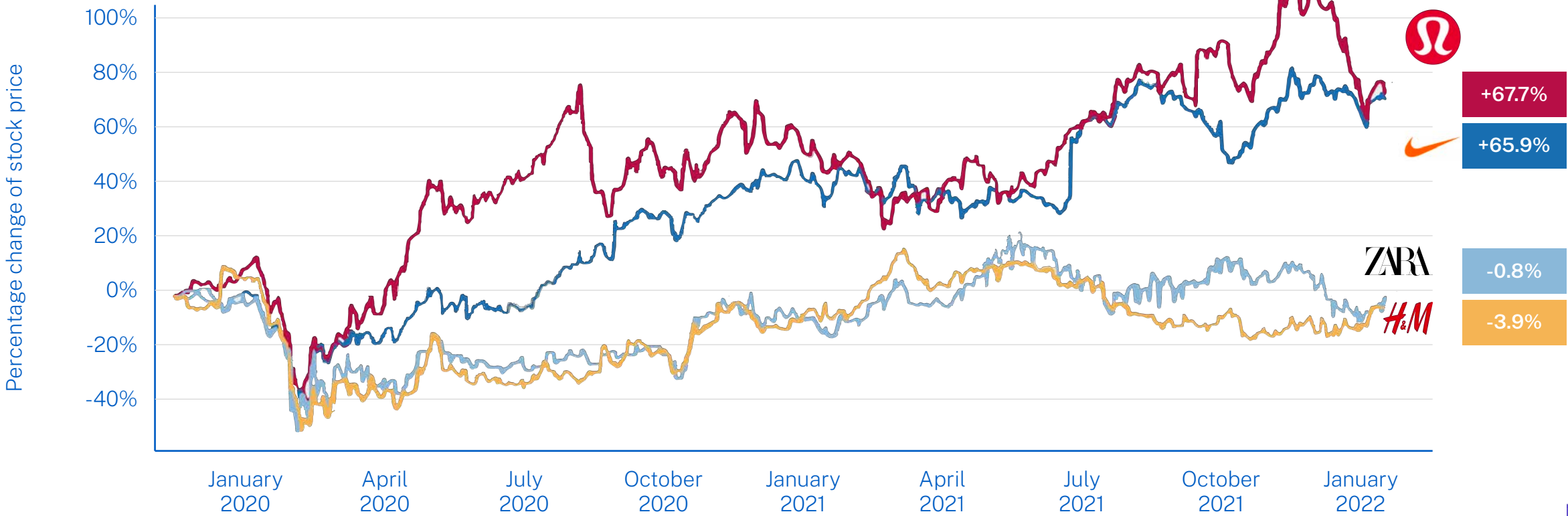
NIKE (NKE.N) 103.21 [-38.08%]
ADIDAS N (ADSGn.DE) 118.30 [-53.28%]
LULULEMON (LULU.OQ) 307.12 [-21.54%]

This Year

IMD: FASHION BRANDS MUST BE PLATFORMS FOR EXPRESSION

OUTLOOK 2023

Nike has grown digital sales by nearly $4B since 2016

Nike's digital commerce sales, in billions, from 2016 to 2020.

$1.7	$2.2	$2.8	$3.8	$5.5
2016	2017	2018	2019	2020

Nike's annual direct to consumer revenue by fiscal year

44% of total

$25 billion

$20 billion

$15 billion

$10 billion

16% of total

$5 billion

$0 billion

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

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Data: Nike
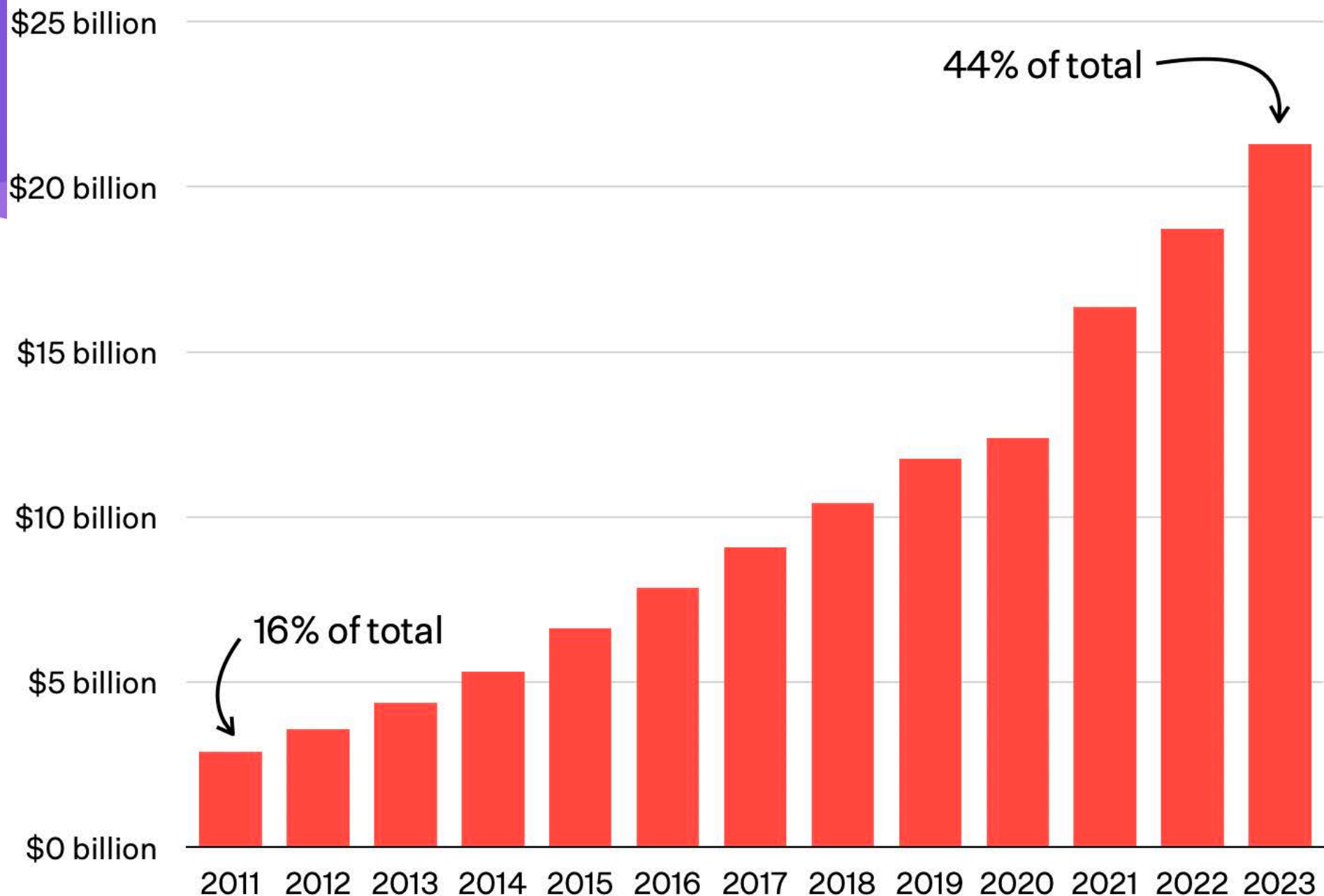
Nike brand global sales by channel

$ Billion

Year	Sales to wholesale customers	Direct sales to consumers
2021	25.9	16.4
2020	23.2	12.4
2019	25.4	11.8
2018	24.0	10.4
2017	23.1	9.1
2016	22.6	7.9
2015	22.0	6.6
2014	20.7	5.3
2013	19..4	4.4
2012	17.4	3.5
2011	15.2	2.9

● Sales to wholesale customers   ● Direct sales to consumers
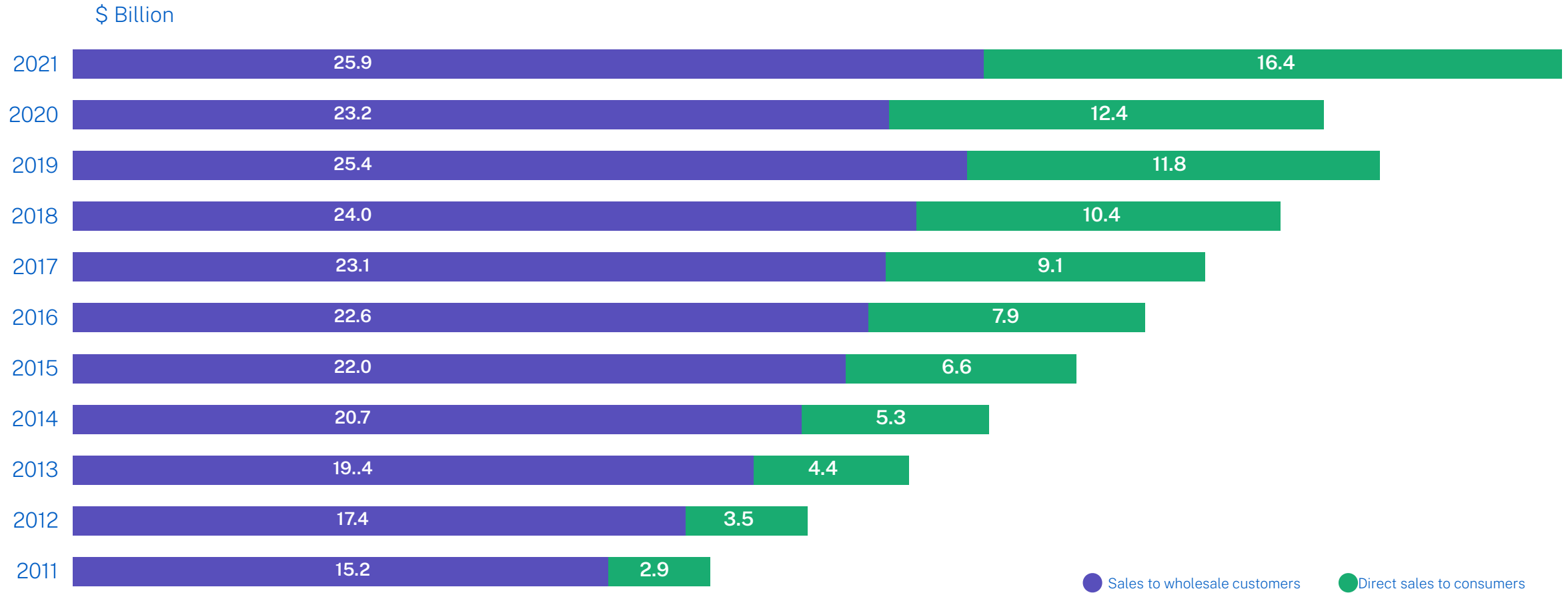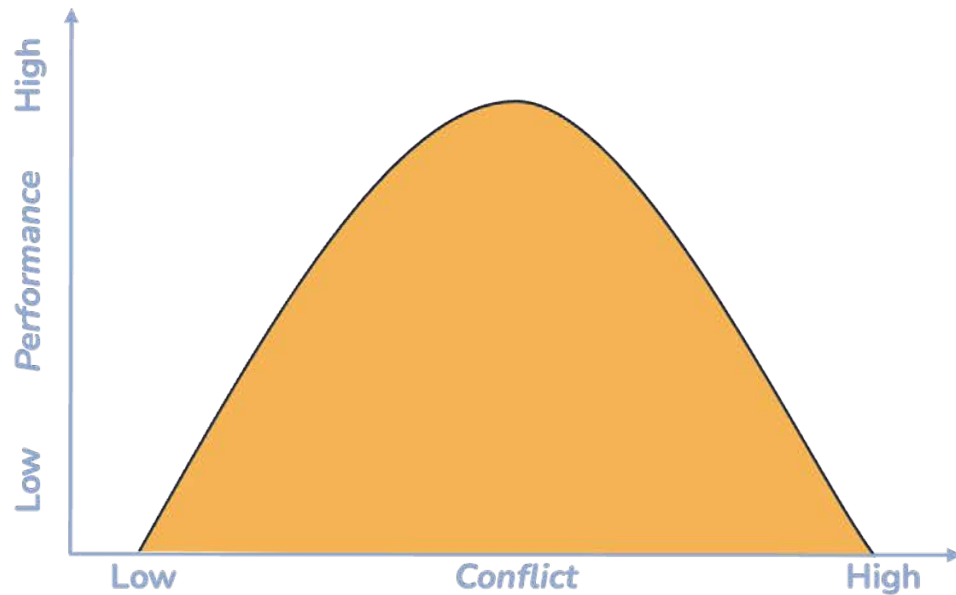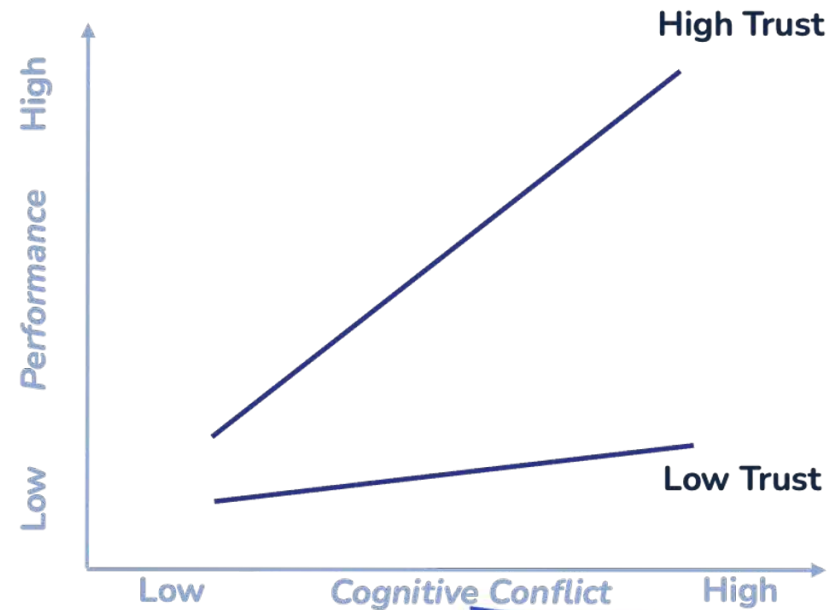
Insight so far:

You need a <u>shared viewpoint</u> within your team; otherwise, the everyday tactical moves <u>won't add up</u>.

Under resource constraints, have the right kind of conflicts...
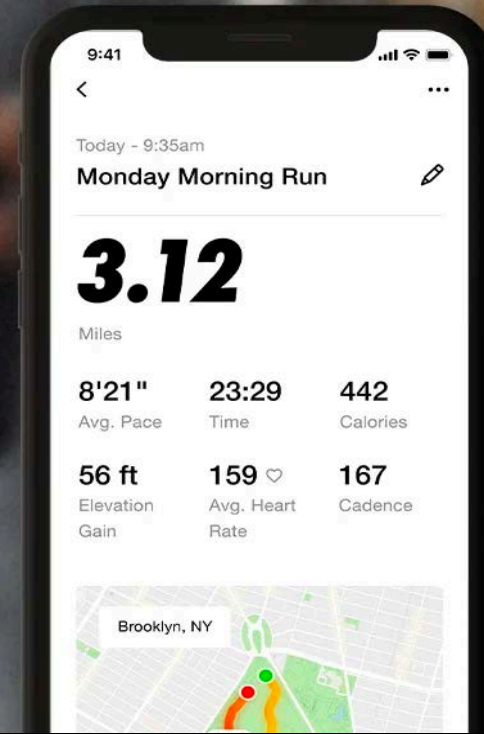

This is what most people think and do

This is how high performing teams act and behave.
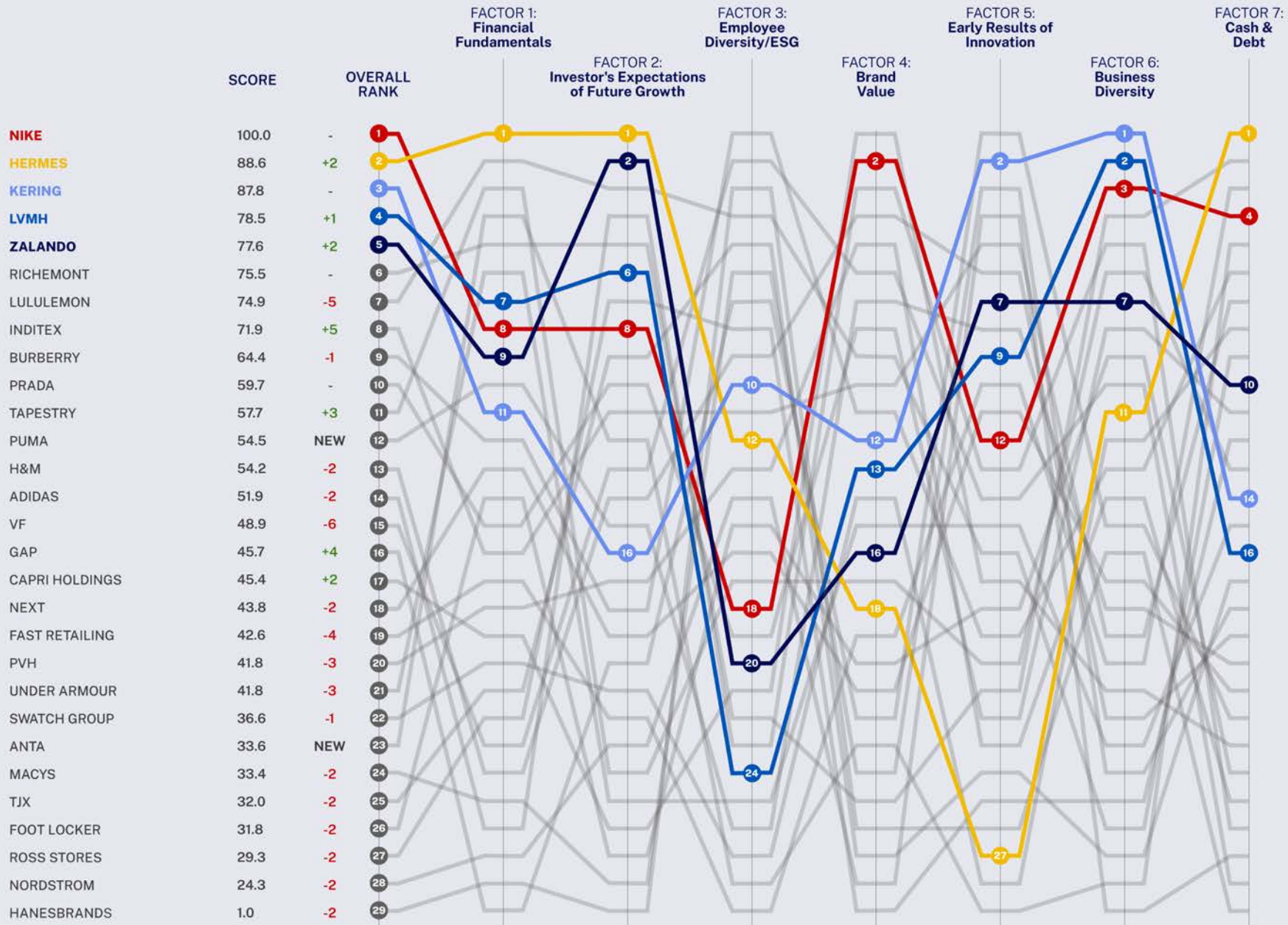
Insight so far:
If you don't fail, you are not learning. If you don't share your failure, you are not sharing your learning.

Recall an instance at your current company or elsewhere that lessons are shared with transparency?

	SCORE	OVERALL RANK
NIKE	100.0	-
HERMES	88.6	+2
KERING	87.8	-
LVMH	78.5	+1
ZALANDO	77.6	+2
RICHEMONT	75.5	-
LULULEMON	74.9	-5
INDITEX	71.9	+5
BURBERRY	64.4	-1
PRADA	59.7	-
TAPESTRY	57.7	+3
PUMA	54.5	NEW
H&M	54.2	-2
ADIDAS	51.9	-2
VF	48.9	-6
GAP	45.7	+4
CAPRI HOLDINGS	45.4	+2
NEXT	43.8	-2
FAST RETAILING	42.6	-4
PVH	41.8	-3
UNDER ARMOUR	41.8	-3
SWATCH GROUP	36.6	-1
ANTA	33.6	NEW
MACYS	33.4	-2
TJX	32.0	-2
FOOT LOCKER	31.8	-2
ROSS STORES	29.3	-2
NORDSTROM	24.3	-2
HANESBRANDS	1.0	-2

FACTOR 1: Financial Fundamentals
FACTOR 2: Investor's Expectations of Future Growth
FACTOR 3: Employee Diversity/ESG
FACTOR 4: Brand Value
FACTOR 5: Early Results of Innovation
FACTOR 6: Business Diversity
FACTOR 7: Cash & Debt

Blended program
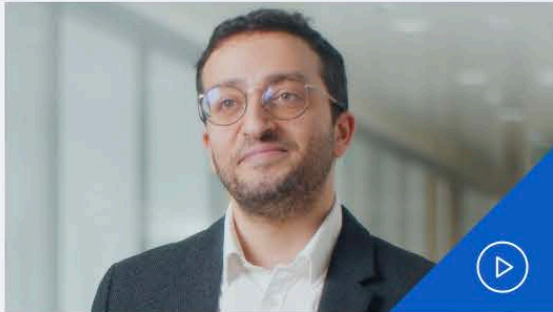
Strategy for Future Readiness

Transform and equip yourself, your team, and your organization for the future.

SCAN ME

"It's definitely worth it."

"It was very engaging."

"It was so energizing, so inspiring."

"It has exceeded my expectations."