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Summary

Organisations may either belong to the private sector or the public sector. When they are in the private sector, they can be large, small or medium-sized depending on the annual income and the number of workers they hire. Global organisations are developing rapidly because of the need to tap into new markets and production locations. Under the organisational structure, the organisation selected was Nike. It has several functional units whose activities are interrelated. For instance, human resource units ensure that the right personnel for finance or marketing are recruited and promoted. The emergence of new markets in BRIC and the digital revolution are highly relevant to external factors that affect the organisation. As a response, Nike has used social media and the digital revolution to reach customers directly. It, however, needs to take on new markets and products to remain in business.

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For-profit, Not for Profit and Non-Government Organisations

There are various organisational types in the business field. First, there are for-profit organisations that are developed in the private sector. These organisations serve the primary purpose of making profits or money (Scheyvens et al., 2016). They are motivated by the need to generate income to help sustain their activities within the given frames. Examples of such organisations may be local shops, restaurants, or even well-established companies such as Amazon, Google, and Tesla. They are constantly involved in practices that seek to improve their financial resources. There may also be non-profit organisations. They are majorly developed in the public sector. The organisations are committed to providing services and products to the identified population or the community as a whole. Essentially, any money earned through pursuing business activities or donations goes right back into running the organisation (Maier et al., 2016). These organisations are typically tasked with the provision of human rights and basic needs for the people. Furthermore, non-profit organisations are usually given tax-exempt status by their relevant governments in areas of operations. Examples include Amnesty International and Water is Life.

There are also Non-Governmental Organisations (NGOs). They are business entities that are independent of government interference. Their main goals are usually to further their members' political or social goals in a way that is aligned with their bylaws. Their objectives may relate to the improvement of human rights, the advancement of the rights of the disabled, or the activism of environmental conservation. These unique factors describe their improved relationships over time. Examples of these organisations may be the International Federation of Red Cross and Red Crescent Societies.

Businesses may belong to one of three organisations; these may include the for-profit, not-for-profit and voluntary sector. In the private sector, the purpose of forming these businesses is to make a profit. Once this goal is achieved, investors, shareholders and owners get to enjoy the returns. During initial formation, private

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companies are financed by bank loans or from shareholders who give money in exchange for part ownership of the organisation (Brown & Lee, 2019). Conversely, a public sector organisation is a government-owned one. Its purpose is to provide services and goods to the public. Usually, the money needed to operate comes from taxes, and the government is responsible for running it. Finally, a business may belong to the voluntary sector or be a non-governmental organisation (NGO). It, therefore, refers to an organisation that is run and owned by a group of trustees. Their purpose is not to make a profit but to assist the community. Funding comes from gifts and donations from well-wishers. If they make profits, they often invest them back in the organisation. On some occasions, a private sector organisation could be operated as a social enterprise in that all profits made are directed to the social enterprise.

Legal Structures for Sole Traders, Partnerships and Private Limited Companies

Business ownership and legal structures are different in each of the above organisational types. A business may choose a sole trader, partnership, or a private limited company in the private sector. A sole trader is a type of business that has one owner. A typical example would be a retail shop that sells household items or a butchery or salon. Most sole traders are small. They get their financing from personal savings, friends as well as banks. These organisations are beneficial to owners because the solder trader enjoys all the profit, and the rules for setting them up are few (Elmagrhi et al., 2017). On the flipside, sole traders have unlimited liability meaning that they can be held liable for the business's debts. This means that personal assets like houses and cars could be confiscated to pay off accrued debt. These types of businesses also require a lot of effort from owners because they have limited financing. Owners have to put in long hours to recoup their investment, and since they cannot afford other services like marketing and supplies, they often do it themselves. Therefore, not only is it hard to raise finances, but the workload is heavy. These downsides may be counteracted by the ease of setting up the business, the ease of decision-making, and the fact that all profits are retained.

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A partnership is an upgrade from a sole trader. Here, the business is created by a partnership deed and may involve 2 to 20 partners. A typical example in the above context would be an even bigger retail shop, a dental practice, law firm, real estate firm or a private doctor's clinic. In the partnership agreement, the partners will state how they will share the money and their role in running the business. Often, there is a sleeping partner and one who has hands-on responsibility in the organisation. One of the critical advantages of having a partnership is that it is easier to raise finances than a solder trader.

Furthermore, partnerships take advantage of the different skill sets inherent in the concerned individuals. Because the workload is shared, it tends not to be as heavy. On the other hand, this business structure has unlimited liability, just like the sole trader. Furthermore, profits are shared among partners, even when they may have done more for the business than the other (Kolk, 2016). Disagreements often arise in various aspects, so business decisions are not efficiently made.

A private limited company addresses some of the challenges in the sole trader and partnership structures. It is a legal arrangement in which a company is separate from the people that own it. In other words, it has limited liability; investors only lose what they initially invested if their company fails. A typical example would be a manufacturer of household items. In this business, all finances are separate from the people that initially financed it. Should they incur debt, they will not be required to pay for it. Every private limited company has shares where the company is divided into different portions. Each of these portions is known as shares. If the shares are made publicly available on the stock exchange, the firm becomes a public company. The main advantage of private limited companies is that they have a vast pool of shareholders.

Additionally, owners are protected from personal liability through the company's limited nature (Brown & Lee, 2019). Only shareholders are entitled to receive profits. It is possible to retain control for the initial owners of the business. On the other hand, this legal structure has some disadvantages. First, one has to undergo a lengthy registration process with the registrar of companies and is also costly because plenty of administration and

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legal expenses must be incurred. Motivating workers is hard because they do not own anything in the organisation.

In the public sector, the government is responsible for running a company. Most of the revenue for running these businesses is derived from fuel duty, income tax, national insurance, air passenger duty or VAT. The types of organisations found here may be classified under the U.K. government, the Scottish government and local government organisations. The U.K. parliament reserves certain powers for running specific national affairs like immigration, defence and foreign affairs. The NHS is one such public sector company.

On the other hand, some organisations are operated under the Scottish government, such as health, education and the law. The authorities that run these organisations are local authorities. They are often in charge of schools, libraries, bin collection, and housing (Worthington and Britton, 2014). The voluntary sector or non-profit sector is the third type of business that one can run. In this category, profit is not the motive but making a difference is. It can either have social enterprises or community groups. Some typical examples include Cancer Research U.K. or Oxfam. They rely on public donations or grants received from fundraising platforms like the National Lottery. Some of the types of structures that exist include community groups and social enterprise.

A community group is an organisation that exists to offer services to people. These organisations often make a profit, but all of it is returned to run the organisation. Some examples of such organisations include golf clubs and rugby clubs. Alternatively, an organisation in the voluntary sector may be a social enterprise, which refers to an organisation created to help the community. Still, its operations are akin to those of a business.

A typical example is Social Bite, a retail chain store that employs workers with a homeless background. Some NGOs may be categorised as advocacy NGOs, and others are operational NGOs. The latter often deal with development based projects, while the former centre on promoting a cause (Worthington and Britton, 2014). In each of the latter two groups, the following NGOs may exist International, business-friendly, quasi-autonomous and environmental NGOs.

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Large, Medium-Sized and Small Organisations

Organisations also differ based on size. In this regard, there are small, medium-sized, and large companies. Small companies tend to have a reduced floor size and a sizeable number of employees. They tend to have between 1 and 99 employees on their payroll (Bansal et al., 2018). The annual turnover of these companies is also below $500000. Medium-sized companies, on their part, are businesses with 100 to 499 employees. Large-sized companies have a more enhanced employee pool. Their workers are more than 500 and have a significantly higher income generated annually. They are also more sustainable and can affect policy changes and strategies in the industry. They also enjoy more profit and market share in their industries. Furthermore, they tend to take up an international market to enhance diversification in proper manners.

Organisations may also be classified as large, medium or small. The difference between these types of businesses is the number of employees they hire, their shareholders, and the market share or legal status. Most small enterprises have anywhere between no employees to 100. A medium-sized business has 100-500 employees. Conversely, a large organisation hires more than 500 workers. The annual revenue for such enterprises (smaller and medium-sized) is less than 50 million pounds. The majority of organisations that exist in the U.K. business market are small or medium-sized. Small organisations tend to have access to certain exceptional funding levels that may not be accessible to large enterprises. Large organisations usually hire 500 employees and make more than $1 billion in annual turnover (Durst, 2019). In other jurisdictions, these numbers vary.

Explanation of Global Growth and Developments of Transnational, International and Global Organisations

Another type of organisation that merits attention is the global organisation. Particular distinctions must be made concerning these types of businesses. International companies refer to those firms that only invest in their home country but import and export products. Multinational companies have made investments in other

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countries but have not taken the time to adapt those service offerings to the local markets under consideration (Bondy & Starkey, 2014). Examples include B.P., Unilever and Diageo.

On the other hand, global companies have invested in different countries. They have a coordinated brand within all markets. Additionally, they have one corporate office that comes up with the global strategy. These businesses are driven by the need for cost management, volume and efficiency. A typical example is Coca Cola. Finally, transnational companies refer to those that are the most complex. These organisations have foreign operations and a corporate facility. However, they grant their branches in foreign markets power to make decisions, do research and development, and market power. Examples here include Apple, Wal-Mart and McDonald's.

The growth and development of international, transnational and global organisations have emanated from some of the challenges in less globally-oriented companies. For instance, domestic businesses that outsource some of their functions to foreign companies have experienced problems reaching the intended target market. They also have problems accessing resources and labour in the countries that they do business in. Small and domestic companies are thus limited in terms of the reach that they have. For the above reasons, some companies thus become transnational. The growth of transnational companies has been fuelled by choosing a low-wage country to do business and the ability to enjoy cost-saving (Arenas & Ayuso, 2016).

On the other hand, some have continued to avoid taxes and monopolise businesses in target countries. For the latter reason, multinational corporations have been formed. These companies needed to take advantage of the variations in taxes from having operations in those countries and tailoring business to foreign countries. Expansions have continued because global organisations want to take advantage of affordable production costs and the available markets in those respective nations.

Another difference in organisations relates to their areas of operation and expertise. International companies usually have no investments outside their home countries. However, they tend to engage in international imports and exports of their products and raw materials. Global companies have investments and presence in various countries around the world. They tend to market their products using a similar structure and an enhanced market factor (Baronchelli & Cassia, 2014). They also have a single global corporate office that is tasked with the management of operations. Transnational companies, on their part, have invested in foreign operations, have a central corporate facility. However, the decision-making, research, and marketing factors are enhanced by the local markets in which they operate.

Interrelationship of Functions in Organisation and How They Link To Organisational Structure

The organisation selected is Nike, which is a sports apparel company. Nike Inc. sells footwear, sports equipment and clothes. Its functional departments include finance, global human resources, the Nike brand, operations, legal and administration, global sports marketing. The legal and administrational functional unit is responsible for various aspects of the company's legal arm. It ensures that Nike adheres to corporate law in all its affairs. This functional unit also ascertains that the brand is protected and that all corporate mergers and acquisitions are made according to the law. Government affairs are also handled here, and so are administrative issues (Nike, 2019). Contracts that the organisation enters into and potential abuses of its copyright are managed under this portfolio.

The global human resource functional unit is responsible for transformation and growth through people. In this area, Nike handles the recruitment and employee relations of the company. This department is also responsible for payment, benefits or rewards structures (Weatherley and Otter, 2014). There is also the planning of succession as well as career development and learning opportunities. This unit handles employee engagement and issues with inclusion and diversity; the same department oversees organisational effectiveness.

Finance as a unit in this organisation entails all of its aspects related to money and accounting. Whenever the company completes a financial year or period, the finance department reports those results to the organisation's

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rest. Likewise, the department is responsible for keeping records and monitoring the cash flow within the organisation. There is also managing the accounts payable within the institution. Overall, without the functional finance area, Nike would not be able to manage its money.

The global sports marketing unit is responsible for everything that has to with the marketing of Nike products. These may include merchandising as well as consumer insights. The products covered here include accessories, apparel and footwear. Whenever the organisation needs to communicate with the public through press releases, this functional unit is often organised. Currently, social media marketing is an excellent strategy for corporations, and Nike is no exception. It relies on this unit to conduct data science analysis as well as to foster customer relationship management.

In the product and merchandising functional unit, there is an emphasis on the sales of products. Since the organisation has a series of locations worldwide, there is a focus on applying different strategies and the unit that decides on its products' prices based on customer sensitivity, cost of production and strategies. Furthermore, this unit decides on the best location for selling merchandise. It is the same department that is responsible for designing the product and its packaging. The latter is made per customer preferences (Nike, 2019). In product and merchandising, performance standards are based on customer needs and expectations for measuring the company's service levels.

The functional innovation unit is responsible for new product markets, diversification and business venture operations. Some of the activities involved include growing business outside the United States and identifying new market segments. In close association with functional innovation, the unit is the operations department. In Nike, this encompasses a wide range of aspects. One of them is the management of supply and demand (Nike, 2019).

Additionally, it entails digital transformation as well as technology. The unit also handles the manufacturing wing where products are made. It is the same one that manages logistics and distribution. Procurement is also covered here, and so are issues like workplace creativity and design.

In the organisation, the marketing department is essential in enabling other functions like finance, human resource and business operations. Likewise, these other functions are what enable the business to thrive. The human resource department must ensure that they have the appropriate training to carry out their duties when marketing staff is hired. H.R. also ascertains that they get employees who are the right fit for the organisation. Furthermore, those that can continue are supposed to maintain the right brand image.

On the other hand, the operations unit exists to ensure that the marketing department's demand is met through effective procurement and supply chain management. Likewise, the marketing and finance departments are related as well. The finance department needs to ensure that the money they provide to the marketing department is enough to carry out their campaigns effectively. No matter how well the marketing department plans its ideas, it will not achieve its results if there is no finance team support. On the other hand, the marketing team is responsible for promoting the business. It reaches out to potential buyers, investors or partners. It carries out brand awareness and makes sure that the other departments are working towards outcomes that will be valued (Weatherley and Otter, 2014). This is often done through customer acquisitions, target audience research, monitoring and managing the company's image, and disseminating information through different platforms.

The human resource unit is also highly interconnected to other aspects of the business. The human resource unit ensures enough workers in the operations, merchandising, finance, marketing, and other company departments. Without them, there would be no employees to carry out the vision and mission of Nike. Likewise, this unit is instrumental in equipping employees with the knowledge and skills they require to carry out their jobs effectively. That is usually through training and learning and development opportunities. The human resource team works hand in hand with the legal team to ascertain that they follow all the labour and employment laws in Nike's various jurisdictions. It may be illegal in some countries to do certain things, while

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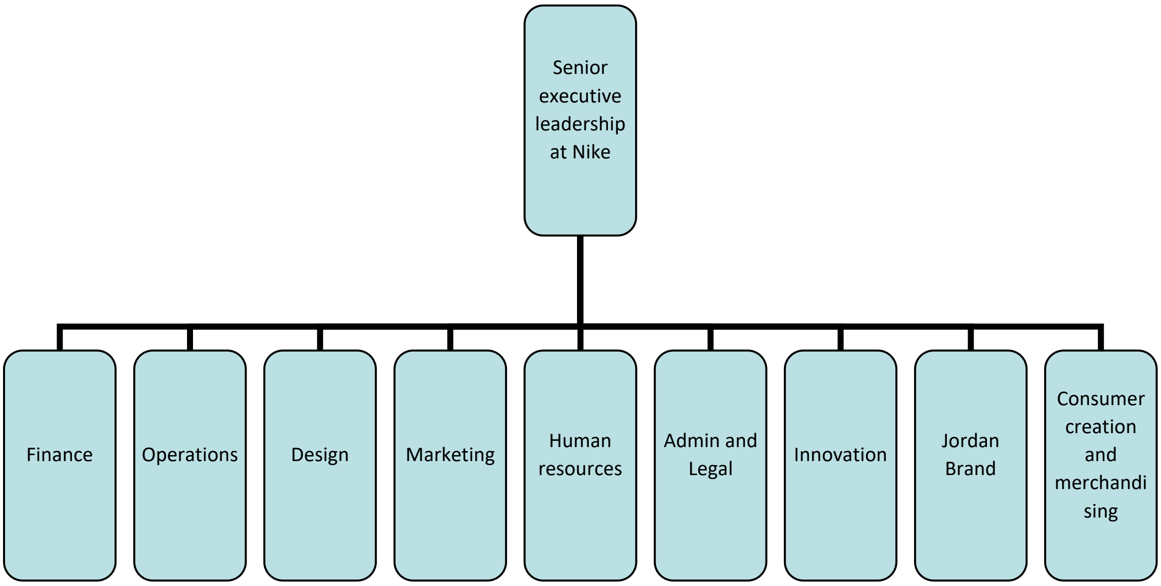
in others, it may not. The organisation has its own culture, which it needs to introduce to employees as soon as they enter. Nike also has a robust grievance and disciplinary system in which it deals with issues that may arise among employees. Overall, this causes the environment in the organisation to be a great place to work.

In turn, the finance functional unit makes everything come together within the organisation, but it is also interlinked with other businesses. The human resources department ensures that the finance department employees are recruited appropriately and must continue with their work. On the flip side, the finance unit must ascertain that the operations department has the money they need to conduct supplies management, purchasing, and transport Nike goods from manufacturing points in different parts of the world to different markets. The finance team is also responsible for ensuring that the operations unit's daily operations are carried out seamlessly. Without the finance team, there would be inadequate resources to cater to customers' demands within the marketing department. The finance team is also responsible for ensuring that different parts of the business honour their pledges. For instance, it is responsible for tax payments and tax returns so that Nike can be in good standing. It invoices clients, thus ensuring that all other functional units are adequately resourced. It manages the organisation's financial performance so that marketing and merchandising teams can improve their output and make the organisation more in line with its objectives. Without the finance department, other functional units would not know the ideal payment they give various employees.

Organisational Structure at Nike



Negative and Positive Influence Of Digital Revolution, Social Technologies, Cyberspace Security, BRIC Markets and Global Shift in Economic and Social Power On Has On Business Operations

There has been a global shift in economic and social power. BRIC (Brazil, Russia, India and China) are some countries that affect businesses elsewhere. These countries are experiencing a rise in the middle class. Therefore, the demand for products from them is increasing. This state's result is that companies looking to expand into new markets will find these places quite promising. For instance, in India, the retail market is up-and-coming.

On the other hand, Russia is ripe for further investment within the energy sector, which has positive business implications. Since these nations have policy initiatives to open them up to more business, the chances are that any foreign direct investors will find it easy to do business there. How the stock market is doing also has a profound influence on the state of the business. A company may exist in an industry that is growing and has substantial investors in the stock market. In such circumstances, the business stocks are likely to increase in value. BRIC (Brazil, Russia, India and China) markets also hurt business operations not based in those

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countries. Countries like Russia and China have a lot of bureaucracy, which comes in registration processes. Likewise, Brazil's tax systems are regressive and problematic for individuals interested in doing business there. Companies that expand into China, Brazil and Russia must also contend with language barriers. Even though these countries are FDI magnets, the people there do not speak English. It may thus be a problem for foreign business owners to establish themselves there.

While the digital revolution has helped provide consumer insights, it has also challenged cyber-security. This has manifested in data breaches, identity theft, corporate information loss, and business distribution. When a business falls prey to a cyber-attack or facilitates security breaches because of its complacency, it could face reputational damage. This undermines customer faith in the organisation and causes consumers to consider other options. Aside from the business reputational damage, poor cybersecurity also has implications on an organisation's legal status. A company can easily get sued for not taking proper care of its customer's private information. Cyberspace security ensures that the online information of the organisation is incredibly protected. There are guarantees of protecting the patient information to facilitate the realisation of intended outcomes in the future.

There has been a digital revolution that has penetrated all sectors and businesses. This type of technology enables companies to expand the use of a product such that customers can provide more benefit from it. Apple has perfected this process by initially using its iPod to listen and download music or introduce its various makes of i-phones, which have a series of uses. These features have been effective in increasing the customer base, but they have also helped make Apple one of the world's most innovative companies. The internet era has been a significantly disruptive technology in the 21st century. Companies have profited from this aspect by increasing the level of interconnectedness as well as interdependence that exists. This means that e-commerce companies like eBay and Alibaba have risen and done well because of embracing technology. Amazon's founder is now the richest man in the world because of his thriving e-commerce business.

Additionally, companies respond to the increasing demand for online transactions by making their innovations. One of the ways that this happens is through the introduction of online payments. Therefore, the more adaptive a business is to technological changes, the more likely they remain in business. The digital revolution has also introduced social technologies, which have had a profound effect on business.

Social media has bridged the rift between firms and their buyers. Salirazar & Sabzi (2020) affirm that it is now relatively easy to market products, reach clients and share press communication thanks to social media. Furthermore, businesses can now use data analytics to analyse buyer behaviour on social media. This helps them to use targeted advertising, and that increases the chances of purchase. However, social media has also made it difficult for businesses to interact with customers in a face to face manner. It is hard to understand their goals and objectives in working towards structuring processes to meet their targets. This is a negative impact on the business and the practices taken up for the long-term.

Digital revolution affects the ability of the organisation to implement the features. It is difficult for employees to learn about the production process and its impacts on the population. Essentially, there is a disconnect on the organisational front, affecting abilities to meet their established goals and outcomes for the future.

Positive Impact of PESTLE factors

When a business is fully operational, it is often affected by a series of external factors. These may be political, economic, social, technological, legal, or environmental (PESTLE). Companies should be aware of these forces because sometimes their fare is impacted by factors outside their control. Political forces have both positive and negative influence on business operations. Governments can positively affect a business if they implement tax incentives for the company's products. For instance, when OLIO launched their service to get food to

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people who need them, they benefited from tax incentives that target sustainability-based businesses such as them (Talent Pool, 2020). Likewise, whenever the government enters into trade regulations or agreements with other nations, there are high chances that specific industries and businesses will benefit from it.

On the flipside, political forces can be pretty problematic for businesses because they can impose additional restrictions. For instance, standards for services and products are often elevated to protect consumers, increase business costs, and add more complications in carrying out organisational operations. Likewise, the government often imposes regulations on competition and monopolies. It means that any business which has been enjoying extra profits because of a dominant market position will stop doing so. The same factors that have been cited as business-friendly can also hurt individual companies. For instance, if the government decides to reduce pollution, those businesses that specialise in manufacturing the products that emit greenhouse gases will suffer (Baron, 2012). These include Coca-Cola and Nestle, some of the greatest plastics producers that wind up in the earth's oceans. Therefore, whenever these companies enter the U.K., they will be more expensive, which affects the company's bottom line. Finally, government stability can ruin business success. When civil war erupted in Iran, international oil companies like B.P. underwent many operational challenges because they could not access some conflict-ridden zones.

Economic factors have a profound effect on the extent to which firms enter or leave specific geographic markets, expand into certain territories or invest further in them. The state of the economy affects employment rates, meaning that firms have high bargaining power when there is a high level of unemployment and are likely to get a vast number of workers at low costs (Sinkovics et al., 2018). However, the quality of these employees is what is questionable.

Economic factors may also have negative implications for business operations. If interest rates are high, then capital costs for businesses that are interested in expanding will increase. This means that less growth is likely to happen when there are high-interest rates. Consumers are likely to think twice about purchasing big-ticket products like cars, houses and appliances (Sinkovics et al., 2018). Therefore, real estate companies and automakers like Toyota are likely to suffer the consequences. If exchange rates work out against a particular country, there will likely be fewer operations taking place from international companies. Likewise, when the prices of critical products like oil increase, chances are that the way companies do business in associated industries will change. For instance, in the airline industries, businesses such as Virgin Atlantic and British Airways have been affected by increases in oil price. The same may be said of tourist companies because they rely on the entry of vast numbers of foreigners to the country. When foreign travel diminishes, then these organisations continue to lack customers.

Social factors also change the extent to which business is conducted. The changes in consumer tastes have a profound effect on a business. If customer tastes change in a way that favours the products or services that a particular company sells, it will be highly successful (Bismark and Kofi, 2018). On some occasions, the values that consumers have about specific issues may affect the purchases they make. For instance, increased interest in fitness and health has meant that businesses or industries that sell organic food or those that sell home gym equipment are likely to do well. Alternatively, even if a company does not deal with these trends, it can still offer free gym access to its employees as perks to make the organisation a great place to work.

Sometimes the demographic changes in a country can also change the ability to stay in business, which would mean that they have negative implications. If age groups change, then it is likely that a business that was specialising in a previous group would be affected. For instance, a company that specialised in selling adventure tourism will do poorly in an ageing population. On the other hand, if there is a sudden increase in working women, there may be a decreased demand for daytime television. On the flip side, this could increase the demand for daycare services by the same group. When trends for products also change, this could affect how businesses fare. Sometimes, fashion trends may alter so profoundly that a company's brand promise may no longer be relevant. In these situations, the company either has the option of closing the shop or adopting a

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different approach. Consumers have become very vigilant about their rights (Lemke & Luzio, 2014). Therefore, it implies that unless a company responds to them accordingly, the chances are that it will not succeed on this front.

Technological factors need to be considered by any business as they can affect operations positively. For instance, manufacturing technologies may develop to make it easy for a company to automate its products and make them faster. Furthermore, technological development can lead to better quality control or higher quality materials, making a business more competitive than naturally. Upgrading technology development often saves money or eventually increases its profit (Palmer and Hartley, 2011). Take the example of Diageo, an alcohol manufacturer; the discovery of better molecular biology for beer-making has meant increased production and sustained profit.

While technology can help increase the customer base, customer satisfaction, and the bottom line, it can bring many challenges. One of these is considerable cost implications and a significant toll on resources. For instance, in the business of phone manufacture and software applications, the lifecycle is relatively short. Some changes happen every year, thus necessitating considerable investment in new ideas and their execution. On other occasions, the development of technology can make it considerably difficult for businesses to invent new revenue models. A case in point is the development of internet streaming services for music. In the past, record companies and distributors relied on traditional marketing channels to sell records. However, with the introduction of internet platforms like YouTube, it has become increasingly difficult for distribution companies to earn revenue from selling the products. Artists are now getting direct access to the market, and most of them are doing relatively well (Johnson et al., 2017). The digital revolution has also meant that most buyers have vast access to considerable information. This means that they have become more scrupulous while making decisions and have thus upset the power balance in the business-customer relationship.

Legal factors that positively affect business include rules, laws and policies that favour a specific business' decisions. The U.K. government has been at the forefront of enacting legislations that promote diversity and inclusion. Therefore, organisations that contribute to this goal are likely to be legally compliant and will not face the law's problems. On the other hand, legal forces can impose additional restrictions on the way business is conducted. For instance, new tax laws often impose more difficulties for organisations in general. Employment laws that mandate new minimum wage rates often increase wage rates (Michie, 2016). This has implications on business operations as a new budget has to be set aside for compliance with such laws.

Additionally, certain restrictions may be imposed on certain products. If an organisation does not comply with these legal penalties, it may be suspended from operations or could have to pay significant fines. Furthermore, there is the possibility of reputation damage. If a business is international, it must contend with all the numerous legal frameworks that affect its operations.

Finally, an organisation may be affected by environmental issues. When an organisation operates within environmentally-related industries such as farming, tourism and transport, environmental matters play a significant role. Some businesses are aware of going green, and some have based their entire business model on it. An organisation like Bulb is a renewable energy provider (Talent pool, 2020). It generates wind, hydro and solar energy in places like Sierra Leon and India, even though London is based. The organisation thus supplies numerous people. It has thus managed to spread sustainability to other entities.

On the other hand, environmental decisions and sustainability concerns are increasingly being placed upon businesses by the government and consumers. In 2017, Paris, Barcelona and London announced that they would be banning any vehicles with internal combustion engines by 2030 (Gupta et al., 2019). In this respect, environmental concerns mean that any companies specialising in the production, importation and trading of vehicles with internal combustion engines will have to change them. Consumers themselves have become increasingly concerned about the environment. Therefore, many of them are demanding from organisations recycled products as well as other environmentally sustainable methods.

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SWOT Analysis

One of the strengths of Nike as an organisation is its brand awareness. Many individuals are aware of the brand. The swoosh symbol is one of the most recognisable logos in the sportswear market. For this reason, the company has captured 31% of all global sports footwear (Brand Finance, 2017). Additionally, the organisation takes pride in its large customer base that provides repeat business and is also responsible for giving them feedback and increasing its buyers.

Another key strength of the company is its iconic strategic relationships. This organisation has forged a long-term relationship with specific well-known individuals in the sports arena. Some of them include basketball player Michael Jordan, who helped design Air Jordan 1, highly successful shoes (Constantine, 2018; Berr, 2018). Additionally, the company has a diverse portfolio of brands that have helped it remain top despite these challenges. This aspect is associated with economic and social external factors. Athletic footwear changes overtime and quickly; it is essential not to put all of its potential revenue on just one brand. Nike also has low manufacturing costs as another strength. This helps to keep its profit margins high. It achieved this by outsourcing production to low-cost countries like Indonesia (24%, China, 225 a Vietnam 50%) (Kyung-Soo et al., 2020). As mentioned in the external environmental factors, businesses are now being affected by BRIC markets' rise. This has accorded foreign investors opportunities to grow their brands by taking advantage of the resources available in those places. In close association with low-cost manufacture are in-house professionals responsible for designing their shoes and other products. These professionals conduct intense research for the products sold by Nike.

Nike is also renowned for its strong marketing campaigns and capabilities. The fiscal year 2019 reported a total marketing expenditure of $3.5 billion (Nike, 2019). Some of the campaigns it has conducted pertain to social justice issues like the "Don't do it campaign." This supports anti-racist efforts against black people. Most of these campaigns are now being carried out on social media.

The above issues are relevant, but they do not negate some of the business's weaknesses. One of the biggest challenges that Nike has been unable to change considerably is its foreign labour conditions. In the past two decades, Nike has engaged in some unscrupulous labour practices. For instance, some of its factories have hired child labour or forced labour (Xu, 2020; Dom et al., 2016). Nike has allowed its subsidiaries to partake in unsafe conditions and has paid the workers abiding by all concerned laws meagre wages.

Another challenge that the business has been facing is the retailers that work for them. Most retailers have a say in Nike products' pricing, yet the company has little say on the degree to which this will happen. Retailers are the most significant category of buyers for the company, which affects them profoundly. Nike also struggles with truly diversifying its market. It often over relies on the United States as its predominant market. As of 2020, the company got 41% of its earnings from the U.S., while 59% came from the rest of the globe (Nike, 2019). These are all issues that are affecting the company's ability to grow.

In diversification, Nike has also centred most of its success on sporting accessories, shoes and products, yet sports events have not been on-going because of the Covid crisis. Many sports events are considered to be high-contact events that can spread the coronavirus. This means that most matches have not been on-going, or if they have, they have no fans. Therefore, Nike has missed numerous opportunities to sell its merchandise (Roberts and Darler, 2017). If it sold other products that were not sports-related, it would not have suffered as much.

Some of the opportunities that Nike has embraced include the ones that pertain to environmental sustainability. In this respect, the company pledged to move to zero. The latter is a scheme in which Nike claimed that it would make all its facilities dependant on 100% renewable energy (Floyd and Woolridge, 2017). This is yet to be rolled out and realised.

Another significant opportunity for Nike is emerging markets, which hold a lot of promise. Instead of merely selling its merchandise to the United States, which is susceptible to plenty of economic and social challenges, it

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needs to consider emerging markets like Brazil, India and China. Apart from diversifying its market, it should also diversify its products by embracing innovation (Visentin et al., 2016). It could consider wearable technology as a way of reaching buyers, not in the sporting fraternity. Since the business has been struggling to work with retailers, it should consider doing business directly with its buyers. On top of this, Nike should buy new organisations that exist in fast-growing industries. That way, it will survive a situation like the pandemic that eats into its core business. The organisation should grow its online portfolio such that it can fully take advantage of the digital revolution. However, when it does this, it should be wary about exposing customer data and information. Measures to avoid that problem ought to be taken.

Some of the threats that Nike is currently facing include counterfeits, competition and economic uncertainties. Lots of counterfeit products are passed off as Nike branded products. This has the effect of making Nike look like an evil company. The organisation is also facing increased pressure from new brands (Christodoulou and Cullinane, 2019). To beat this competition, it needs to increase the amount of money it spends on innovation instead of marketing. Finally, the organisation is facing a lot of economic uncertainty. Because of the recession that has come from the coronavirus, Nike has reported a 38% decrease in sales. Failure to adjust to this changing state of things could lead to unsustainable business operations.

Interrelationship of Internal and External Analysis

The two given external macro factors are the political and environmental segments. Political factors involve the degree of government involvement in the business sector. The involvement may be through government policies, taxation, and regulations. They may be favourable because the government provides subsidies for the businesses, hence creating an effective working environment. However, they may also be harmful in the sense that the government sets high taxation policies. These features significantly reduce the impacts of business practices in the company environment. The government policy on taxation may affect the company's strategic mechanism. It is difficult for the organisation to continue relationships with sports figures such as Michael Jordan, who may be expensive to maintain. The company is forced to restructure by laying off some of these people because of the existing government policies.

The organisation's identified strengths are essential in ensuring that it has a robust competitive environment in the workplace. For instance, the brand awareness levels of the organisation allow it to remain competitive in the market. It is a chance for the company to ensure the customers' loyalty and encourage the best practices in line with their desirable practices. However, the failure to diversify affects this level of competitiveness. Nike has only majored in sports, leading to unprecedented losses in the wake of the COVID-19 pandemic. It has been challenging to maintain competition levels in the market, therefore, achieving their desired outcomes in their areas of operations.

Brand awareness and a large customer base are interrelated with external factors. Nowadays, thanks to the digital revolution and social technologies, it is possible for customers to state what they feel about a product or company without any filters. Other members of the audience often trust the messages sent by their fellow consumers rather than organisations. This means that Nike has leveraged social media to cement its reputation. In-house professionals as an internal factor are related to new research and design innovations' external technological factor. Firms are often developing new ways of making their production efficient, and Nike has leveraged these innovations. As stated in the external environmental analysis, businesses are now taking advantage of the digital revolution to conduct personal marketing through social media related to Nike's strong marketing campaigns' internal factor.

As stated in the environmental analysis, companies are affected by social and political issues. Consumers have become more socially aware and will hold businesses to account for engaging in unfair business practices. Nike has not been an exception. This external factor is related to Nike's choice to work with suppliers who engage in unethical behaviour. In the external analysis, it was shown that BRIC markets are now becoming highly

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lucrative. There is a shift towards social and economic empowerment in these countries. Therefore, organisations that fail to take advantage of that shift to find markets will suffer from developed nations' challenges. Unless Nike diversifies its global market base, it will continue to be vulnerable to shocks associated with economic problems in the U.S. The external macro factors showed that environmental factors affect business, and Covid-19 is one of them. Nike's internal weakness of not selling more diverse content is thus related to its external factors.

In environmental analysis, it was shown that there is a lot of pressure on organisations to move to more sustainable ways of doing business. However, for Nike, this may have to come at the expense of diluting its innovation strategy. In the internal analysis under opportunities, it was shown that the company is going for some environmental innovations like entirely using renewable energy sources.

Conclusion

Nike Inc. is a highly successful business operation within the sports footwear industry. Its organisational structure demonstrates that marketing, human resources and finance all work together to create desirable outcomes. Nike, just like other organisations, is susceptible to macro-environmental challenges. Some of the common ones include the emergence of new BRIC markets, the digital revolution, increased concern about the environment, and cybersecurity. Nike has managed to respond to some of the external factors and thus turned them into strengths. For instance, it has an excellent brand reputation and a large customer base that stem from its reliance on social technologies to market its products.

Additionally, it has taken advantage of BRIC to reduce its manufacturing costs. Its failure to embrace the diversification of markets has led to an overreliance on the U.S. market. Furthermore, it has not been effective at embracing innovation to deal with the threat of new competitors.

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