

Course Project Scenario: Top Shelf Shoes

Throughout this course, you will analyze various factors at a fictitious company called Top Shelf Shoes. In each module, you will work on an assignment related to this analysis.

Review the course project scenario:

Top Shelf was founded in 1990 by Tie Woodward. Within five years, Top Shelf had established a solid presence in the global shoe business with production facilities in Asia and sales throughout the world. By 2000, Top Shelf had a share of 45 percent of the global market in shoe sales. In 2001, Top Shelf made the Fortune 500 list of privately held companies and Tie was awarded the coveted International Business Award. However, Tie claimed the real success of his firm could be seen in the stylish Top Shelf shoes being worn by everyone from villagers in Africa to rock stars in Hollywood.

In 2003, a major competitor of Top Shelf began a green marketing campaign to highlight its efforts to reduce its environmental footprint with its new “Green Shoe.” A simultaneous, growing concern for environmental issues helped spur the sales of Top Shelf’s competitor—it gained market share. As the competitor’s sales increased, news stories began to question the implications of Top Shelf’s business practices, especially as they related to low cost labor and environmental concerns. Within a fiscal quarter, Top Shelf sales were down by 10 percent. Tie responded by exclaiming on the *Nightly Business Report* that everyone had to wear shoes and Top Shelf made the best looking and most affordable foot fixtures on the planet. Sales fell another 5 percent the following quarter. Tie’s management team attributed this to the competition’s green efforts and the bad publicity received by Top Shelf.

Tie’s firm hired a middle manager for environmental affairs and launched a green campaign that touted a Top Shelf shoe-recycling program with the slogan “We make them, you wear them, we’ll recycle them. It’s good for your feet and good for the earth.” Sales climbed back up 7 percent over the next quarter, and the boss gave out bonuses to his management team.

While initial reaction to the marketing was positive, especially among longtime Top Shelf shoe wearers, two reporters, Burnstone and Woodwoe, broke a story about the impact of air and water pollution at Top Shelf’s shoe-recycling facility on the outskirts of a major city in Asia. Apparently, some of the shoes were recycled to produce energy. According to the report by Burnstone and Woodwoe, the shoes were being burned by low-wage workers without any precautions for the workers’ health. An increasing number of children and elderly in the region began showing up at clinics and hospitals with breathing problems, dizziness, and toxic blood poisoning. Then, a worker at the plant collapsed and died in front of the large kiln.

Global news organizations, bloggers, and YouTube broadcasters quickly picked up the story. The sales of Top Shelf began to plummet. By the end of the fiscal year, the company saw a 50 percent reduction in revenue as compared to the previous year. Growth was no longer the issue. Instead the company was faced with the problem of how to stay afloat despite the significant losses and depleting capital. This time, Tie made no public pronouncements. He laid off the manager of the recycling plant, shut down the kiln at the plant, and, on the advice of long-time friend Gifford Pinchot III, hired a reputable sustainable business consulting firm, Sustainable Growth Strategies, to advise Top Shelf on everything from public relations to substantive changes in the company’s labor and environmental policies.

Assume you are leading the consulting team for Sustainable Growth Strategies. You are responsible for the analysis leading to a report with a set of recommendations to put Top Shelf on the path to sustainability. Your first task is to prepare a brief paper for Top Shelf that explains the meaning and use of sustainability within a business context. Your team reports directly to Tie Woodward. He is a sharp, hardworking, and open-minded leader with a sense of humor. Tie realizes that every day without a genuine sustainability plan is bad for business. Therefore, he wants to show as soon as possible that the company is committed to sustainability. He realizes that there may be advantages in positioning Top Shelf as a sustainability leader in the long run.