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12-7 Conclusion

Lululemon focuses much of its efforts on the legacy that it will leave behind (the legacy it is creating now for future generations). Throughout the years, Lululemon has created a culture of promoting a healthy lifestyle, which can be achieved through healthy eating, yogi tradition, and in-store fitness classes. The company stresses a culture in which employees, customers, and other stakeholders can achieve greatness. As a result, the organization has seen rapid success and growth during the last decade. However, the company has been hit by a number of scandals, requiring it to rebuild its reputation and adopt new leadership.

In addition to these ethical issues, Lululemon and its competitors seem to be facing a slowdown in the apparel and athletic wear industry. This slowdown has investors concerned. CEO Laurent Potdevin maintains that the slower sales were the result of a drab product assortment that consumers did not find aesthetically appealing. He believes Lululemon is well on its way to correcting these issues, including releasing more colorful clothes in the future. Whether this will help jumpstart sales again has yet to be determined. Lululemon must also be vigilant as its success has attracted major competitors like Nike and Under Armour into the industry.

The changes that Lululemon has implemented demonstrate that the organization is willing to make difficult decisions to do the right thing. If Lululemon continues to put stakeholders first and refuses to deviate from its values, it is likely to avoid similar ethical issues in the future. A strong values-based corporate culture will help Lululemon remain a successful company with a reputation for both ethical behavior and quality products. In addition, most companies the size of Lululemon have an effective ethics and compliance program to help build an ethical culture. Based on past issues that the company has faced, it appears that it is time to embrace a more proactive approach to managing ethics and social responsibility.



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