Sportswear Company:

For any type of Sportswear Company, cutting operational expenses and increasing profit margins is one of the most problematic issues at hand. Whether companies can evaluate the relevance and limitedness of their strategic resources and to use them in ways that promote better profitability and cost-effectiveness of all business operations depends on the whole set of factors. Reducing expenses, increasing sales, searching for more profitable customers, or looking for opportunities beyond the geographical borders – the choice of the decision depends on the company as well as the available resources it can readily use to achieve its strategic objectives. As a result, in its desire to improve profitability and to cut expenses, Artemis Sportswear Company may follow several different pathways.

Primarily, the company should start by examining its Profits and Loss Report. Barton (2008) writes that "P&L is a necessary tool if you want to know how the blood of your business is flowing". A detailed review of the report will provide the company's managers with an objective, relevant, and up-to-date financial and operational information. With the need to cut costs and to promote better profitability, the report will help identify the most problematic spots in the structure of the company's business operations. Where to reduce the costs and where to use an opportunity for increasing profitability will also depend on the results of the profound P&L analysis.

Second, the optimization of financial and banking operations may become a reliable source of cost-efficiency at all levels of the company's organizational performance. In other words, using rewards credit cards, optimizing banking costs, and demanding better rates from credit cards could substantially reduce the amount of primary and secondary costs at Artemis Sportswear Company (Barton, 2008). Given the number of bank transfers, the company is compelled to perform daily, banking, and credit card operations consume a substantial portion of the company's costs, and to pursue better profitability the company may turn its attention to the way it uses its financial resources.

Profits are fairly regarded as the rewards for doing a good job (Adams, 2002), which means that improving profitability and maximally reducing unnecessary costs is a difficult process. Although profitability and costs are traditionally considered as the two inseparable elements of one broader strategy, the first step toward making the company profitable is reducing its costs. Moreover, in their striving to increase profitability without increasing sales, managers erroneously believe that cutting costs is a miraculous tool that should produce immediate positive results. The changes in profitability, however, do not happen overnight, and Artemis Sportswear Company is not an exception. Regardless of what type of strategy the company chooses to follow, its managers and employees should be prepared for the long and tiresome process of reviewing pension plans, credit card operations, and even magazine subscriptions and phone bills. The positive side of this commitment to profitability is that it does not have limits or boundaries. Any element of organizational performance can turn into the instrument of reducing costs. What managers should remember is that the "profit margin trend is the single most powerful indicator of your company's health. As margins decline, companies cut their sales and marketing efforts. Manufacturers postpone plant upgrades and delay research and development" (Hall, 2008). For Artemis Sportswear Company to avoid these complications and negative consequences in the short and long run, the new "profit" strategy should be complex and multifaceted. It should cover all areas of the company's performance and should lead managers to realize that profits emerge and expand from the very bottom of the company's performance. In other words, even the smallest reduction of costs that might have previously been considered insignificant may substantially improve profit margin trends at Artemis Sportswear Company. As a result, whether the company can utilize its resources to the fullest will depend on the way it approaches the current structure of its benefits and costs.