Student Name: Samariteanca Alina Drosu

Student Number: 2234615

Introduction

The purpose of this presentation is to apply and demonstrate understanding of group dynamics, team working and communication using workplace examples.

The company chosen for this presentation is Louis Vuitton because the success of the company is highly based on the empowerment of team in the organisation.

The presentation will also cover the difference between groups and teams, the characteristics and benefits of an effective team, contemporary challenges faced by teams today and solutions to overcome them, conflict handling and delegation strategies. Lastly, the presentation will discuss the dynamic of the group involved in the creation of this presentation.

Organisational Background and Context

Louise Vuitton Moet Hennessey usually known as LVMH. Is the world most profitable luxury brand, created in 1854 by the famous designer Louis Vuitton and developed since 1989 by Bernard Arnold, who is still a CEO and chairman of the company.

The company generates revenue from 75 different houses. In 2023, the company reported a revenue of €86.2 billion, 13% more compared with the previous financial year, 2022. 25% of its revenues comes from USA, 25% of its revenues come from Europe, 31% from Asia, 7% from Japan and 12% from other markets.

LVMH is the first European brands to reach a value of over $100 million. LVMH runs more than 400 standalone stores in 50 countries.

Company divides its business operation and six main segments.

- Wine and spirits.
- Fashion and leather goods.
- Perfumes and cosmetics.
- Watches and jewellery.
- Selective retailing.
- Other activities and eliminations.

The success of the company is attributed to a relentlessly focus on quality, a rigidly controlled distribution centre and ever-increasing productivity in design and manufacture (Boddy, 2017).

Employees in all LVMH factories work in teams of between 20 to 30 people. Each team works on a single product and each member is encouraged to suggest new improvements in manufacturing.

Teams are informed about the product. Each member knows the retail price of the product as well as how well it is selling because according to Stephane Fallon, who manages of LVMH factories in France, the goal of Louis Vuitton is to make employees multiskilled and independent. Apart from teams created in production factories, LVHM has other multiple internal teams in charge of the company's website, social media pages or marketing campaigns. Each of the 75 Houses of LVMH has its own management team, business, marketing, and finance strategy (LVMH, 2023).

Teamwork strengths within the organisation

LVMH argues that their people is what set them apart from competition.

The company has 175,647 employees. The company has a voluntarily turnover of 17,2% across all business segments. LVMH is one of the world's most attractive employers and according to a national rank in France, it is ranked as the first most attractive employer for 16 years in a row (LMVH, 2023).

Each year LVMH runs a systematic review of each House to identify needs, problems, and solutions to them. This approach supports team developments, innovation, and creativity within the organisation and minimises conflicts as according to Kilmann (2008), by constantly creating a supportive team environment, members can value more cooperation than assertiveness.

Apart from its internal teams, LVMH also form external teams to drive innovation and creativity in the organisation. For example, in 2022, the company collaborated with students from a university in Italy to solve 15 challenges of LVHM (LVMH, 2023). The company created 15 different teams and challenged them to come with creative and innovative solutions to address company's problems such as customer experience with the brand.

Compensation and reward are linked closely with both team results and individual performance (LVMH, 2023).

To develop and nurture talent, LVMH follows many strategies such as individual training, mentoring, apprenticeship (LVMH, 2017).

According to Belbin's theory, teamwork pays off at Louis Vuitton because the company offers a structure for people to work together, the company encourages team workers to raise concerns, the company allows people to extend their roles and responsibilities, encourages acceptance and understanding and promotes wider learning (UOC, 2024).

Louis Vuitton is an example of team effectiveness and successful mix of groups and team as in its case both the success of the team and the success of the individual is cherished and rewarded.

References

Belbin (2024) *The nine Belbin team roles*, *Belbin*. Available at:

https://www.belbin.com/about/belbin-team-roles (Accessed: 13 February 2024).

Boddy, D. (2017). *Management*. 7th ed. Harlow, England: Pearson.

Chow, A. (2023) *LVMH: An investment opportunity after it fades from the spotlight*, *LVMH: An Investment Opportunity After It Fades from the Spotlight*. Available at: https://finbiteinsights.substack.com/p/lvmh-an-investment-opportunity-after (Accessed: 13 February 2024).

Jones, D.A., (2019). The Tuckman's model implementation, effect, and analysis & the new development of Jones LSI Model on a small group. *Journal of Management*, *6*(4).

Kilmann, T.W., (2008). Thomas-Kilmann conflict mode. *TKI Profile and Interpretive Report*, *1*(11).

LVMH (2023) *Investors*, *LVMH*. Available at: https://www.lvmh.com/investors/ (Accessed: 13 February 2024).

LVMH (2017) *LVMH challenges stimulate entrepreneurial spirit and innovation among emerging talents*, *LVMH*. Available at: https://www.lvmh.com/news-documents/news/lvmh-challenges-stimulate-entrepreneurial-spirit-and-innovation-among-emerging-talents/ (Accessed: 13 February 2024).

Tuckman, B.W. and Jensen, M.A.C., (2010). Stages of small-group development Revisited1. *Group Facilitation*, (10), p.43.

UOC (2024) *Belbin's Team roles*. Available at: https://www.ifm.eng.cam.ac.uk/research/dmg/tools-and-techniques/belbins-team-roles/#:~:text=Belbin%20describes%20a%20team%20role,cerebral%20roles%20%2D%20Plant%2C%20Monitor%20Evaluator (Accessed: 13 February 2024).