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Reflective Analysis of Teamwork and Cross-Functional Decision-Making in AutoCrats

Introduction

This reflective paper critically analyses my journey as Finance Director for *AutoCrats*, a fictitious but highly realistic automotive company in the Warwick Business School Business in Practice simulation. This role required me to make strategic decisions across a six-year timeline with my cross-functional peers in Operations, Innovation, Marketing and Human Resources. Throughout the simulation, I experienced first-hand the tensions and synergies that arise when multiple functions work together under uncertainty.

The narrative will examine two pivotal **critical incidents** which best illustrate how my team's dynamics evolved: our overambitious launch of two hybrid vehicles at the outset and our mishandled discontinuation of the underperforming *Class E* luxury EV. Both incidents reflect a learning curve around psychological safety, sunk-cost bias, constructive conflict, and our struggle to manage financial risk collectively. I will draw on Tuckman's (1965) group development model, Belbin's (2010) team roles, and key literature on team effectiveness (Edmondson, 1999; Lencioni, 2002) to interpret these experiences.

I position this reflection as an honest exploration of what I learned about managing cross-functional trade-offs, speaking up for unpopular decisions, and building a healthier team environment.

Team Context and My Finance Director Responsibilities

Our team, *AutoCrats*, was a group of seven postgraduate students, some of whom were close friends prior to the module. This helped us progress rapidly through Tuckman's forming stage. We valued openness but at times this familiarity kept us in a 'forming' mindset and delayed our move into the storming stage where robust challenge emerges (Tuckman, 1965).

As Finance Director, I was accountable for our investment budgets, controlling, debt and equity structure, green bond strategy and our overall *value added* metric (Appendix A shows the company's value added calculation logic). In practical terms, this meant tracking our CO₂ penalties, production line costs, sustainability capital expenditure and ROI projections. However, I could not make these decisions in isolation. The Operations Directors controlled factory allocation, the Marketing Directors shaped price and promotions, the Innovation Director defined when we could launch EVs, and the HR Director managed staffing levels and workforce morale.

My effectiveness as Finance Director was therefore heavily dependent on my ability to build trust with others, present financial risks compellingly, and hold my ground when the facts

pointed in an unpopular direction. The following critical incidents reveal how my technical skills needed to be matched with relational and narrative skill.

Our Early Teamworking Patterns: Strengths and Growing Pains

In the first few quarters, our team embodied some of the strengths of a high-energy group. According to Belbin's (2010) model, we had no shortage of resource investigators and shapers. People took initiative, offered ideas and encouraged each other. However, we lacked a consistently strong monitor-evaluator who could pause our enthusiasm and test assumptions with tough questions.

This gap was evident in how we handled uncertainty. For example, our Operations Directors rightly pushed us to build production capacity for new models, yet the link to factory costs and cash flow gaps was not always clear. Meanwhile, my early financial reports — which included pie charts showing projected revenue shares for each model — were informative but did not always trigger discussion about thresholds for shutting down non-performers.

Reflecting on Edmondson's (1999) idea of psychological safety, our environment felt emotionally safe to share ideas but there was an implicit sense that pushing back too forcefully might break the harmony. This tendency towards 'teamship' rather than teamwork (Katzenbach and Smith, 1993) would become more visible in our first critical incident.

Critical Incident 1: Launch of Dual Hybrids and the Sunk-Cost Trap

Background

Our first big investment milestone came in Quarter 5. We faced a new CO₂ regulation which imposed a per-gram penalty for emissions above a fleet average of 95g/mile. At the same time, a news alert within the simulation platform highlighted a CO₂ emissions scandal that was likely to reduce diesel car sales by 20% (Appendix B). These external prompts pressured us to future-proof the portfolio quickly.

At this moment, the team proposed we launch two hybrids simultaneously. One was an executive model, the other a 4x4 aimed at the urban SUV segment. The argument was that hybrids would bridge the technological gap until our electric drive modules became available in Year 2.

As Finance Director, I ran a controlling scenario which showed that the combined development cost exceeded \$615 million, with further green bond drawdowns needed to maintain solvency. I flagged the risk that the hybrids' CO₂ profiles would still attract penalties because they did not fully offset emissions. However, the mood in the team was buoyant and I failed to anchor the discussion in a clear exit threshold.

Team Dynamics and Sunk-Cost Behaviour

The launch went ahead. In Quarters 6–7, controlling pie charts (see *Figure 1*) showed that while sales were steady, the fleet CO₂ average overshot the new target, incurring significant penalties. The hybrids did not attract the anticipated market share, partly due to buyers pivoting faster towards full EVs (Appendix C summarises the changing buyer preference news alert).

When I suggested discontinuation as early as Quarter 7, our Marketing Directors resisted: “*Discontinuing so soon will kill morale and damage our brand.*” The Operations Directors feared idle lines. I felt outnumbered in the discussion — although the group trusted me, they did not yet see financial projections as actionable signals.

We fell victim to the classic sunk-cost fallacy (Arkes and Blumer, 1985). Instead of responding to new data, we doubled down by tweaking prices and marketing spend. The psychological need to ‘make it work’ was stronger than our rational self-interest.

How We Broke the Pattern

By Quarter 8, the controlling table showed the CO₂ penalties were larger than the hybrids' gross profit. This forced a more robust debate. I tried a new approach: visualising the impact with a scenario waterfall chart that linked unit sales, penalties and overall contribution margin. The Operations Directors finally acknowledged that continuing the models would only drain cash needed for the upcoming EV launches.

In a tense meeting, one team member said: “*This feels like a loss but we’re just making the loss official by acting late.*” This statement captured our new maturity — a willingness to face hard truths.

In the end, discontinuation was agreed. But the damage was done: we wasted months of factory capacity that could have been reallocated sooner.

Learning Reflections

Looking back, this incident illustrates Tuckman’s ‘storming’ stage in action. We had high trust but low process discipline. Edmondson’s (1999) psychological safety was present but lacked healthy conflict. If we had agreed a clear discontinuation threshold in advance, we could have prevented weeks of penalty costs.

Critical Incident 2: The Class E Dilemma and Identity Bias

Background

The second incident occurred during Years 4–5. Having learned from our hybrid setback, we invested heavily in the *Class E*, a premium electric vehicle positioned as our sustainability flagship. For several quarters, it exceeded projections, delivering strong contribution margins and helping position AutoCrats as a future-ready brand. Our share price rose, and our credit rating improved.

However, by Year 5, controlling reports began to show early signs of decline. Tariff changes, rising factory costs, and competitive price pressures squeezed margins. Meanwhile, our fleet-wide CO₂ emissions improved, but we were still paying penalties due to higher sales of legacy models in some regions.

I produced controlling charts that showed how *Class E*'s net contribution margin turned negative. Yet the emotional attachment to the model made the team hesitant. The Operations Directors debated shifting production lines to lower-cost regions. The Marketing Directors wanted to intensify promotions.

Team Tensions and the Identity Effect

Psychologically, we encountered a different bias: identity-protective cognition (Kahan et al., 2012). The *Class E* symbolised our collective success. Discontinuing it felt like disowning part of our transformation narrative. This led to emotional tension. A small rift emerged between me and the Innovation Director, as my controlling perspective clashed with their branding vision.

Meanwhile, the Operations Directors rightly flagged that constant factory switches had already raised costs. The HR Director worried about the morale impact of another major product discontinuation. We ended up stalling: we reallocated marketing spend, adjusted prices, and even ran a consumer promotions campaign.

Resolution and Turning Point

After two quarters, the financial trend was undeniable. Our final pie charts for Q20 revealed the *Class E* was not contributing enough to justify its operational footprint. This time, the debate was healthier. We had learned to hold more productive conflict (Lencioni, 2002).

When the decision was made to discontinue the *Class E*, our team morale dipped temporarily. The Operations Directors quickly reallocated lines to the *Micro P* and *SPORT E*. The Marketing Directors refocused campaigns. We had learned to manage exit decisions more swiftly, but the emotional cost was real.

Collective Insights: How Our Team Grew

These incidents show how our team evolved through the storming and norming phases (Tuckman, 1965). Early in the hybrid crisis, we struggled with the sunk-cost trap. By the time the *Class E* issue emerged, we had more mature conflict resolution but still faced the pull of identity bias.

Edmondson's (1999) work reminds us that psychological safety is not just about comfort; it must enable the willingness to speak up. Our team's growth curve was not linear. We learned that conflict, when harnessed well, strengthens performance.

Reflections on My Development

For me as Finance Director, these incidents taught me that the quality of data is meaningless if I do not present it in compelling narratives. I learned to balance financial control with storytelling to make controlling insights resonate emotionally.

I also became more conscious of my own conflict style. At times, I withdrew from pushing my perspective too forcefully because I feared undermining team cohesion. This module helped me recognise that well-managed disagreement is a sign of a healthy cross-functional team.

Application to Future Practice

Looking ahead to my future career, I intend to apply these learnings to any team-based decision-making context where complex investments and trade-offs are required. I recognise now how essential it is to establish clear controlling breakpoints, scenario simulations, and agreed financial thresholds before committing significant resources. In any business environment, this means I will advocate for shared scenario workshops with cross-functional colleagues to stress-test proposals and ensure that assumptions are challenged early.

Furthermore, I will take a more proactive role in supporting the presence of a strong monitor-evaluator mindset within my teams (Belbin, 2010). Rather than seeing critical questions as a threat to momentum, I will frame them as a safeguard against costly oversights.

A key aspect of my personal development plan will be to build explicit feedback loops that make it psychologically acceptable to revisit assumptions and to stop pursuing initiatives that no longer deliver value. Recognising the sunk-cost trap, I aim to contribute to a culture where my colleagues and I feel able to question whether our current course still serves our strategic goals (Arkes and Blumer, 1985).

Finally, drawing on Edmondson's (1999) work, I will continue to nurture psychological safety by openly inviting critique of my own perspectives and encouraging transparent debate in all team meetings. I believe this will help to balance trust and constructive conflict, equipping me to perform more effectively in any future cross-functional team.

Conclusion

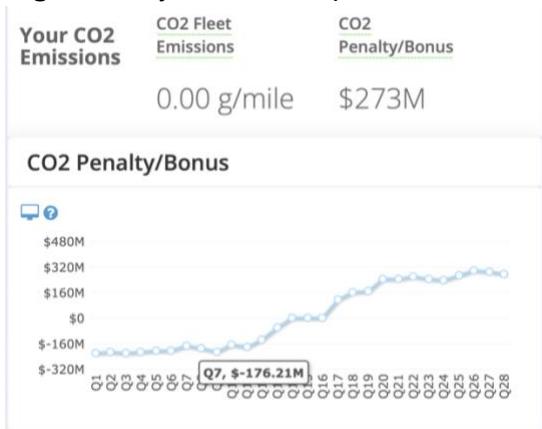
These critical incidents remind me that value added is not created by controlling figures alone. It emerges from the human tensions of teamwork, where psychological safety, conflict, sunk-cost biases and collective identity all play a part. By confronting these realities in the AutoCrats simulation, I have grown not only as a Finance Director but as a more reflective team member who understands the human side of strategic decision-making.

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Appendices

1. **Figure 1:** Hybrid models performance vs. CO₂ penalties.



2. **Appendix A:** Value Added calculation breakdown.

Value Added = NOPLAT - (Net Assets * WACC)

3. **Appendix B:** External case prompts for CO₂ scandal.

Be Aware



CO2 Emissions Scandal

As a reaction to the CO2 emissions scandal, diesel engine cars sales are expected to decrease 20%.

4. **Appendix C:** Buyer preference shifts for EVs.

Be Aware



Changed Buyer Preference

The buyer preference for electric drives has increased significantly.