OVERVIEW OF SCENARIO

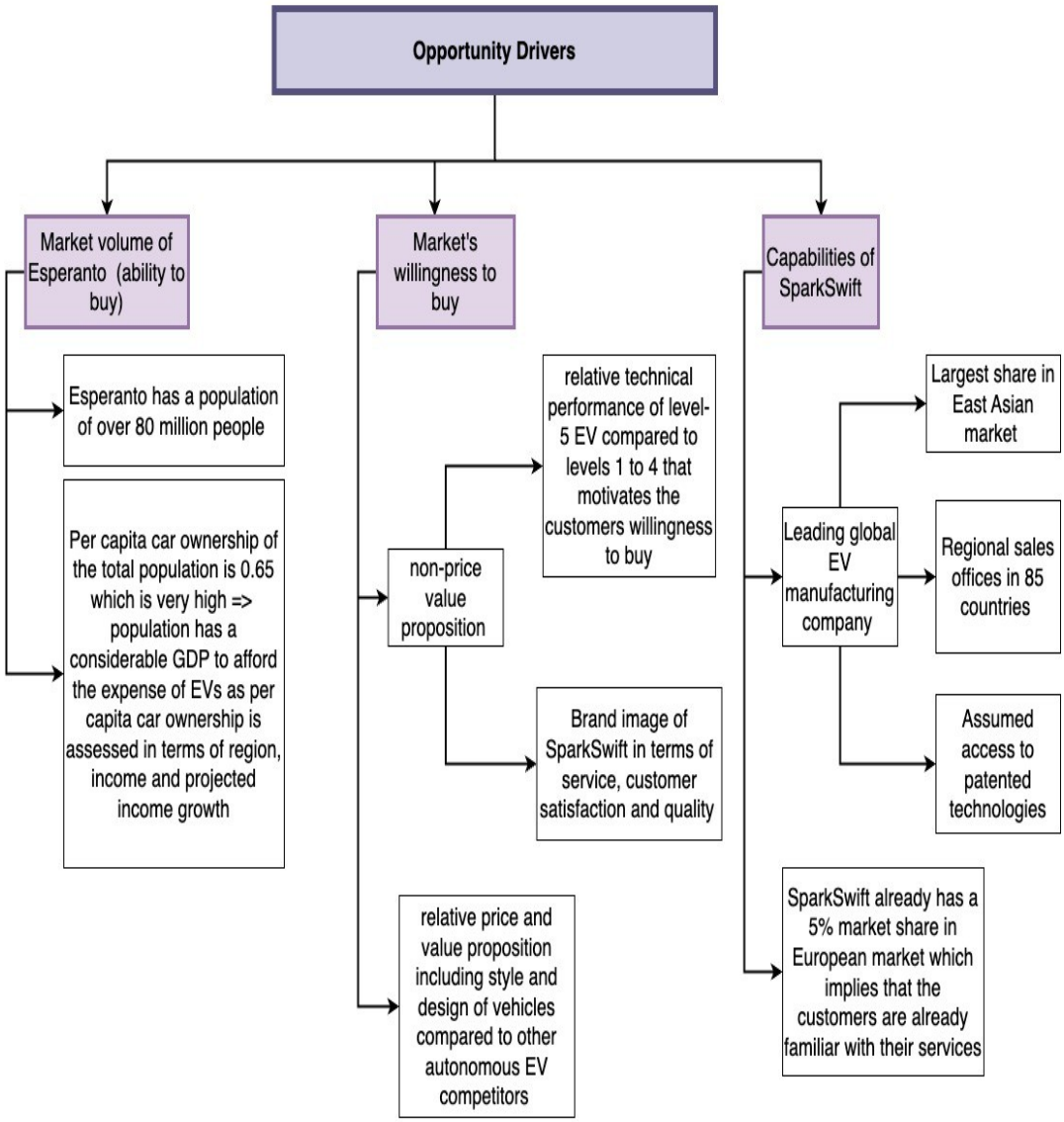
SparkSwift is an electric vehicle (EV) manufacturing company which has the largest share in the East Asian market for EVs and has a presence around the globe with regional sales offices in 85 countries. The company is headquartered in Singapore with its manufacturing sites in Shenzhen, China and Banting, Malaysia. SparkSwift has been manufacturing EVs with Level-2 automation for more than two decades and has recently developed capabilities in Level-4 automation.

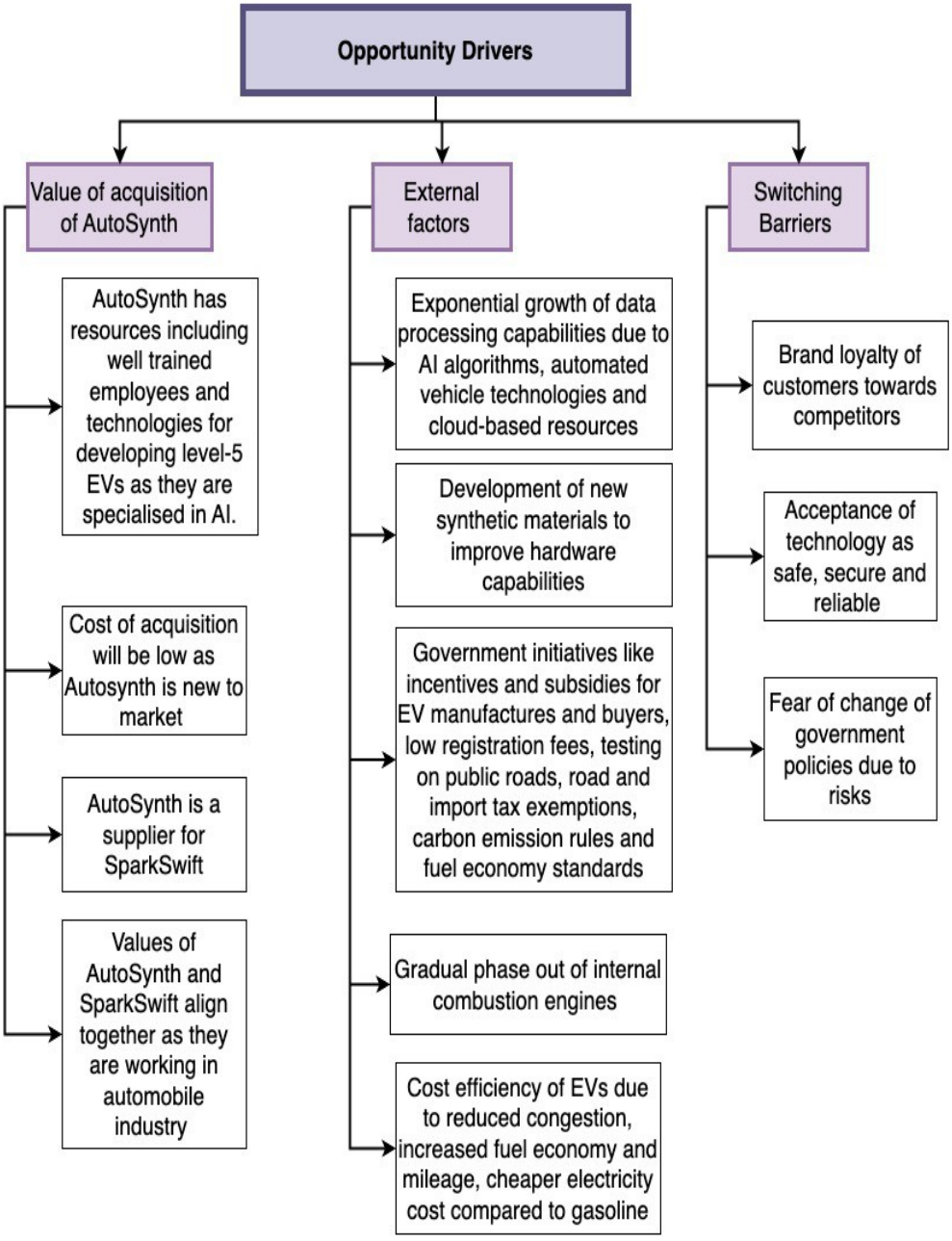
Recently, a European country, called Esperanto, has legalised the use of Level-5 autonomous EVs. Esperanto has a population of over 80 million people with per capita car ownership of 0.65. SparkSwift considers this to be an opportunity to claim as the first mover. SparkSwift already has presence in the European market with 5% market share in EVs, however, they are not sure about their capabilities to develop Level-5automation which requires advanced and robust artificial intelligence algorithms. SparkSwift has a supplier company, called AutoSynth, which specializes in the AI for automobiles. AutoSynth is based in Sao Paulo and is relatively new in the market with only two major clients, Spark Swift is one of them. SparkSwift has approached your consulting firm (Acme Group) to evaluate the acquisition of AutoSynth. They are open to other possible ways to capture the opportunity of entering Esperanto for Level-5 EVs.

This project will address key aspects of the opportunity for SparkSwift to enter the Esperanto market for Level-5 autonomous EVs. It will analyze the disturbing event and result gap, propose solutions based on a structured approach, define assumptions underlying a chosen solution, assess cultural factors relevant to implementation, and identify the information required to test these assumptions. By addressing these aspects, the project aims to provide SparkSwift with informed recommendations and strategies to successfully capture this opportunity.

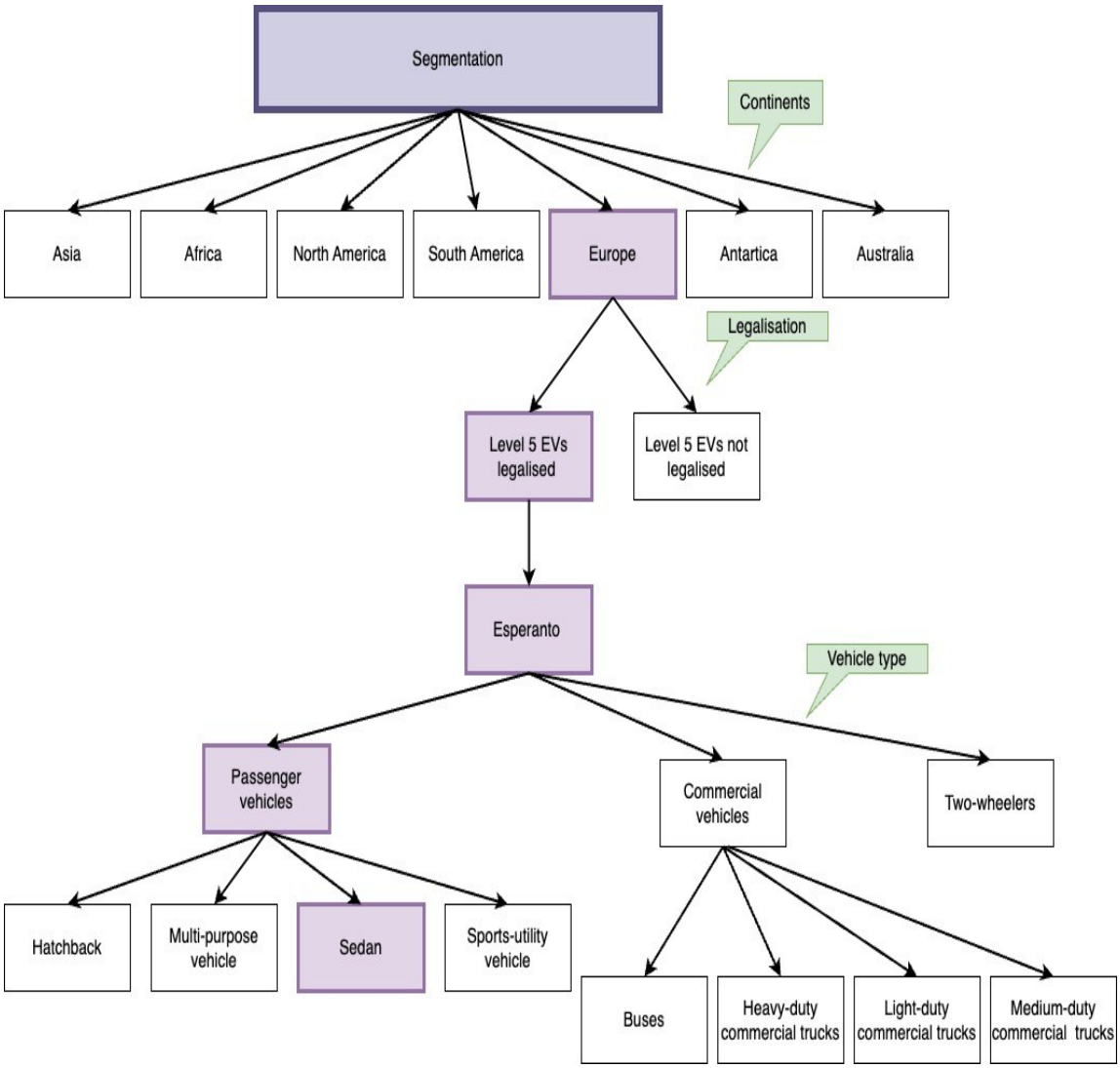
1. Opportunity Drivers

Six opportunity drivers have been identified which describes the opportunity for SparkSwift to utilise the legalisation of level-5 autonomous EVs in Esperanto.




Opportunity Drivers
Value of acquisition of AutoSynth
External factors
Switching Barriers
AutoSynth has resources including well trained employees and technologies for developing level-5 EVs as they are specialised in AI.
Cost of acquisition will be low as Autosynth is new to market
AutoSynth is a supplier for SparkSwift
Values of AutoSynth and SparkSwift align together as they are working in automobile industry
Exponential growth of data processing capabilities due to AI algorithms, automated vehicle technologies and cloud-based resources
Development of new synthetic materials to improve hardware capabilities
Government initiatives like incentives and subsidies for EV manufactures and buyers, low registration fees, testing on public roads, road and import tax exemptions, carbon emission rules and fuel economy standards
Gradual phase out of internal combustion engines
Cost efficiency of EVs due to reduced congestion, increased fuel economy and mileage, cheaper electricity cost compared to gasoline
Brand loyalty of customers towards competitors
Acceptance of technology as safe, secure and reliable
Fear of change of government policies due to risks

Identifying segment of opportunity



Estimating increase in market share

Number of passenger cars in Europe = 292 million (Statista,2019). Number of passenger electric cars in Europe = 1.4 million (Statista,2020).
Number of existing SparkSwift electric cars in Europe = 5% of 1.4 million = 70,000
Hence, the market share of SparkSwift is expected to increase to 8% in Europe by the development of level-5 autonomous EVs in Esperanto i.e., 3% increase from present.
Germany has a population of 83.16 million and the leading European market for electric car sales. Esperanto have been assumed to be Germany. Assuming, that

the 3% increase will come from Esperanto, by selling level-5 autonomous electric vehicles.

Result gap: Increase the market share of SparkSwift in Europe by 3%.

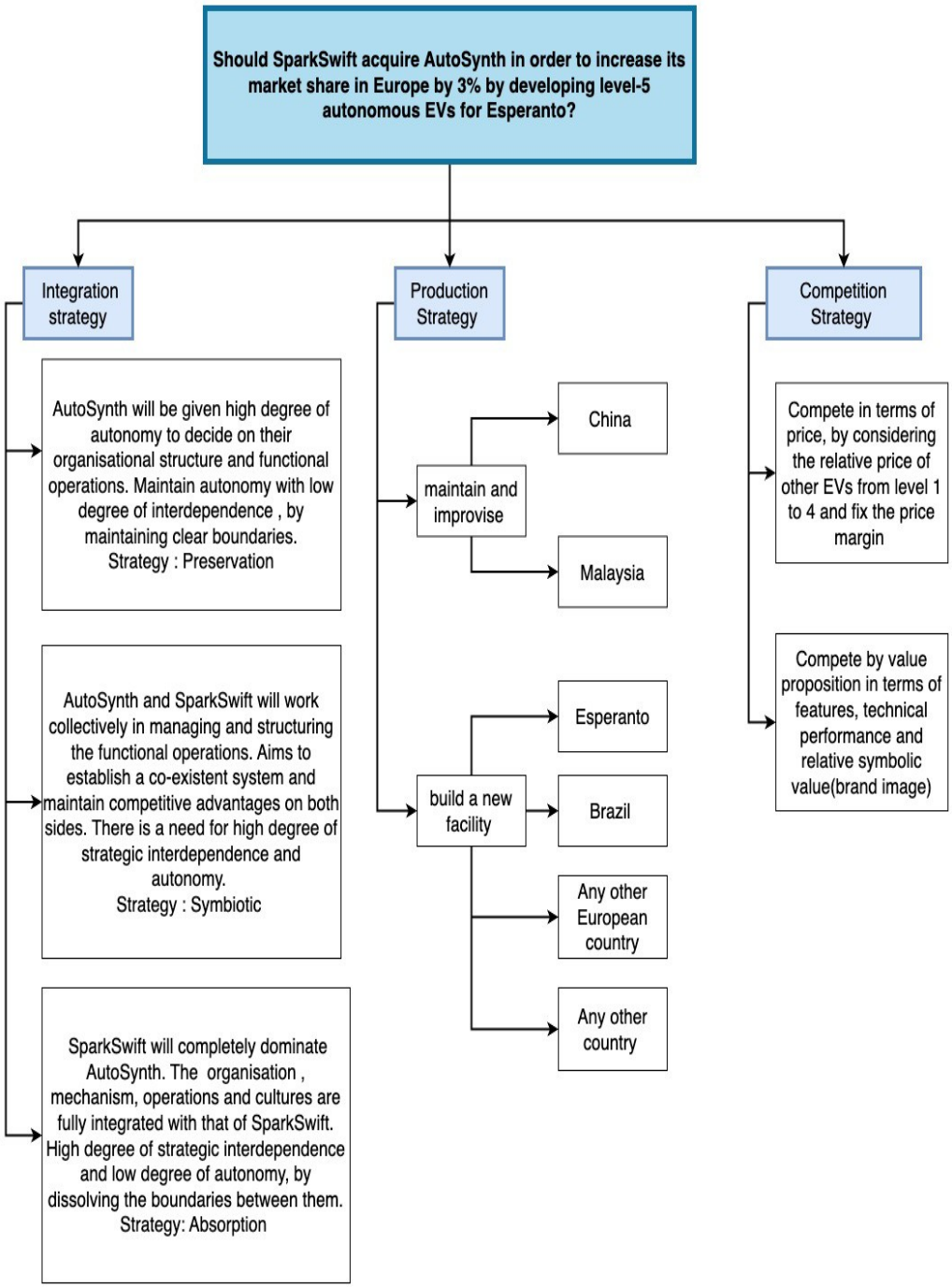
Opportunity Statement	
Achieved Result	SparkSwift has presence in the European market, with 5% market share in EVs
Disturbing event	Legalisation of Level-5 autonomous EVs by the European country Esperanto
Desired result	Increase market share of SparkSwift in Europe by 3% by developing level-5 autonomous EVs.
Key Question	Should SparkSwift acquire AutoSynth in-order to increase their market share in Europe by 3% by developing level-5 autonomous EVs for Esperanto?
Stakeholders	SparkSwift management, SparkSwift employees, SparkSwift shareholders, Government of Esperanto, Citizens in Esperanto, Media, AutoSynth management, AutoSynth employees, AutoSynth shareholders, other car manufacturers
Constraints	• Requirement of advanced artificial intelligence algorithms

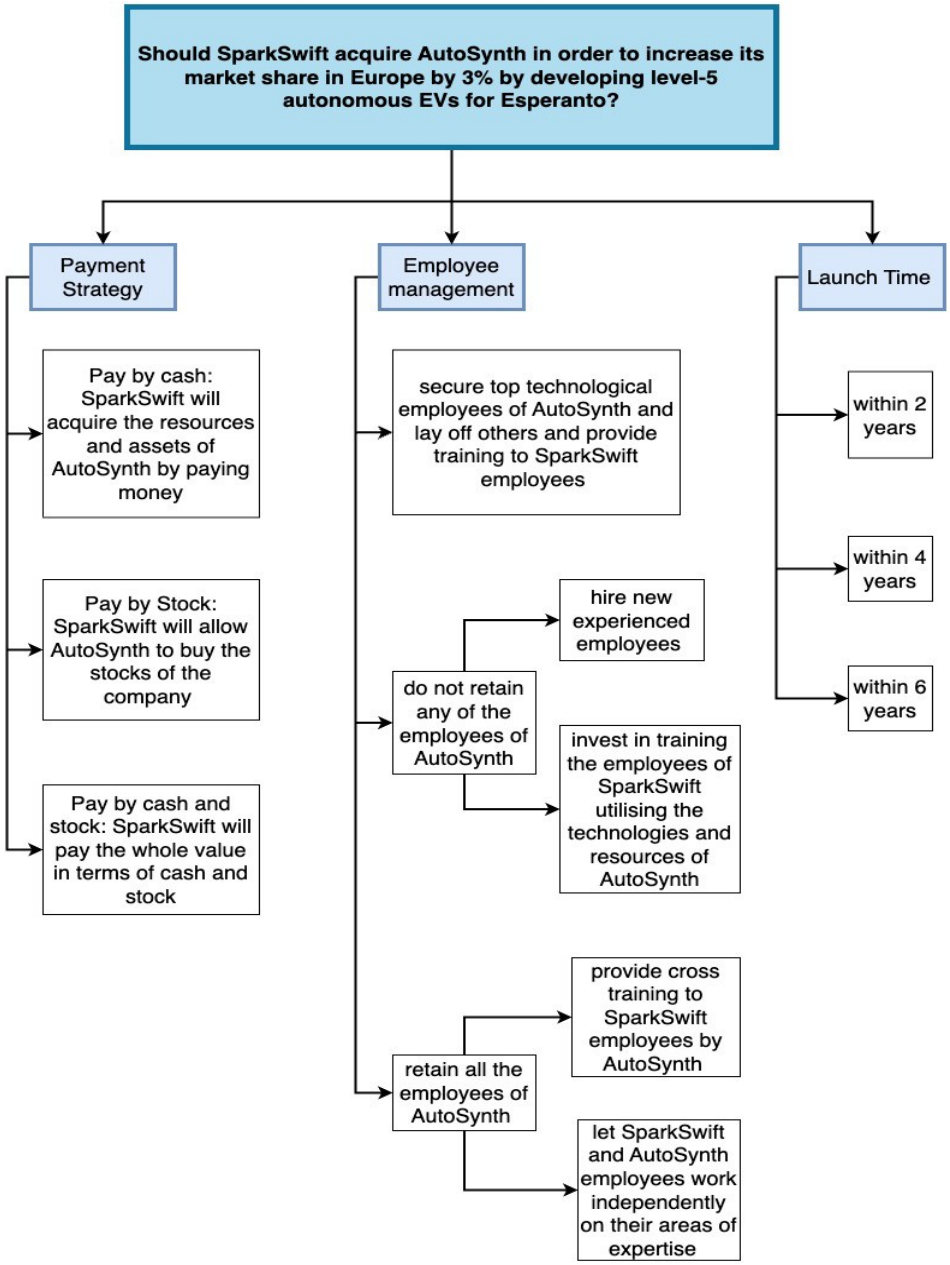
	• Improve employee capabilities • Maintain quality of production. • Become first company to release level-5 EVs in Esperanto. • Risks
Decision criteria	• Maximise the market share • Maximise the resources and capabilities of SparkSwift. • Strategic and cultural fit • Maximise return on investment • Minimise delay in delivering the vehicle

2. Decision Areas

Six decision areas have been identified to evaluate the acquisition for developing level-5 autonomous EVs.

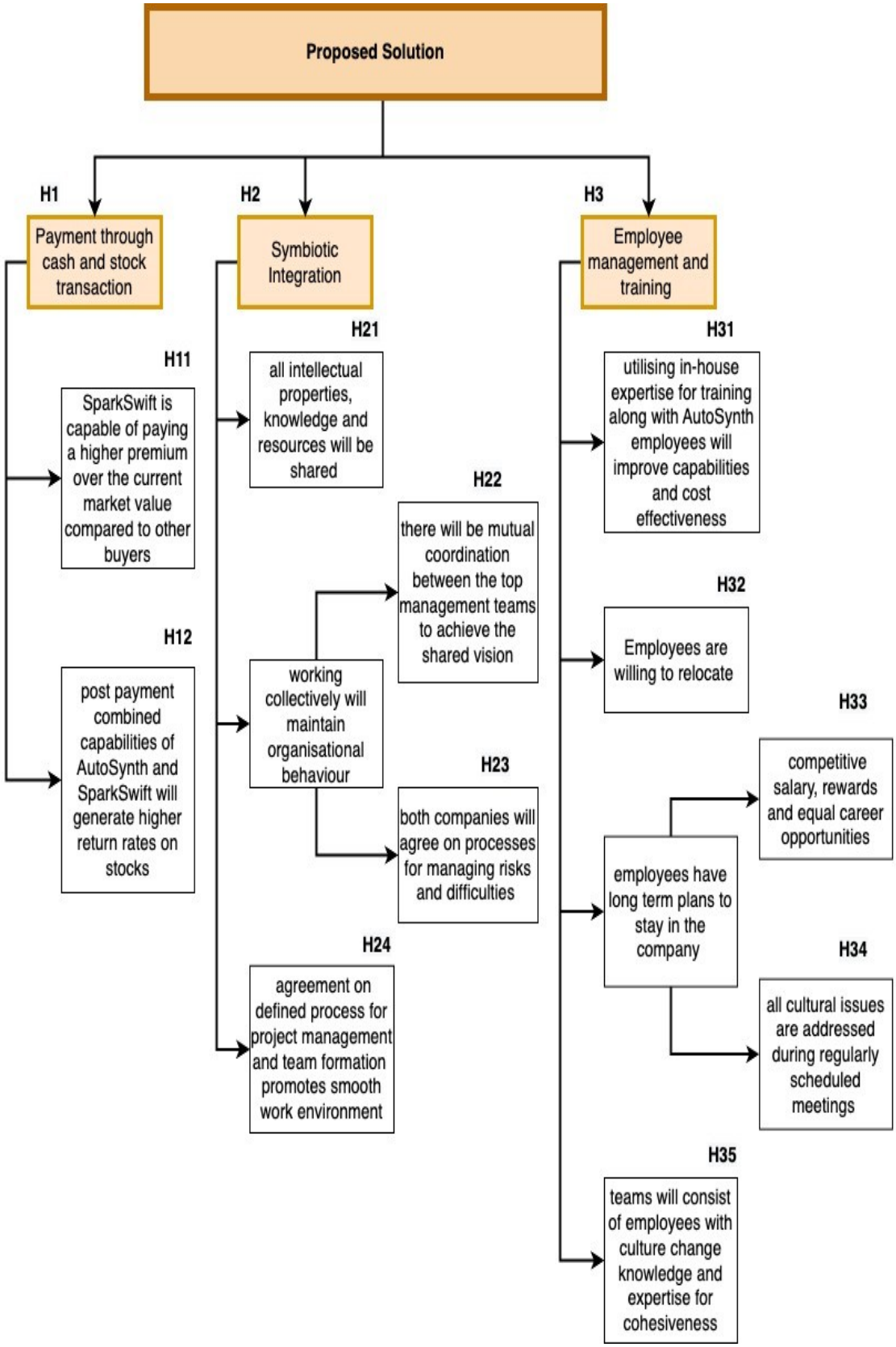
The integration strategy discusses the strategies used to achieve organisational performance (Haspeslagh and Jemison, 1991 cited in Godfred and Koi-Akrofi, 2016, p.52)

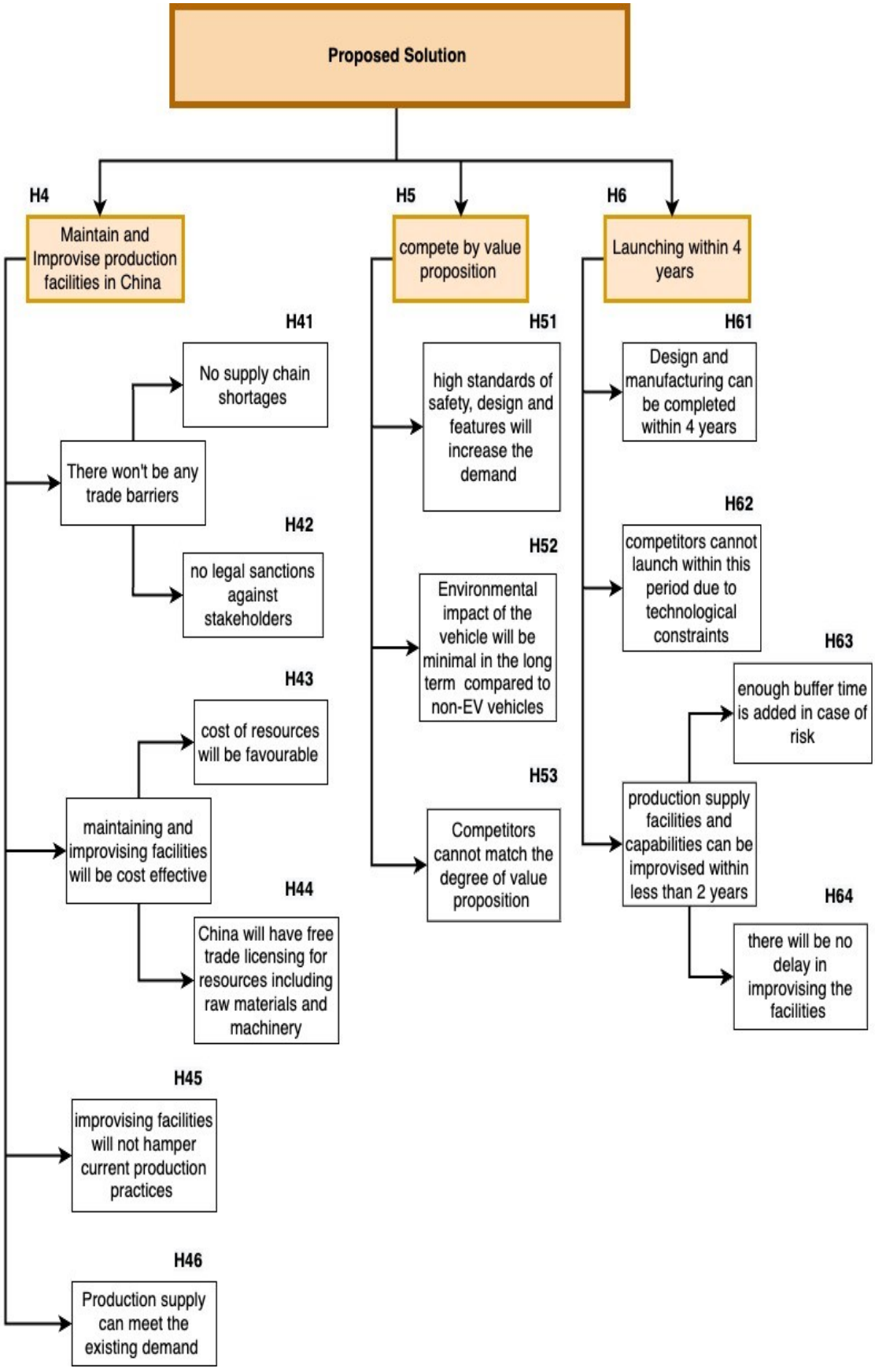




3. Solution:

- Acquire AutoSynth through cash and stock transaction
- Work collectively on operational and managerial activities
- Retain all employees of AutoSynth and train the existing staff
- Maintain and improvise the production facilities in China
- Compete on value proposition
- Launch the car within 4 years.


Proposed Solution
H1
Payment through cash and stock transaction
H11
SparkSwift is capable of paying a higher premium over the current market value compared to other buyers
H12
post payment combined capabilities of AutoSynth and SparkSwift will generate higher return rates on stocks
H2
Symbiotic Integration
H21
all intellectual properties, knowledge and resources will be shared
H22
there will be mutual coordination between the top management teams to achieve the shared vision
working collectively will maintain organisational behaviour
H23
both companies will agree on processes for managing risks and difficulties
H24
agreement on defined process for project management and team formation promotes smooth work environment
H3
Employee management and training
H31
utilising in-house expertise for training along with AutoSynth employees will improve capabilities and cost effectiveness
H32
Employees are willing to relocate
H33
competitive salary, rewards and equal career opportunities
employees have long term plans to stay in the company
H34
all cultural issues are addressed during regularly scheduled meetings
H35
teams will consist of employees with culture change knowledge and expertise for cohesiveness

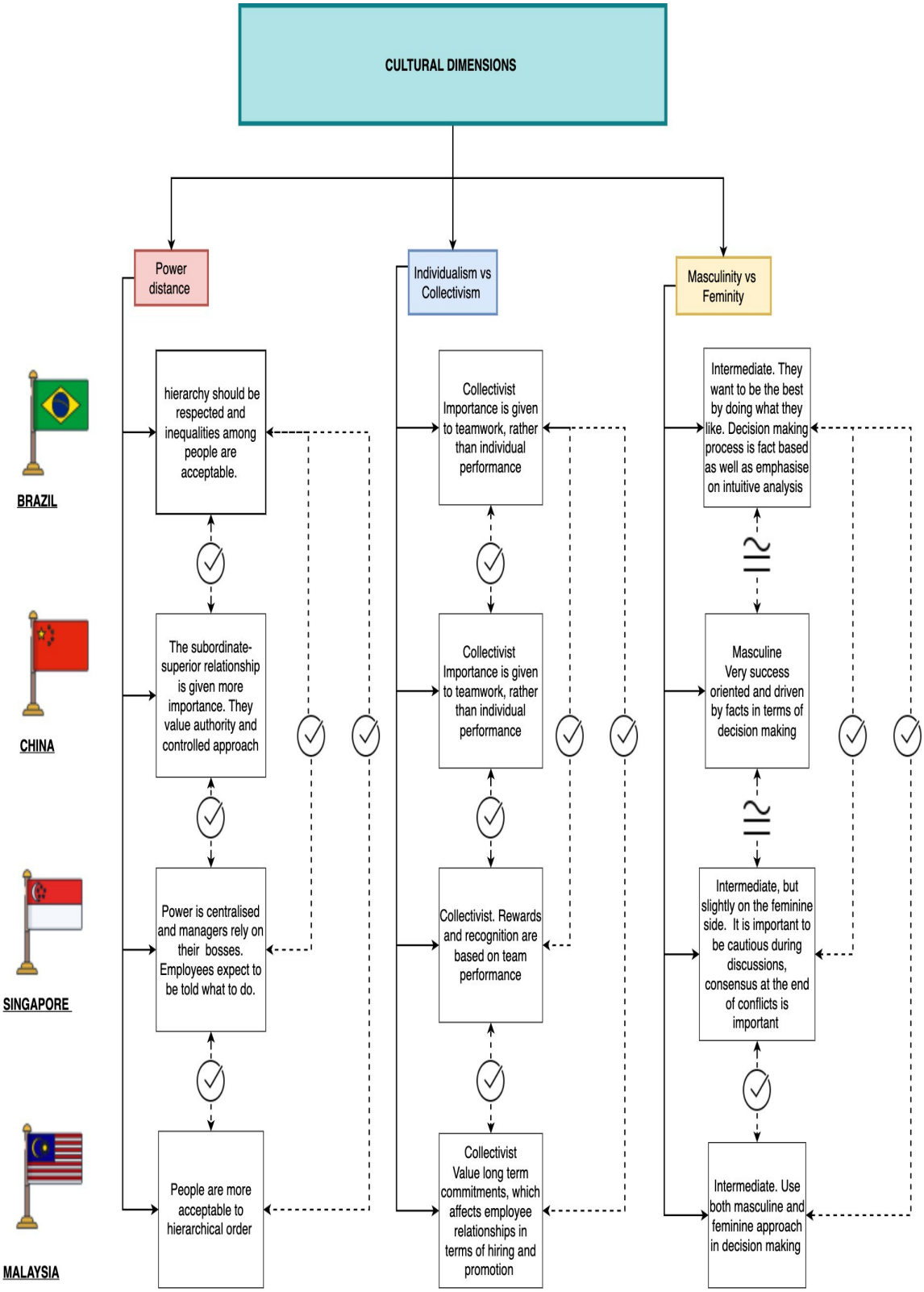

Proposed Solution
H4
Maintain and Improvise production facilities in China
H5
compete by value proposition
H6
Launching within 4 years
H41
No supply chain shortages
There won't be any trade barriers
H42
no legal sanctions against stakeholders
H43
cost of resources will be favourable
maintaining and improvising facilities will be cost effective
H44
China will have free trade licensing for resources including raw materials and machinery
H45
improvising facilities will not hamper current production practices
H46
Production supply can meet the existing demand
H51
high standards of safety, design and features will increase the demand
H52
Environmental impact of the vehicle will be minimal in the long term compared to non-EV vehicles
H53
Competitors cannot match the degree of value proposition
H61
Design and manufacturing can be completed within 4 years
H62
competitors cannot launch within this period due to technological constraints
H63
enough buffer time is added in case of risk
production supply facilities and capabilities can be improvised within less than 2 years
H64
there will be no delay in improvising the facilities

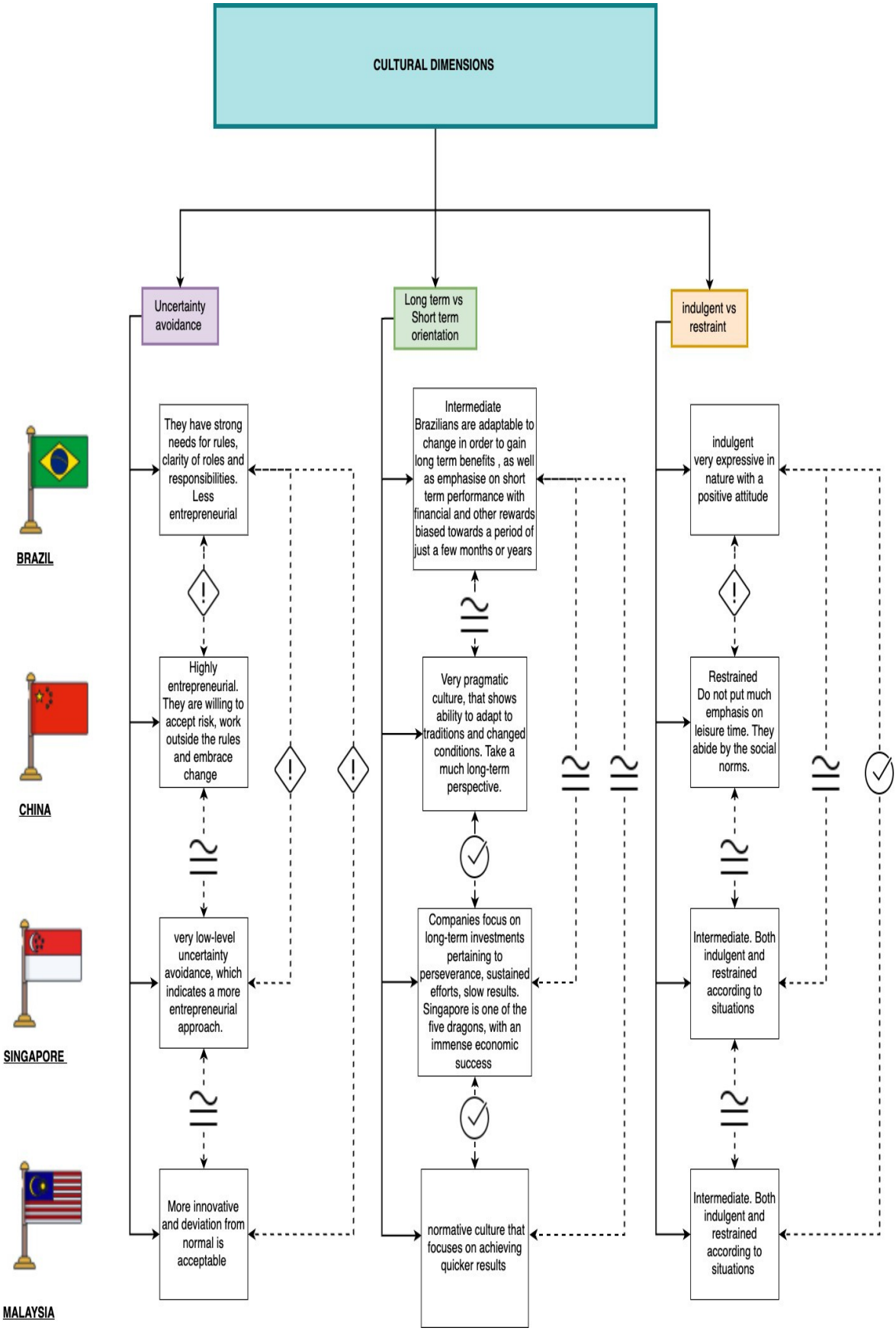
4. Cultural Factors

Professor Greet Hofstede's (Geert Hofstede, et al., 2010) six dimensions of national culture is used to analyse the differences in culture among countries, its effects on the values of its members and assess the impact of culture on a business setting. SparkSwift consists of employees from China, Malaysia, and Singapore(headquarters), whereas AutoSynth is based in Brazil. The cultural differences of SparkSwift employees among themselves and with AutoSynth have been analysed w.r.t the score of each country for the six cultural dimensions (Hofstede Insights,2021).

Note:

- China and Malaysia are very similar in terms of culture, hence have not been compared to each other.
-  their work culture is the same, hence can work well together.
-  their business concepts are approximately similar, hence they can work well together by proper communication
-  the work culture is different, hence should be given consideration when making business decisions.


CULTURAL DIMENSIONS
Power distance
Individualism vs Collectivism
Masculinity vs Feminity
BRAZIL
CHINA
SINGAPORE
MALAYSIA
hierarchy should be respected and inequalities among people are acceptable.
The subordinate-superior relationship is given more importance. They value authority and controlled approach
Power is centralised and managers rely on their bosses. Employees expect to be told what to do.
People are more acceptable to hierarchical order
Collectivist Importance is given to teamwork, rather than individual performance
Collectivist Importance is given to teamwork, rather than individual performance
Collectivist. Rewards and recognition are based on team performance
Collectivist Value long term commitments, which affects employee relationships in terms of hiring and promotion
Intermediate. They want to be the best by doing what they like. Decision making process is fact based as well as emphasise on intuitive analysis
Masculine Very success oriented and driven by facts in terms of decision making
Intermediate, but slightly on the feminine side. It is important to be cautious during discussions, consensus at the end of conflicts is important
Intermediate. Use both masculine and feminine approach in decision making


CULTURAL DIMENSIONS
Uncertainty avoidance
Long term vs Short term orientation
indulgent vs restraint
They have strong needs for rules, clarity of roles and responsibilities. Less entrepreneurial
Intermediate Brazilians are adaptable to change in order to gain long term benefits , as well as emphasise on short term performance with financial and other rewards biased towards a period of just a few months or years
indulgent very expressive in nature with a positive attitude
BRAZIL
Highly entrepreneurial. They are willing to accept risk, work outside the rules and embrace change
Very pragmatic culture, that shows ability to adapt to traditions and changed conditions. Take a much long-term perspective.
Restrained Do not put much emphasis on leisure time. They abide by the social norms.
CHINA
very low-level uncertainty avoidance, which indicates a more entrepreneurial approach.
Companies focus on long-term investments pertaining to perseverance, sustained efforts, slow results. Singapore is one of the five dragons, with an immense economic success
Intermediate. Both indulgent and restrained according to situations
SINGAPORE
More innovative and deviation from normal is acceptable
normative culture that focuses on achieving quicker results
Intermediate. Both indulgent and restrained according to situations
MALAYSIA

The following assumptions must consider the cultural differences among employees when making business decisions.

5.

Assumptions	Sub Assumptions	Methodology	Data	Data Source(s)	Ethical Issues
H1	H11	Cost estimation, stock market analysis, analysing liabilities	market share data of AutoSynth, free cash flow of SparkSwift	Financial Statements	None
	H12	Benchmarking with driver analysis and forecasting	Historic Data	Annual Reports	Disclosure Concerns
H2	H21	Team and Service analysis	Surveying team and knowledge sharing	Data privacy documents/ asset management system	Privacy breach
	H22	Results and inferences from feedback analysis	Questionnaire	Survey	Trust issues
	H23	Behaviour analysis	Surveys	Human Resources database	Confidentiality breach
	H24	Historical analysis of project timeline	Project requirements, execution data	Project specific data	Confidentiality breach
H3	H31	Assessing the performance of employees	Qualifications of employees, Areas of expertise, Experience	CVs/ Interviews	Privacy concerns, data leakage

	H32	Analysing employee needs and performance	Data on employee reviews and performance	Surveys/ Video Interviews	None
	H33	Benchmarking, Performance analysis	Industry benchmarks	Public domain/ Knowledge MS	Privacy breach, data sharing issues
	H34	Team analysis	Records of incidents	Previous incidents maintained by HR	Discrimination of any kind
	H35	Team analysis	Cultural fit questionnaire	Surveys/ Observations	None
H4	H41	Supply chain analysis	Historic and current affairs	Public domain/ government regulations data	None
	H42	PESTLE analysis (PESTLE ANALYSIS, 2022)	Sanctions regulations and PESTLE reports	Public domain / knowledge MS	None
	H43	Analysing cost of improvising withavailable budget, Balance sheet analysis	Acquisition cost of resources	Market analysis	Misappropriate data
	H44	Analysis of historical data	Trade sanctions list,	Public domain	None

			financial sanctions regulations		
	H45	Service analysis of current production facilities	Simulations of new setup, data of current facilities	Industry expert's knowledge, Internal database	Confidentiality breach
	H46	Compare current capacity and demand with forecast demand, Geo-spatial analysis	Past production sales, production capacity, forecasts	Market and geo-location GDP analysis	Privacy concerns
H5	H51	Benchmarking, value proposition canvas, Value questionnaire	Previous sales data, recent public trends, and growth in market, market volume	Surveys on lead's requirements	Misusing customer sales data
	H52	Benchmarking w.r.t. environmental impact of previous releases, Geospatial analysis	Data of carbon and greenhouse gas emission rates of non-EV vehicles	Knowledge base/ Scientific Research	None
	H53	Field and Market research	Previous years strategy of implementation	Observation/ Public domain	Privacy breach

H6	H61	Benchmarking own vehicles w.r.t competitors	All internal project related data	Industry expert consultations	Confidentiality breach
	H62	Market analysis of competitor's technical capabilities, Comparison with patented technology	Data on technologies of competitors	Public patents, Observation	Privacy Breach
	H63	Risk analysis, forecasting risks associated to development of capabilities, expert analysis	Points of failure, adjustment plans to realign to desired timeline	Supplier data/ consultants to provide forecasts	Privacy breach
	H64	Implementation of exhaustive reconfiguration plans	Data on machinery capabilities and setup process	Asset management database	Data leakage

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4. Geert Hofstede, Gert Jan Hofstede and Minkov, M. (2010). *Cultures and organizations : software of the mind : intercultural cooperation and its importance for survival*. New York ; London: Mcgraw-Hill.

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