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SM4022 –Globalisation, Innovation and Sustainability

1.Introduction

The company Northern Motor Corp will set up their manufacturing unit and design cars in competition with the other automobile companies. The assignment is tailored to support the theoretical knowledge of establishing and running a business competing for market share. It will be obtained with the application of simulation software which delivers results reflecting the impact of decisions on the performance in each year.

1.1 Strategic objectives

	<u>Objective</u>	<u>Indicator</u>
Specific	To increase the market share by 1.5 b% for medium cars	
Measurable	To ascertain the progress of market share by 1.2% for model of large car by round 4	
Achievable	To reduce the employee turnover in the fourth round by increasing satisfaction among the employees.	
Realistic	To attain 15% enhance in the funds of shareholder at the end of round 4	
Time bound	Round 4 business	

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Table 1 : Objectives

1.2 Forecast for Round 4 (KPI)

	“Round 1”	“Round 2”	“Round 3”	“Round 4”
Sales (units)	Echo - 61614 Guardian -28413	Echo-69174 Guardian- 32103 Echo Enzo- 39690	Echo- 68040 Guardian-36900 Echo Enzo- 68040	Echo - 94500 Guardian-45305 Enzo Echo- 94500
Unsold stock (Units)	Echo -0 Guardian-0	Echo -0 Guardian-0 Echo Enzo-0	Echo -0 Guardian-0 Echo Enzo-0	Echo -0 Guardian-0 Echo Enzo-0
Sales revenue for the company	£ 2707.51	£ 4615.65	£ 6030.19	£ 8384.25
Profit after tax	£ 120.03	£ 684.04	£ 1130.05	£ 1249.63
Bank balance	500	1773.96	2715.54	3352.10
Outstanding loan	£ 700	£ 700	£ 886	£ 950
Shareholder funds	£ 620.03	£ 1304.08	£ 2434.12	£ 3683.75

1.3 Critical evaluation of key performance measures

The word **cost leadership** explains in what way a company positioned themselves in a competition by giving the products and delivering a specific product (Kubai *et al.*, 2021). In order to remain

highly competitive the management is trying hard to decrease the costs at each and every level. It makes the management decrease costs in each and every step. It is very complicated to incorporate the strategy.

By developing differentiation strategies it will assist the business to enhance the competitive advantage by giving clients with effective products and services which are exclusive and rare as provided by competitors (Frey *et al.*, 2019). A “differentiation strategy” is primarily focused to enhance competitive advantage.

On the basis of four rounds, North East Motor Corp has incorporated a differentiation strategy to attain the competitive advantage in the market. The company had launched Model Enzo, Model Guardian and Enzo Echo with various features and targeting different age groups.

2. Company Performance Evaluation

2.1.1 Round 1

2.1.2 Comparison Table

“Factors”	“Model type”	“Planned Result”	“Actual Result”	“Variation”
Production (units)	Medium	Echo - 61614	Echo - 61614	Echo -0
	Luxury	Guardian - 28413	Guardian -28413	Guardian- 0
Sales (units)	Medium	Echo - 61614	Echo - 61614	Echo - 0
	Luxury	Guardian - 28413	Guardian -28413	Guardian -0
Unsold stock (Units)	Medium	Echo - 0	Echo - 61614	Echo - 0
		Guardian -0	Guardian -28413	Guardian -00

	Luxury			
Sales revenue for the company			£ 2707.51	£ 0
Profit after tax			£ 120.03	£0
Bank balance			£ 500	0
Outstanding loan			£ 700	0
Shareholder funds			£ 620.03	0

¹
Table : Round 1 Performance

2.1.3: Analysis of Link strategy, ACtion and Outcome

The evaluation of first round the strategy utilised by the *North East Motor Corp* on the abscess of investment and attracting clients in various age groups “low cost strategy” (Waluya *et al.*, 2020). The age group ranging 25 -40 were targeted for the medium affordable car (Enzo) and luxury car (Guardian) for the age group of 41-55 due to 5.85 % market share of it. The cars were manufactured to enter the European car industry. The implementation of this strategy has supported the company to manufacture the planned units of models in both the segments and follow the demands of the market (Kusumawati and Rahayu, 2020). The actual number of cars produced by Enzo and Guardian is 61614 and 28413 cars in the first year. This has given the company increased revenue of £ 4615.65 and net profit deducting tax is £ 684.04.

¹ **2.2.1 Round 2**

2.2.2 Comparison Table

“Factors”	“Model type”	“Planned Result”	“Actual Result”	“Variation”
Production (units)	Medium	Echo-69174 Guardian- 32103	Echo-69174 Guardian- 32103	Echo-0 Guardian- 0
	Luxury	Echo Enzo- 39690	Echo Enzo- 39690	Echo Enzo-0
	Large			
Sales (units)	Medium	Echo-69174 Guardian- 32103	Echo-69174 Guardian- 32103	Echo-0 Guardian- 0
	Luxury	Echo Enzo- 39690	Echo Enzo- 39690	Echo Enzo-0
	Large			
Unsold stock (Units)	Medium	Echo-0 Guardian- 0	Echo-69174 Guardian- 32103	Echo-0 Guardian-0
	Luxury	Echo Enzo-0	Echo Enzo- 39690	Echo Enzo-0
	Large			
Sales revenue for the company			£ 4615.65	No
Profit after tax			£ 684.04	0
Bank balance			1773.96	0
Outstanding loan			£ 700	0
Shareholder funds			£ 1304.08	0

1
Table : Round 2 Performance

2.2.3 Analysis of Link Strategy, Action and Outcome

As per this round it has been identified that *North East Motor Corp* has effectively a differentiation strategy by the utilisation of incorporating inventive ways for launching models of Enzo (Rinallo and Pitardi, 2019). The model belongs to medium cars and they are targeted to the age group of 25- 40.the number of cars produced echo is 69174, Guardian is 32103, Ech0 Enzo is 39690. As per the examination of the given table it has been revealed that the sales of cars were more than the first year. In addition the company has introduced large Enzo Echo cars. The sales revenue in Round 2 is £ 4615.65 and the profit after tax is £ 668.04.

1 **2.3.1 Round 3**

2.3.2 Comparison Table

“Factors”	“Model type”	“Planned Result”	“Actual Result”	“Variation”
Production (units)	Medium	Echo- 68040	Echo- 68040	Echo-0
		Guardian-36900	Guardian-36900	Guardian- 0
	Luxury	Enzo Echo- 68040	Enzo Echo- 68040	Echo Enzo-0
Sales (units)	Medium	Echo- 68040	Echo- 68040	Echo-0
		Guardian-36900	Guardian-36900	Guardian- 0
	Luxury Large	Enzo Echo- 68040	Enzo Echo- 68040	Echo Enzo-0

Unsold stock (Units)	Medium Luxury Large	Echo-0 Guardian- 0 Echo Enzo-0	Echo-0 Guardian- 0 Echo Enzo-0	Echo-0 Guardian- 0 Echo Enzo-0
Sales revenue for the company			£ 6030.19	0
Profit after tax			£ 1130.05	£ 0
Bank balance			£ 2715.54	£ 0
Outstanding plan			£ 886	£ 0
Shareholder funds			£ 2434.12	£ 0

¹
Table : Round 3 Performance

2.3.3 Analysis of Link Strategy, Action and Outcome

From the third round, it has been identified that *North East Motor Corp* has effectively a price based strategy by the utilisation of incorporating innovative techniques for launching models of Enzo Echo . The model price of an affordable car which was introduced in round 2 is now 33206. The model belongs to medium cars and they are targeted to the age group of 25- 40.the number of cars produced echo is 68040 , Guardian is 36900, Ech0 Enzo is 68040. The customers will be satisfied by their innovative models. The analysis of the above table it has been revealed that the sales of cars were more than the second year.. The sales revenue in Round 3 is £ 6030.19 which

is more than the second round. The profit after tax is £ 1130.05 which is much more than the previous round. The total shareholders funds is £ 2434.12. It has planned to invest £ 20 million in automation. It has announced the forthcoming new model.

1 2.4.1 Round 4

2.4.2 Comparison Table

“Factors”	“Model type”	“Planned Result”	“Actual Result”	“Variation”
Production (units)	Medium Luxury Large	Echo - 94500 Guardian-45305 Enzo Echo- 94500	Echo - 94500 Guardian-45305 Enzo Echo- 94500	Echo-0 Guardian- 0 Echo Enzo-0
Sales (units)	Medium Luxury Large	Echo - 94500 Guardian-45305 Enzo Echo- 94500	Echo - 94500 Guardian-45305 Enzo Echo- 94500	Echo-0 Guardian- 0 Echo Enzo-0
Unsold stock (Units)	Medium Luxury Large	Echo-0 Guardian- 0 Echo Enzo-0	Echo-0 Guardian- 0 Echo Enzo-0	Echo-0 Guardian- 0 Echo Enzo-0
Sales revenue for the company			£ 8384.25	134.25
Profit after tax			£ 1249.63	£ 0
Bank balance			£ 3352.10	£ 0
Outstanding plan			£ 950	£ 50

Shareholder funds		£ 3683.75	£ 0
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Table : Round 4 Performance

2.4. 3Analysis of Link Strategy, Action and Outcome

As per the analysis of round 4, it has been outlined *North East Motor Corp* the car units produced for Echo is 94500, Guardian is 45305 and Enzo Echo is 94500. The model price The unsold stock units in Round 4 is 0. The maximum number of cars sold in Round 4 is The sales revenue in Round 4 is £ 8384.25. The profits after tax is £ 1249.63. The total shareholders plan is £ 3683.75. It has increased the production of Enzo Echo(Sector 6) by 38%.

2.5: Trend analysis of KPI over 4 rounds

KPIs	Analysis
Production	As per the study of round 4 results, the North East Motor Corp manufactures three models Echo, Guardian and Echo Enzo. However in round 1, the model Echo produced 94500 car units, Guardian-45305 Enzo Echo- 94500 car units. The company has increased the production performance at the end of each year.
Sales	The sales of the Round 1 and Round 2 were £ 2707.51 and £ 4615.65 respectively. The “sales revenue” of Round 3 and Round 4 are £ 6030.19

	and £ 8384.25. In the case it has been found out the sales revenue at Round 4 have increased.
Unsold stock	On the basis of evaluation it has been found out that the company has maintained 0 unsold stocks in Round 3 and Round 4 even in Round 1 and Round 2. Hence, it is observed that the company is capable of making sales of the product.
Profit after tax	As per evaluation, the profit after tax in Round 1 it is £ 120.03, Round 2 is £ 684.04, Round 3 is £ 1130.05 and Round 4 is £ 1249.63
Loan	The company took a loan of £ 700 in Round 1 and in Round 4 the unsettled was £ 950. From the study it has been found the company enhanced performances of the company.
Strike days	The no of strike days in Round 1 were 2 whereas the strike days in Round 2 were 1. The strike days in Round 3 is 8 whereas the strike days in Round 4 were 2.

Table : Trend Analysis

Shareholder funds

	“Round 1”	“Round 2”	“Round 3”	“Round 4”
Shareholders funds	£ 620.03	£ 1304.08	£ 2434.12	£ 3683.75

	“Round 1”	“Round 2”	“Round 3”	“Round 4”
Profit after tax	£ 120.03	£ 684.04	£ 1130.05	£ 1249.63

2.6 Reflection on decision making (HRM)

The role of Human Resource Management (HRM) is crucial while reaching the needs of the employees. In round 3 and round 4 the strike days of the employees are 8 and 3 . The HRM plays a crucial role in improving the performance of the employees (Alsafadi and Altahat, 2021)

Gibbs Reflective Cycle

On the decisions I have recognised that the operative strategies of the company will play a significant role for enhancing the productivity and sales volumes in the target market. In addition, it has been outlined that *North East Motocorp* adopted various kinds of marketing tactics in association with “price based strategy”. The company enhances the performance in the challenging market with the utilisation of “market based strategies” which are emphasised on innovation and product prices. The car production was enhanced in each round which evaluated the growth line of the company. . Training and development have provided enough support to the employees (Basalamah and As’ad, 2021)

While calculating investment, it has been established that the loan amount increased in each year and the shareholders funds also enhanced slowly from round 1 to round 4. The strikes were reduced from 2 to 1 in Round 2. The number of strike days increased to 8 in Round 3. Again the strike days were reduced to 2 in round 4.

3. Evaluation of self and Team Working

3.1 Tuckman’s Framework

The model of Tuckman proposes that as a team becomes more capable and mature, relationships are created and leadership philosophies change, resulting in more cooperative or shared leadership (Solomon, 2020). Teams are supposed to go through five stages of development before beginning

a project: "shaping", "raging", "norming", "performing," and "dismissing." ¹ These phases seem to start after the first group meeting and last until the project is complete, according to Jones (2019). As a result, the model will enable workers to work more productively, which will result in more innovative and effective sales-boosting techniques. It will also help to manage group dynamics and foster a positive workplace culture built on respect, integrity, and trust. Additionally, workers will be able to communicate better, have greater chances of succeeding, and be more productive as they develop novel approaches throughout the stages (Kuvshnikov, 2022). ¹ Since they will be able to benefit from each other's experience and knowledge, the entire group ¹ will be able to grow and learn as a result of the application of this model. The company's internal communications will be more effective thanks to this concept. Due to these benefits, the business will be able to expand further, which will boost its brand awareness, financial stability, and competitive advantages.

4. Conclusion

On the basis of all the information above the report, it is noticed ¹ that the "net profit" of the company has significantly improved from Round 2 to round 3 and consecutively. The strategies like differentiation, cost leadership and price based leadership have assisted the company to gather the results to gather the competitive advantage. The HRM experienced certain difficulties in Round 3 with strike days which eventually reduced in Round 4 with training and development. The employees have lowered the strike days in Round 4.

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