

**Project Four: Press Release**

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BUS 225: Critical Business Skills for Success

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August 16, 2023

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### FROM HIGHWAYS TO PARKWAYS

Manufacturing company sees the green in grass and starts making engines for lawnmowers. As the new car industry is plateauing in revenues, the company made a bold strategy to diversify and promote sales and innovation by entering the landscaping industry. This strategy has the potential to triple current profits, taking advantage of its current standing in engine manufacturing for an accessible entry into the new market.

As this company strives to push strategies of innovation and value attribution to its customers, they felt that it was the appropriate next move. The global gardening equipment market was valued at 88.10 billion in 2022, along with a 6% annual growth rate compared to the current industry's 2% growth.(grandviewresearch.com,2023; ibisworld-com,2023) As this company already maintains facilities in engine manufacturing, diversifying into another engine-centric industry ensured this strategy optimized existing resources.

As the new car market witnesses fewer sales and growing customer demands for electric vehicles, this propelled ten of the largest EV companies, such as Mercedes and GM, to invest 17 billion dollars to promote these offerings.(osvehicle.com). This transition is very costly for manufacturers, as materials such as lithium-ion for these batteries are more costly than steel and aluminum for ICE (Internal Combustion Engine) construction; in 2020 alone, there was a 144% increase in some of these materials.(osvehicle.com) In an attempt to adhere to these growing new vehicle trends, this would push both the company and our end consumers to pay extensively for the new technologies.

With the landscaping industry growing at a 6.4% rate each year compared to a current 2% growth in the existing industry, sales performance can be expected at the end of the first year. With this company constructing engines for third-party automobile companies, its new engines will be offered to its customer through the same third-party offerings. This means that landscaping and gardening equipment such as John Deere, Husqvarna, and Toro can purchase our engines for their machinery and outsource this cost to us. With the current and future trends of landscaping equipment staying consistent with ICE demands, the company is safeguarded from potential urges for electrification seen previously.

Within the execution of this plan, both the company and community reap the benefits of its implementation. As new car sales continue to plateau, this impacts shareholders and employees as the company's consistent revenues can not ensure raises or cost of living adjustments for inflation. With the introduction of this strategy, the company can increase profits to promote future innovation, along with ensuring that workers are paid competitively and able to live comfortably. As for the community, our products utilize the same engine manufacturing facilities, allowing the company to use its existing industry experience to provide cutting-edge performance at fair prices. As most landscapers prefer gas engines due to costs, the company

can ensure that these demands are met and allow customers to purchase high-quality motors to withstand the harsh demands of the trade.( timesofsandiego.com,2021)

To summarize, this company has made the decision to diversify into the landscaping equipment industry due to the growing pressures of electrification and plateauing sales in the new car market. With this strategy, the company can provide robust engines to landscaping companies and respond to their consistent demands for ICE for an affordable price. The more than triple times growth rate of this new market will allow the company to continuously pay its workers fairly and witness new profits, visualizing sales performance of these new offerings after as little as a year.

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