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1. Introduction

The Auto Manufacturing Business Simulation offered a dynamic platform to navigate the complexities of managing a global automobile manufacturer. Our team was challenged to make strategic decisions across Operations, Marketing, HR, Innovation, and Finance in a highly competitive automotive industry, especially during significant transformations like the shift toward Electric Vehicles and increased emphasis on sustainability. Our mission was to achieve immediate business success while positioning our company as a future leader in transportation.

Our ambitious vision aimed to make the company a sustainable, diverse auto manufacturer with the highest market share, particularly in Asia, a region with immense growth potential. We set three core objectives: (1) aggressively expand our market share in Asia by addressing the demand for innovative, affordable vehicles; (2) invest heavily in developing and producing electric vehicles, aligning with global sustainability trends and the shift to cleaner energy solutions; and (3) maintain financial stability by managing our debt-to-equity ratio to ensure long-term financial health.

Throughout the simulation, we faced challenges in balancing short-term operations with long-term goals. We carefully allocated resources between innovation and production, scaled operations to meet global demand, and ensured our financial strategies supported aggressive growth while minimizing risks. Each decision had to be meticulously considered for its impact on production capabilities, market position, and overall financial performance.

This assignment reviews our company's performance in the simulation, focusing on the strategic approach and critical business functions—Finance and Operations.

2. Review of Strategy

As Sun Tzu (1910) wisely noted, “Tactics without strategy is noise before defeat”. A well-defined strategy is the backbone of any successful organization. It sets the long-term direction, establishes a sustainable competitive advantage, and aligns the organization’s resources and capabilities with the changing dynamics of the external and internal business environment. Henry Mintzberg emphasizes that “Strategy is not the consequence of planning, but the opposite: its starting point” (Mintzberg, 1994).

Our team performed well in developing a comprehensive strategy based on our ambitions and objectives, that focused on market expansion, product diversification, and innovation investments. We utilized strategic frameworks like SWOT analysis and Porter's Five Forces to inform our approach. Strategy nowadays is not merely about financial profit; it's about creating value that endures over time, embracing the 3Ps: People, Planet, and Prosperity.

2.1 Analysis of Strategy

The first step was to thoroughly analyse both the internal and external environments of our organization.

The SWOT analysis revealed several strengths that we could capitalize on, such as our popular vehicle lines and excellent employee relations. These strengths provided a solid foundation for productivity and growth. However, we also identified weaknesses, including an exclusively conventional vehicle portfolio and three vehicle lines with inventory exceeding 60 days. Addressing these weaknesses was crucial for maintaining operational efficiency and market relevance. Opportunities abounded in the burgeoning field of Electric Vehicles. The market was increasingly receptive to electric vehicles, and green investments presented viable financing options. Additionally, the stock market's positive reception to share issuance offered a pathway to raise capital for expansion and innovation. However, threats such as rising competition in the EV market, volatile raw material costs, and stringent government regulations posed significant challenges. (IndustryMasters Ltd, 2024).

Porter's Five Forces analysis provided further context by examining the competitive intensity and market dynamics. The threat of new entrants and substitutes, bargaining power of suppliers and buyers, and industry rivalry influenced our strategic focus on **differentiation and cost leadership**.

- Bargaining Power of Suppliers: The specialized nature of EV components, such as batteries and advanced electronics, means that our suppliers hold considerable power.

To mitigate this, we are exploring long-term contracts and strategic partnerships with suppliers.

- Threat of New Entrants: The capital-intensive nature of the automotive industry poses a moderate barrier to new entrants. However, the growing interest in the EV market has attracted new players. While these entrants bring fresh competition, our established market presence and brand loyalty would provide a buffer against this threat.
- Competitive Rivalry: The level of competitive rivalry in the EV market is substantial. Major automotive companies are investing heavily in EV technology and expanding their product lines. To maintain our competitive edge, we plan to focus on differentiation through sustainable innovation. This includes offering continuous improvements in vehicle performance and user experience.

By leveraging our strengths, addressing our weaknesses, capitalizing on opportunities, and mitigating threats, we aimed to solidify our position as a leader in the EV market and drive sustainable growth.

2.2 Development of Strategy

With the insights gained from the analysis, the next step was to develop a clear vision and set strategic objectives. This stage involved making critical decisions on what the organization will focus on and, equally importantly, what it will not. As the saying goes, “Strategy is figuring out what not to do” (Porter, 1996). For instance, companies must resist the temptation to over-expand into markets where they lack expertise or to chase short-term profits at the expense of long-term sustainability (Porter, 1985). Historical examples, such as Kodak’s failure to embrace digital photography, underscore the dangers of ignoring disruptive innovations (Lucas and Goh, 2009). In our strategy, we aimed to be cautious not to dilute our brand by over-diversifying or to ignore the importance of agile adaptation to changing market conditions.

Our vision was to transform the company into a sustainable and diverse auto manufacturer with the highest market share across all regions. Strategic objectives included revenue growth, increased market share, and leadership in Electric Vehicles. These objectives guided our initiatives in innovation, operations, and financial management, ensuring alignment with our long-term vision.

Strategic Objectives for each Business Function:

- **Financial Objectives:**

- Increase net revenue by 5% per year
- Maintain a debt ratio within 50%
- Achieve an EBIT margin of 30% by the end of year six

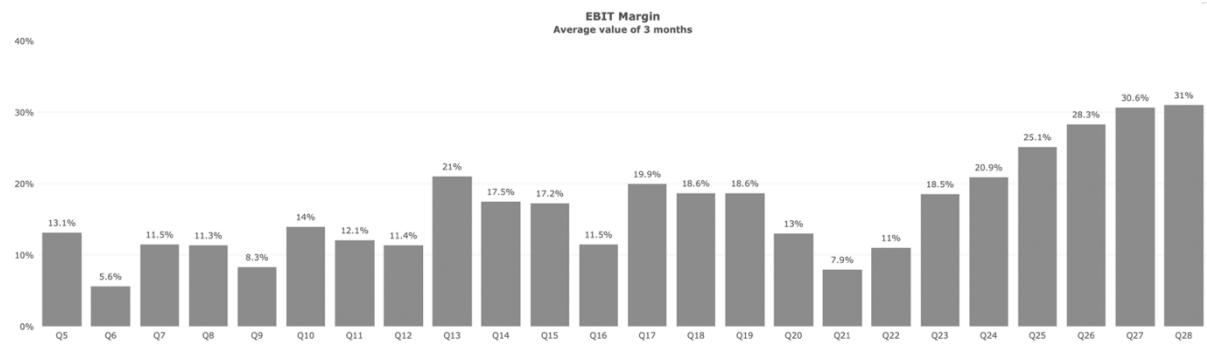


Figure 1

- **Marketing Objectives:**

- Increase market share in the Americas, Europe, and Asia
- Increase customer satisfaction by 20% over the period of year six

- **Innovation Objectives:**

- Increase investments in e-mobility projects by 10% per year
- Achieve a complete shift from conventional to e-cars by the end of year six

- **Operations Objectives:**

- Improve factory utilization and achieve ISO certification for sustainability

- **HR Objectives:**

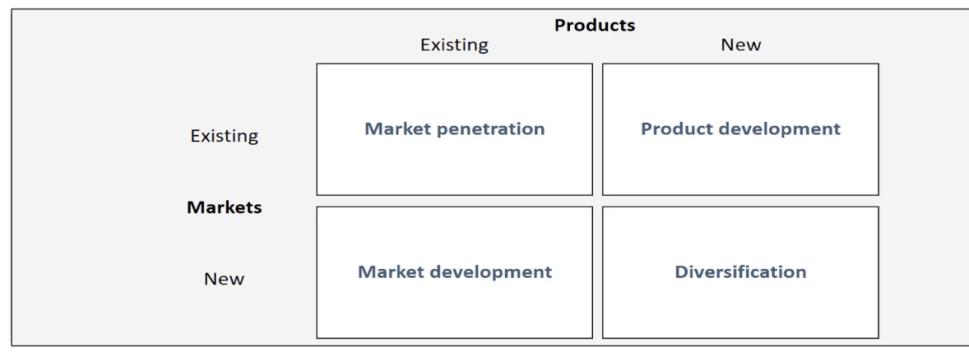
- Increase employee satisfaction to 95%.
- Enhance diversity by 8% over the period of year six

2.3 Execution of Strategy

Execution involves translating strategic plans into concrete actions. This requires not only implementing changes but also ensuring that all functions are aligned with the strategic objectives. The Ansoff Matrix, a strategic tool used to identify and assess growth opportunities, provides a clear framework for understanding how our strategic initiatives align with different growth strategies.

Strategy Development

Strategic Directions for Growth | Ansoff Matrix



Source: Ansoff (1988)

Figure 2

The implementation of our strategy involved specific initiatives designed to achieve our strategic objectives. These initiatives encompassed market penetration, product development, and substantial investments in innovation.

Market Penetration: We tailored our marketing strategies to different regions, focusing on increasing market share in the Americas, Europe, and Asia. This involved pricing adjustments, and enhanced customer engagement. By aligning our marketing efforts with regional preferences and market dynamics, we aimed to maximize our reach and impact.



Figure 3

Product Development: Introducing new EV models and enhancing existing lines with electric options was crucial to align with the industry's shift towards sustainability. This diversification strategy was intended to cater to a broader range of customer preferences, capturing market segments that were increasingly inclined towards environmentally friendly vehicles.

Product	Manufacturer	Type	Sales	Price
Rocket	Storm	SUV Electric Class	21,129	\$69,018.91
Tarzan	Storm	Convertible Electric Class	25,392	\$59,519.97
Phoenix	Storm	Executive Electric Class	33,551	\$42,841.88
Civic	Storm	Compact Electric Class	30,979	\$41,998.71
Zeus	Storm	Compact Electric Class	34,793	\$34,429.91
Xephyr 2.0	Storm	Convertible Electric Class	16,688	\$53,732.29
nano	Storm	Micro Electric	35,033	\$26,086.39

Figure 4

Innovation Investments: Significant resources were allocated to e-mobility projects and technological advancements. This included investments in Autonomous Driving, Connectivity, and Electrification. By staying at the forefront of technological innovation, we aimed to position ourselves as leaders in future mobility solutions, thereby attracting a premium market segment.

Invest in Electrification

E-Drive Modules

Implementation Time 8 Business Quarters
Investment \$600M

Home Charging Stations

Implementation Time 2 Business Quarters
Investment \$300M

High Power Charging (HPC)

Implementation Time 2 Business Quarters
Investment \$200M

Figure 5

Invest in Connectivity

Connectivity Technology

Implementation Time 1 Quarter
Investment \$250M

Infotainment Services

Implementation Time 2 Business Quarters
Investment \$160M

Big Data

Implementation Time 2 Business Quarters
Investment \$150M

Cross-Platform Technology

Implementation Time 2 Business Quarters
Investment \$200M

Figure 6

2.4 Control of Strategy

The final stage was about monitoring the strategy's implementation and its outcomes. This involves evaluating the set objectives and KPIs (Key Performance Indicators). Drucker, P. (n.d.) pointed out, **"Culture eats strategy for breakfast,"** emphasizing the importance of aligning strategy with organizational culture to ensure successful execution.

The insights gained from the Balanced Scorecard allowed us to make strategic adjustments to address emerging challenges and capitalize on new opportunities. For example, by monitoring financial and customer KPIs, we were able to fine-tune our pricing strategies and marketing spend in response to competitive pressures and changing market conditions. Similarly, operational KPIs guided us in adjusting optimize production processes and manage inventory levels effectively.

Specific Actions Taken:

- **Product Development:** The Balanced Scorecard highlighted the importance of product innovation in our learning and growth perspective. This drove the development of new electric models and the enhancement of existing lines with electric options, ensuring our product offerings remained competitive.
- **Technological Investments:** Financial and growth KPIs justified significant resource allocation to R&D, particularly in areas such as Autonomous Driving and Electrification, as these investments were seen as critical to maintaining our technological edge.
- **Maximizing Profit Contribution:** By analysing financial KPIs within the Balanced Scorecard framework, we made informed strategic decisions regarding pricing, cost management, and volume to optimize our EBIT margins and ensure sustainable profitability.

Challenges Faced:

- **Regional Differences:** The customer perspective of the Balanced Scorecard highlighted the need to adapt our strategies to varying consumer preferences across regions. This necessitated continuous adjustment of our marketing and operational strategies.
- **Production Capacity Management:** Internal process KPIs helped us navigate the challenges of balancing production capacity with demand for new models, ensuring that we met market needs without overextending resources.
- **Rapid Technological Advancements:** The learning and growth perspective underscored the importance of staying ahead in a rapidly changing industry. The Balanced Scorecard's emphasis on innovation and employee development ensured that we remained agile and responsive to technological changes.

In summary, the Balanced Scorecard approach enabled us to maintain a holistic view of our performance, ensuring that we remained focused on our long-term vision while adapting to the dynamic market environment. This continuous feedback loop allowed us to refine our strategies, enhance our overall performance, and effectively manage the challenges we faced.

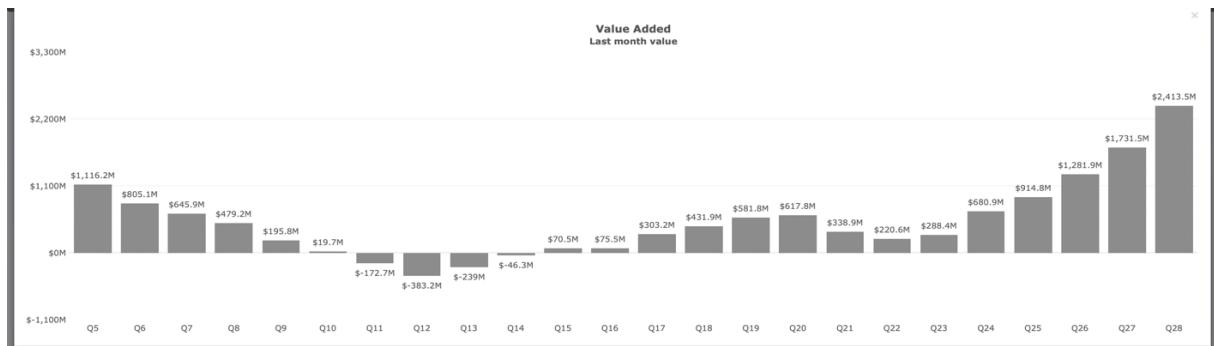


Figure 7

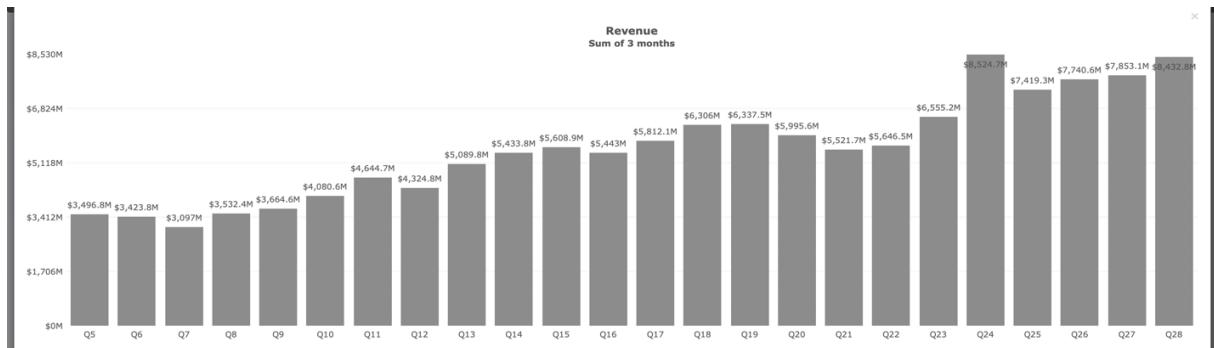


Figure 8

3. Review of Business Function 1: Finance

The finance team's decisions had a profound impact on the company's financial stability, growth opportunities, and long-term strategic positioning. Below is a detailed analysis of key responsibilities of finance department and their effects on the company and challenges faced by them.

The financial decisions made by the finance team — issuing bonds, taking and redeeming loans, and managing credit ratings, played a critical role in the company's financial trajectory. These decisions required a delicate balance between capitalizing on growth opportunities and managing financial risks. The finance team's strategic approach supported the company's transition to electric vehicles, expansion in key markets, and maintenance of financial stability, positioning the company for long-term success.

Role of The Financial Manager

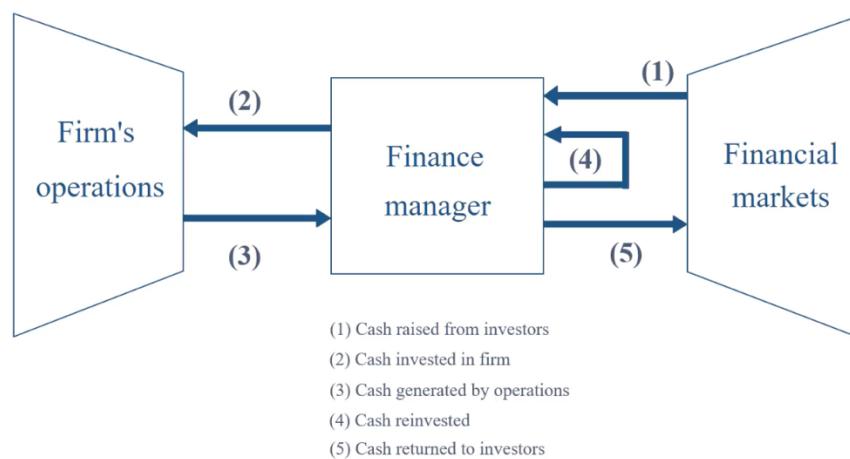


Figure 9

3.1 Key Roles and Decisions of Finance

1. Issuing Green Bonds

Decision: The finance team opted to issue green bonds to finance operations, leveraging the low interest rate of 3%, which is more favourable than traditional bank loans.

Impact on the Company:

- **Capital Generation:** The issuance of green bonds provided substantial capital, enabling strategic initiatives such as market expansion and investment in electric vehicles without diluting ownership. The credit limit for this subsidised financing increased with each investment in green projects, offering additional funding opportunities in subsequent quarters.
- **Fixed Interest Obligations:** Committing to fixed interest payments, as required by the green bonds, increased the company's financial risk, particularly if revenue growth did not meet expectations.

- **Increased Leverage:** While the increased leverage from issuing bonds could potentially amplify returns, it also heightened financial risk, especially in unfavourable market conditions.
- **Debt Ratio Improvement:** The decision to issue bonds, despite increasing leverage, was strategically aimed at enhancing the company's debt ratio over time.

Rationale: Green bonds are specifically earmarked for financing climate and environmental projects, offering a subsidized financing option that is more affordable than conventional bank loans. This decision aligns with capital structure theories, particularly Modigliani and Miller's theory, which suggests that firms can optimize their value by leveraging debt due to the tax-deductibility of interest. The company likely issued bonds to benefit from these tax advantages while avoiding ownership dilution (Modigliani & Miller, 1958).

2. Taking Loans or Diluting shares

Decision: The finance team also chose to take substantial loans, including \$3,838 million in Quarter 9 and \$1,550 million in Quarter 25, rather than diluting shares.

Impact on the Company:

- **Immediate Liquidity:** These loans provided essential liquidity for operations and strategic investments like factory expansions.
- **Increased Debt Burden:** The loans added to the company's debt load, increasing interest costs and financial risk.
- **Credit Rating Pressure:** High borrowing levels contributed to a credit rating downgrade to BB+ in some quarters, making future borrowing more expensive.

Rationale: This decision reflects the pecking order theory, which suggests that companies prioritize funding from internal sources, then debt, and lastly equity (Myers, 1984). By choosing debt over equity, the company aimed to maintain control while benefiting from potentially favourable interest rates.

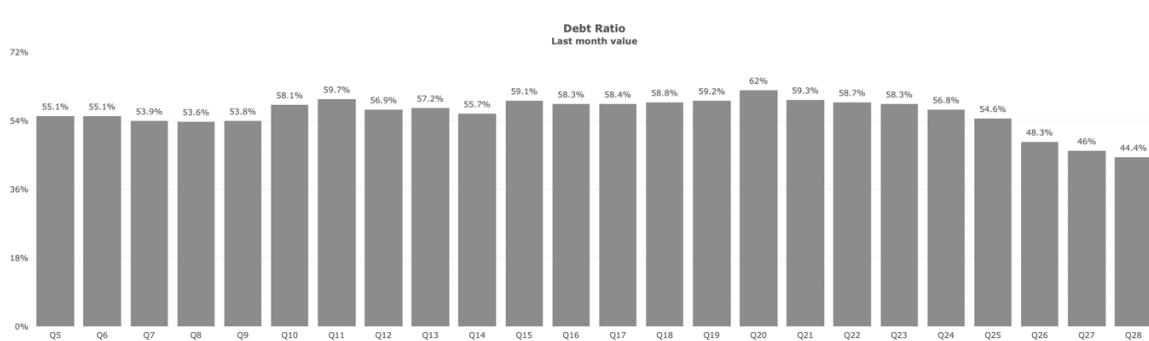


Figure 10

3. Customer Credit and Supplier Payment Terms Adjustments

Decision: The company adjusted customer credit and supplier payment terms strategically, extending them to 40 days or shortening them to 15 days, with a default of 30 days. This decision directly impacted the company's cash flow and working capital management.

Impact on the Company:

- **Extended Customer Credit (40 Days):** These increased accounts receivable, elongating the cash conversion cycle (CCC) and potentially straining liquidity. While boosting customer satisfaction and sales, it tied up cash, as shown by the rising accounts receivable trend.
- **Extended Supplier Payment (40 Days):** Improved liquidity by retaining cash longer, as reflected in higher accounts payable. However, this could strain supplier relationships and risk losing early payment discounts.
- **Term Adjustments:** Longer terms signalled confidence in cash flow, suggesting robust financial health, while shorter terms indicated a focus on liquidity, signalling caution to the market.
- **Balanced Terms:** These adjustments aimed to optimize working capital, balancing liquidity needs with growth goals. This strategy minimized potential conflicts of interest, aligning management actions with shareholder interests.

Rationale: The rationale behind these adjustments is rooted in **Working Capital Management**, emphasizing the importance of managing accounts receivable and payable to maintain liquidity and profitability. Adjusting terms directly impacts the CCC, influencing how quickly investments are turned into cash (Gitman, 1974). Additionally, these changes serve as **market signals** of the company's financial strategy and health.

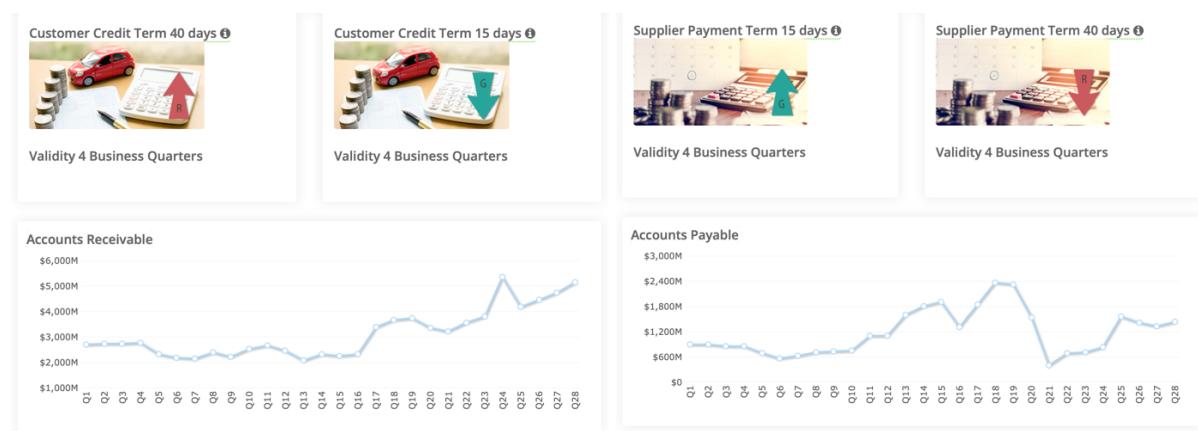


Figure 11

3.3 Challenges Faced

1. Managing Credit Ratings

The company's credit rating fluctuated, improving to an A by Quarter 28, but dropping to BB in other quarters which led to a significant increase in the interest on loans.

Impact on the Company:

- **Cost of Borrowing:** A higher credit rating allowed cheaper borrowing, while a lower rating increased borrowing costs and restricted capital access.
- **Investor Confidence:** A strong credit rating boosted investor confidence and potentially increased the company's stock price. Conversely, a lower rating could erode investor trust.
- **Strategic Flexibility:** Maintaining a strong credit rating provided the company with the flexibility to seize market opportunities with cheaper debt.

Rationale: Signalling theory explain the significance of credit ratings. Higher debt levels, leading to lower ratings, may increase agency problems and send negative signals to the market (Spence, 1973). By managing its credit rating, the company sought to maintain investor confidence and financial flexibility while pursuing growth.

2. Difficulty in managing new Investments and scaling of operations simultaneously

Investment decisions focused on scaling operations, new technologies, and market expansion.

Rationale: Investment appraisal methods like Net Present Value (NPV) and Internal Rate of Return (IRR) were used to evaluate these decisions. However, the need for substantial capital investment highlighted challenges in achieving economies of scale.

Outcome: While some investments were successful, others were hindered by market volatility and financial constraints, limiting the company's ability to achieve scale.

4. Review of Business Function 2: Operations

Operations team was responsible for critical tasks like determining production quantities, managing new factory developments, and optimizing efficiencies, they ensured that the company's strategies were executed effectively and efficiently. By collaborating closely with other departments, the operations team drives the firm's ability to meet market demands, manage resources, and ultimately achieve its business goals. Their focus on execution and efficiency makes them essential in turning strategic plans into tangible results.

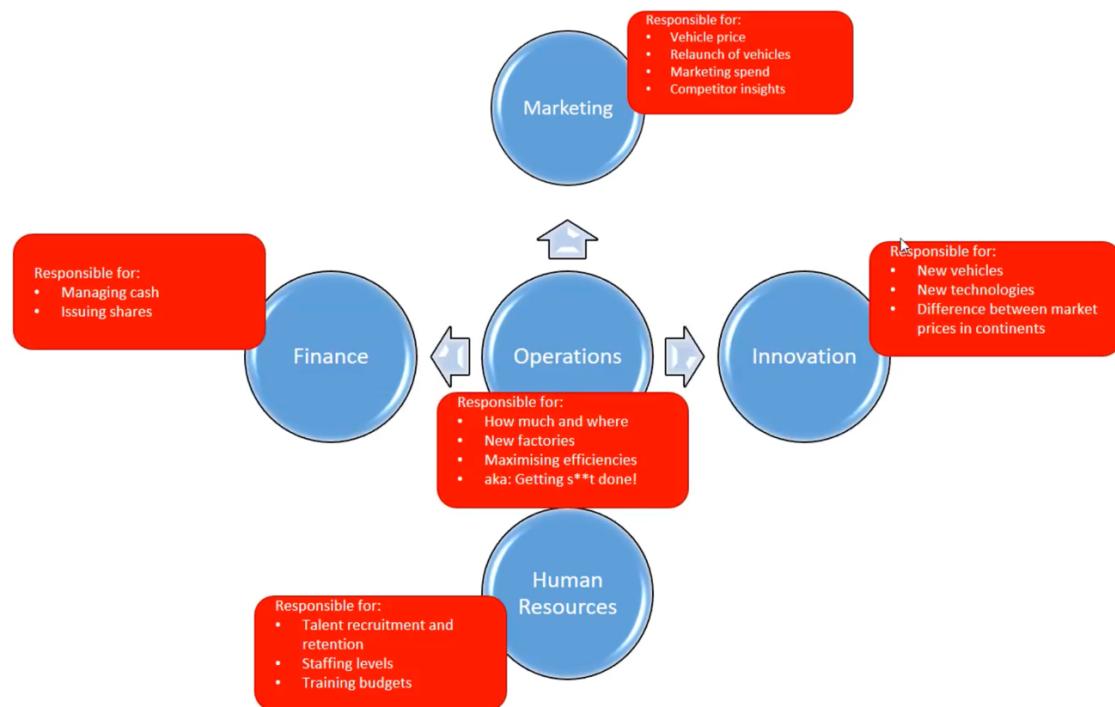


Figure 12

4.1 Key Roles and Decisions of Operations

1. Allocation and Switching of Production Factories Between Regions

The operations team made strategic decisions to shift the production of key products like Executive Electric Class, Convertible Electric Class, SUV Electric Class between different regions.

Rationale and Impact: These moves were aimed at optimizing operational costs by aligning production with regional advantages such as lower labour costs, favourable tariffs, or proximity to target markets. This strategy aligns with Porter's Generic Strategies, particularly cost leadership, where reducing costs enables competitive pricing (Porter, M. E. 1985). By relocating production closer to key markets like the USA, the company reduced transportation expenses, improved delivery times, and enhanced customer satisfaction. Overall, these decisions boosted operational efficiency, reduced costs, and strengthened the company's competitive position.

2. Interplay between Volume and Variety

The decision-making process strategically aligns with managing volume and variety in operations. Downsizing reflects a shift to higher variety, increasing complexity and costs, while expanding the production line indicates a move to higher volume, increasing efficiency and specialization.

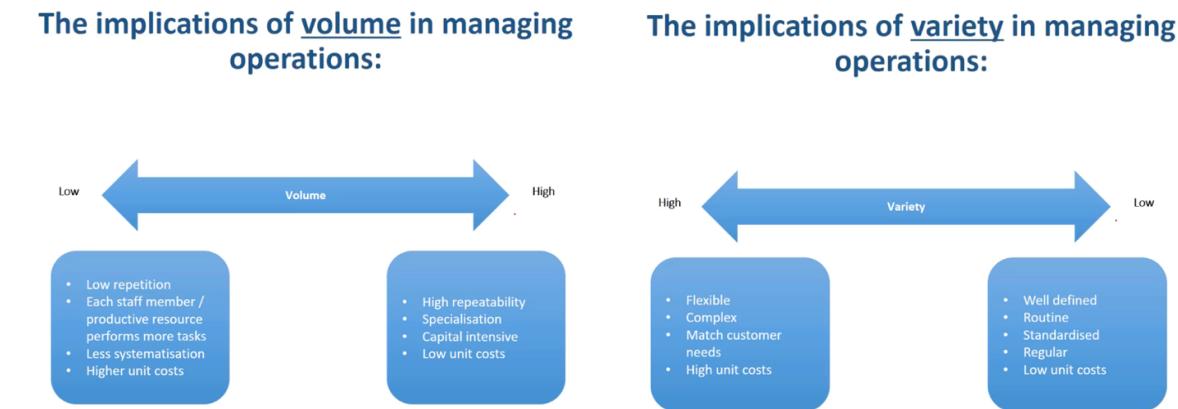


Figure 13

Rationale and Impact: These decisions were driven by market demand and product performance. Downsizing the production line was response to declining demand, while its expansion suggested a recovery or shift in market conditions. These actions reflect the Product Life Cycle (PLC) Theory, where production is adjusted according to a product's stage — introduction, growth, maturity, or decline. The impact was more efficient resource allocation, better alignment with market demand, and improved profitability by avoiding overproduction and minimising inventory costs.

3. Investments in Energy and Production

In Quarter 5, the operations team focused on improving energy efficiency, particularly regarding Scope 1 and Scope 2 emissions.

Scope 1 emissions are direct emissions from company-owned and controlled resources. In other words, emissions released to the atmosphere as a direct result of a set of activities, at a firm level. It is divided into four categories: stationary combustion (e.g fuels, heating sources). All fuels that produce GHG emissions must be included in scope 1.



 Water Consumption Reduction Implementation Time 2 Business Quarters Investment \$200M 	 Waste Reduction Implementation Time 2 Business Quarters Investment \$400M 	 ISO14001 / EMAS certificates Implementation Time 2 Business Quarters Investment \$500M
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Figure 14

Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider. In other words, all GHG emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling.

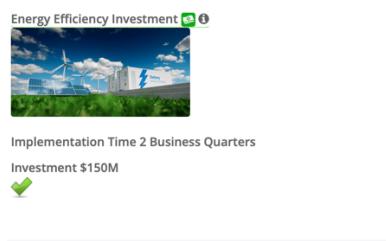


Figure 15

Rationale and Impact: This decision was both economically and environmentally motivated, aiming to reduce operational costs and meet increasing regulatory demands for sustainability. It aligns with the Triple Bottom Line (TBL) Theory, emphasizing the importance of environmental and social impacts alongside financial performance (Elkington, 1997). The investment likely led to lower energy costs, reduced carbon footprint, and enhanced the company's reputation for sustainability, attracting eco-conscious customers and investors.

4. Competitive Investments in New Factory Lines

The operations team focused on determining the optimal timing for opening new assembly lines and consolidating production of certain products in specific factories. During Quarter 10, the operations team expanded production capabilities and opened 4 new factory lines.

Rationale and Impact: These investments were driven by strong market demand and the need to maintain a competitive edge. Expanding production capacity allowed the company to meet higher demand and potentially achieve economies of scale, lowering per-unit costs and boosting profitability. This strategy reflects the Resource-Based View (RBV) of the Firm, which suggests that competitive advantage comes from developing and leveraging unique resources. The result was improved production efficiency, better market responsiveness, and a stronger competitive position.

4.2 Challenges Faced

1. Coordination between Innovations and Operations

The initial expansion efforts revealed critical challenges in coordinating innovations with operational execution. Although the company achieved notable improvements in production efficiency and cost management, the rapid scale-up led to unforeseen bottlenecks, particularly in the introduction of new models. These bottlenecks were primarily due to a lack of synchronization between the innovation and operations teams, which resulted in delays and inefficiencies.

Observed Results: While there were significant improvements in production efficiency and cost management, initial expansion efforts led to bottlenecks and delays in introducing new

models. Continuous process improvements and better coordination between the innovation and operations teams were necessary to address these challenges.

2. Balancing Unit Sales and Production Capacity

Balancing sales with production capacity was essential for operational efficiency. The Theory of Constraints (TOC) and Just-In-Time (JIT) production approaches guided these efforts. The team aimed to minimize waste, reduce holding costs, and ensure a smooth flow of products from production to sales by closely aligning production levels with market demand.

Observed Results: Improvements in inventory management and operational efficiency were noted, but fluctuations in market demand and production limitations posed challenges. This highlighted the need for a more agile operations management approach.

3. Excess Inventory and Low Utilisation of Factory Lines

The operations team's efforts to scale production were supported by financing through share issuance, loans, and green bonds. Managing excess inventory required careful planning and coordination with the marketing department. The underutilisation of production resources led to inefficiencies and additional costs to HR.

To minimise waste and improve efficiency, the team implemented Just-In-Time (JIT) production. This approach focuses on producing only what is needed when it is needed, helping to align production capacity with market demand and reducing inventory holding costs (Ohno, 1988).

Observed Results: While production capacity and market demand were optimised, delays in introducing new models highlighted the need for better coordination. Improved efficiency was achieved but managing production capacity and inventory levels posed ongoing challenges.

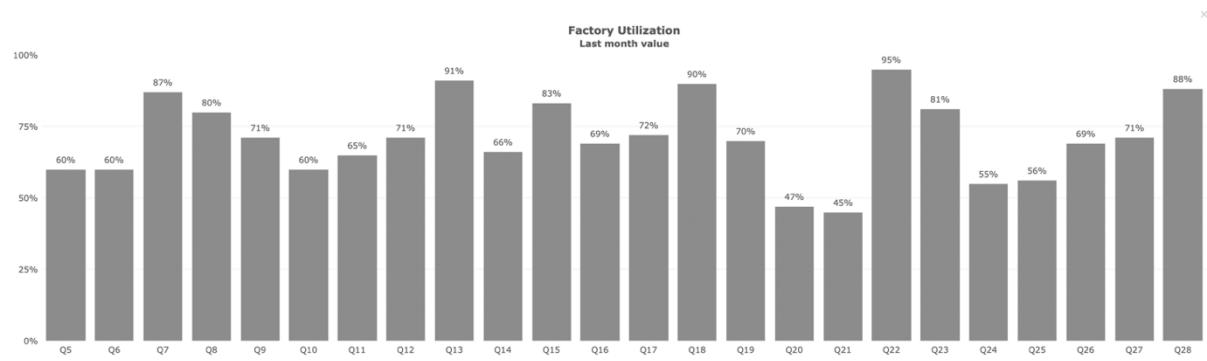


Figure 16

5. Conclusion

The simulation offered valuable insights into the complexities of managing a global automobile manufacturer. Our choices resulted in a blend of achievements and difficulties, highlighting the intricate nature of strategic and operational decisions within a fiercely competitive environment. Here are the key lessons we took away from this experience:

1. **Market Penetration:** We successfully expanded market share in key regions, but the need to continuously adjust strategies to address regional differences in consumer preferences was evident. This highlighted the importance of a flexible and adaptive approach to regional market dynamics.
2. **Product Development:** Introducing new electric vehicle models and enhancing existing lines with electric options allowed us to capture emerging market segments. However, managing the production capacity and inventory levels for these new models proved challenging, indicating a need for more robust planning and resource allocation strategies.
3. **Innovation Investments:** Our focus on innovation positioned us as leaders in future mobility solutions, which attracted consumers and boosted our market share and brand reputation. Nevertheless, the rapid pace of technological change required continuous investment and adaptation, suggesting that staying ahead in innovation is a constant challenge.
4. **Operational Efficiency:** Implementing Lean Manufacturing principles improved production efficiency and cost management. However, the difficulties in managing production capacity for new models exposed operational bottlenecks, emphasising the need for ongoing process optimisation and better coordination between production planning and market demand.
5. **Financial Performance:** Strategic pricing, cost management, and volume decisions led to revenue growth and improved profit margins. However, the challenges in managing production costs and optimising supply chain operations highlighted the necessity of continuous financial and operational process improvements.
6. **Strategic Alignment:** Ensuring that strategic objectives are closely aligned with business functions is crucial for long-term success. This requires continuous monitoring, real-time adjustments, and a deep understanding of market trends to maintain operational efficiency.

Our simulation underscored the importance of a holistic approach to strategic and operational decision-making. Success in the global automobile industry requires continuous monitoring, alignment with market trends, and a commitment to innovation and operational excellence.

The challenges we encountered, such as managing production capacity and timing investments, emphasised the need for agility and adaptability in a rapidly changing environment.

In summary, our simulation experience provided a comprehensive understanding of the intricate balance between strategic foresight and operational execution, not only within the global automobile industry but in any complex business environment. The challenges we encountered — ranging from market expansion and product diversification to innovation and operational efficiency, highlight the universal principles of agility, continuous innovation, and strategic alignment. These lessons extend beyond the automotive sector, offering valuable insights for navigating dynamic landscapes in any industry. The ability to adapt, align strategies with operational capabilities, and maintain a commitment to excellence will be essential in driving success, no matter where our future careers may take us. As the philosopher Heraclitus (ca. 500 BCE) once observed, "*The only constant in life is change.*" This experience has prepared us to not only navigate change but to thrive in it, regardless of the industry we find ourselves in.

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Appendix

A.1 Initial Strategic Map Team STROM

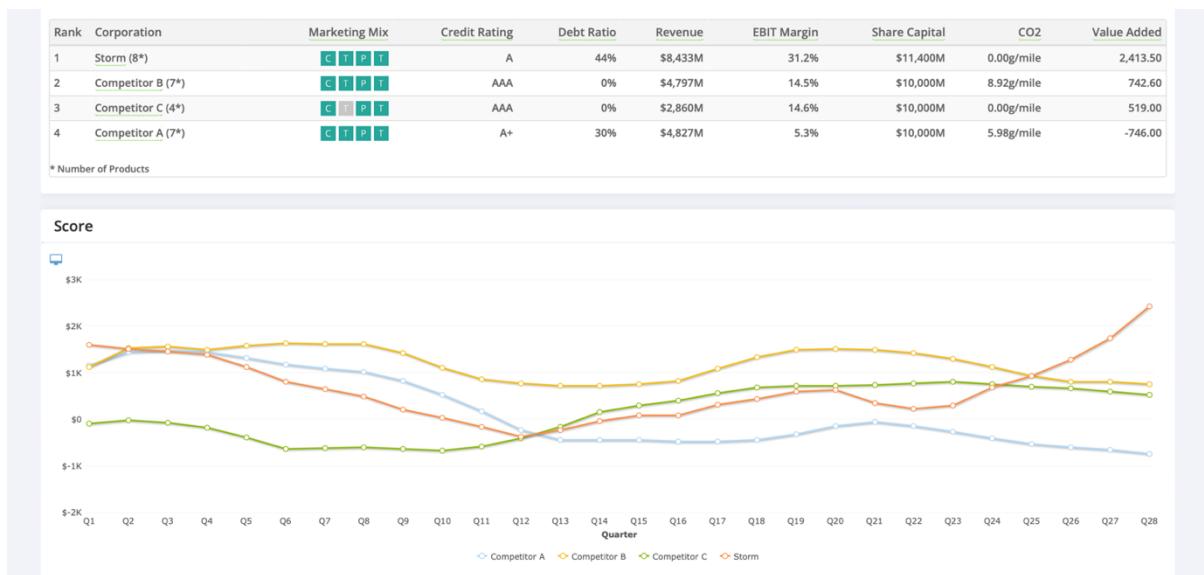
Vision: Sustainable and Diverse Auto Manufacturer with the highest market share in all its regions

	Strategic Objectives	Decisions (Role)	KPIs
Financial: Revenue growth? Productivity?	Increase revenue from Asia, Invest in short-term EV (Electric Vehicle) product	Finance Take fewer Loans	<ul style="list-style-type: none"> • Debt Ratio to be maintained within 50% • Increase Net Operating Profits by • Increase net revenue by 5% per year <p>Value Added</p> <ul style="list-style-type: none"> • EBIT Margin should be 30% by the end of year 6 <p>WACC FCF</p>
Customer Orientation: Operational excellence? Customer intimacy?		Marketing	<p>Market Share</p> <ul style="list-style-type: none"> • Increase market share in the Americas by 1% per year, aiming for a total increase of 6% to achieve 32.4%. • Increase market share in Europe by 1.5% per year, aiming for a total increase of 9% to achieve 38.7%. • Increase market share in Asia by 1% per year, aiming for a total increase of 6% to achieve 31%. <p>ROS</p> <ul style="list-style-type: none"> • Increase ROS by 4% yearly <p>Revenue – Region Split</p> <ul style="list-style-type: none"> • Increase total revenue in the Americas by an average of 3.5% per year, aiming for approximately \$6,972M in 6 years.

			<ul style="list-style-type: none"> • Increase total revenue in Europe by an average of 3% per year, aiming for approximately \$5,648M • Increase total revenue in Asia by an average of 4% per year, aiming for approximately \$6,336M <p>Increase Customer Satisfaction by 20% by the end of year 6.</p>
Innovation: Product Leadership and Operational Excellence		Innovation	<ul style="list-style-type: none"> • Increase Investments in E-Mobility Projects by 10% per year. • Cumulative CO2 Emissions to reduce to 100g/minimum • 100% sales to be of e-cars out of the total product sales by the end of year 6
Internal Processes: New products & services? Deepening relationships? Operational excellence? Good corporate citizen?		Operations	<p>Factory Utilization:</p> <p>Sustainability:</p> <ul style="list-style-type: none"> • Aim to be an iso certified Corp
Learning & Growth: Core competencies & skills?		Human Resources Increase employee salaries by 3% to match	<p>Productivity:</p> <ul style="list-style-type: none"> • Maintain employee satisfaction at 95% annually.

Technologies? Culture?	competitive landscape.	<ul style="list-style-type: none"> • Increase company Diversity by 8% at end of year 6 • Salary Premium Per motivation:
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A.2 Real Time Scores of Our Team and its Competitors



A.3 Debt and Equity

Debt		Equity	
Short-Term Debt	\$0M	Shareholder Equity	\$20,170M
Interest Rate ST	8.00%	Cost of Equity	10.80%
Long-Term Debt	\$16,131M	Number of Shares	84,000,000
Interest Rate LT	4.75%	Share Price	\$733.91
Total Debt	\$16,131M	Market Cap	\$61,649M
Debt Ratio	44.44%	WACC	6.94%
Credit Rating	A		
Additional Loans Available	\$20,174M		