

A Work Project, presented as part of the requirements for the Award of a Master's degree in
Finance from the Nova School of Business and Economics.

Business in Practice: Exploring Personal Dynamics and Cross-functional Organizational
Transformation within an Automotive Company

Beatriz Duarte de Oliveira

Work project carried out under the supervision of:

Professor Filipa Rodrigues

12/09/2023

Abstract

Within the 3-week Business in Practice program, that aims to foster business insight, this paper unveils the intricate interdepartmental collaboration essential for management success. In the dynamic automotive industry, shaped by evolving consumer preferences, sustainability concerns, and rapid technological advancements, 8TRON's initiated its organizational transformation journey. This paper delves into the synergies of Strategy, Innovation, and Finance, dissecting their responses to challenges across a simulated six-year period. Additionally, it features a self-reflective journal that delves into team dynamics, offering insights into the complexities of steering a company in this ever-changing industry.

Keywords:

Strategy, Innovation, Finance, Sustainability, Value-added, Interdependences Across Business Functions, Managing a Business, Business Simulation, Apply Theory in Practice, Team Dynamics, Reflective Practice

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

1. Company Performance Analysis

The automotive sector has experienced disruptive changes driven by evolving consumer preferences, heightened sustainability concerns, and rapid technological advancements (Heineke et al. 2023). Despite electric vehicle (EV) sales accounting for only 14% of the market in 2022 (IEA 2023), increased public environmental awareness has expedited the shift from internal combustion engines (ICE) to fully electric and hybrid vehicles. This transition presents a complex challenge for automakers: they must strike a delicate balance between transitioning to Electric Vehicles (EVs) and to adhere to stringent regulatory emissions, while simultaneously keeping profitability in the face of substantial investment requirements.

The company analysis delves into a comprehensive exploration of the value creation process within 8TRON's transformative journey. It highlights the interplay of all departments in decision-making, while focusing on three core business domains: Strategy, Innovation, and Finance. While Business in Practice (BiP) functions as a simulation framework, it strikingly mirrors challenges encountered by traditional industry players. Thus, this investigation not only discerns and evaluates 8TRON's responses to these challenges, but also aligns them with observable parallels from real-world automotive enterprises.

1.1. Strategy

According to Porter (1996, 53), companies might find it necessary to alter their strategies in response to significant structural shifts within its industry. The author argues that a company's decision to adopt a new strategic position “must be driven by the ability to find new trade-offs and leverage a new system of complementary activities into a sustainable advantage” (Porter 1996, 53). In response to its evolving landscape, 8TRON recognized the need to develop a revised competitive advantage. Therefore, the company adopted a comprehensive strategic approach, encompassing formulation, implementation, and evaluation stages (David 2011).

1.1.1. Vision and Mission Formulation in the Pursuit of Sustainable Mobility

The formulation phase commenced with the development of a clear and well-defined vision and mission for the organization, to provide clarity among management, guide strategic planning, and helping maintaining consistency in the decisions taken (David 2011, 6). 8TRON's vision was "to lead the way towards a sustainable future by revolutionizing transportation through smart and sustainable mobility solutions.". Simultaneously, its mission focused on delivering innovative EVs that combined cutting-edge technology and style, while driving the global transition towards electric mobility and minimizing environmental impact.

1.1.2. External and Internal Dynamics in the Automotive Industry

A PESTLE analysis assessed the external factors affecting 8TRON. The analysis revealed significant transformations in the automotive industry, such as the influence of governmental tariffs on imports/exports of vehicles, the enforcement of stringent emission reduction policies, changing customer preferences towards non-ownership of vehicles, and the escalating interest in electrification of passenger vehicles (Sanchez 2023; McKinsey & Company 2016). Additionally, a Porter's Five Forces analysis (Porter 2008) revealed changes in the automotive sector, with rising substitutes like car sharing posing a greater threat (Storme et al. 2021). This shift was reshaping the industry's competition, impacting established automaker advantages (Hofstätter et al. 2020). A SWOT analysis (*Fig. 1*) revealed 8TRON's strengths, including well-established vehicle lines, efficient processes, and the executed investment in Electrification, which was expected to drive revenue growth. However, product weaknesses in a combustion-focused portfolio called for change. 8TRON's strategic opportunity laid in the Electromobility market, leveraging its existing investment to differentiate itself from its main competitors, who remained focused on conventional or hybrid cars.

1.1.3. 8TRON's Strategic Objectives and Goals

Having concluded the analysis, 8TRON framed its strategic line on three pivotal initiatives that would respond to the market demand: (1) **diverse product range** aimed at building an extensive portfolio of EVs to meet varied customer preferences and strengthen its position in sustainable mobility; (2) **sustainability integration** focusing on eco-friendly materials, efficient processes, and sustainable practices throughout its value chain; and (3) **technological advancements** with an ongoing emphasis on innovation to equip EVs with demanded lifestyle features and cutting-edge technologies, thereby gaining a competitive edge in the market.

8TRON's performance objectives within the following 6 years encompassed CO₂ reduction, aiming for zero CO₂ fleet emissions by quarter 17 through exclusive reliance on EVs. Financially, the company sought a balanced approach, targeting 7% average annual revenue growth in line with industry norms (Swapnil Palwe 2019). Additionally, 8TRON aimed to improve its EBIT margin within the six years, leveraging projected operational efficiency improvements. To reinforce its electromobility focus, 8TRON would aim to attain a sustainability ratio exceeding 75% by year 6.

1.1.4. Executing 8TRON's Strategic Vision

To achieve a successful strategy, 8TRON focused on optimizing both internal and external processes, recognizing that strategy serves as the integrative link between the demand and supply sides (Stank et al. 2012). With a keen emphasis on understanding customer needs and demands, 8TRON focused on its Unique Value Proposition (UVP): 'Elevate your journey with 8TRON: Stylish Sustainability, Innovation in Motion'.

To support its electrification and autonomous driving efforts, 8TRON strategically employed its profitable ICE vehicles division as a "cash cow" (Boston Consulting Group 1968), securing vital resources for the financial department to manage a smooth transition to EVs. Operating across Europe, China, and the USA, 8TRON tailored its offerings to cater to each region's

unique preferences while considering broader market trends. In the USA, the focus was on premium driving experiences, including convertible and executive models. Conversely, in the Asian and European markets compact cars were prioritized. This strategic approach enabled 8TRON to effectively serve premium and mass-market segments in line with its initial plans. Depending on the market segment, value was to be achieved through a strategic blend of cost leadership or differentiation driven by advanced features (Porter, 1996).

Moreover, a critical factor contributing to the success of 8TRON's strategy was its capacity to establish a distinctive value chain (Porter 1996). As Porter stated (1996), an UVP can only develop into a significant strategy when the optimal set of activities necessary for its realization deviates from those undertaken by competitors in the industry. Consequently, 8TRON prioritized the improvement of its value chain.

In a concerted effort to enhance operational efficiency and align with its objective of diversifying its EV portfolio and increasing revenues, 8TRON's Operations department made strategic investments in the establishment of two new manufacturing facilities during the simulation. These initiatives were complemented by a series of efficiency-enhancing investments across the department. In an effort to integrate sustainability principles throughout the organization, the Human Resources (HR) department launched a substantial initiative, making significant investments in sustainability and policy training. Meanwhile, Innovation assumed a pivotal driving role in conceiving and delivering that value through a stream of innovative products. Simultaneously, the Marketing department played a pivotal role in scrutinizing market trends and disseminating 8TRON's distinctive value proposition.

1.1.5. Adapting to Strategy Trajectory

By the conclusion of the third year, 8TRON encountered challenges in effectively positioning itself within the market, particularly in relation to the entry-level and premium segments. The

observed 7% reduction in revenues (*Fig. 2*) emphasized how a lack of strategic clarity hindered the company's sales volume. The company struggled with the task of optimizing the price-feature equilibrium, attempting to upscale production of advanced-featured cars to preserve affordability. This endeavor, however, proved untenable due to the inherent premium nature of these features. Consequently, it yielded counterproductive outcomes, obstructing substantial sales scalability, contributing to heightened inventory levels, and unfavorably impacting the company's financial health. To tackle these challenges, 8TRON took corrective actions. The operations department opted to reduce production scale for vehicles with premium features while marketing fine-tuned pricing to achieve a more favorable cost-value equilibrium. Furthermore, strategically targeting scale and the budget-conscious market segment, the Innovation department introduced two new entry-level compact car models. This aimed to strengthen the company's market positioning and enhance its competitive position.

In hindsight, it becomes evident that while 8TRON aimed for a hybrid strategy, blending elements of a low-cost provider and differentiation strategy, it struggled to understand its identity as a premium brand. This struggle presented challenges, particularly in pricing and attempting of scaling up premium-featured vehicles and heightened the risk of becoming trapped in the middle, potentially jeopardizing its competitive advantage.

Despite initial challenges, and with the subsequent adjustments in marketing and operations, 8TRON adhered to its hybrid focus strategy, aligning closely with the approach undertaken by BMW Group (Madić et al. 2021). Despite an initial setback, 8TRON's commitment to investing in new technologies, embracing a customer-centric approach, and leveraging a combination of traditional and contemporary competencies closely mirrored the strategies of leading premium segment companies (Madić et al. 2021). This commitment gave 8TRON a competitive edge during this transitional phase and led to it outperforming its competitors (*Fig. 3*).

1.1.6. Progress and Performance Evaluation

Despite an unforeseen challenge in the early stages of year 4, swift resolution and subsequent actions enabled 8TRON to effectively rebound and achieve most of its objectives. By year 6, the company accomplished an average annual revenue growth rate of 9% (*Fig. 2*) and secured an average EBIT Margin of 31.5 % in year 6 (*Fig. 4*), signaling investments in operational efficiency, and exceeding industry standards (Stricker et al. 2023). With the sale of over 2.1 million EVs (*Fig. 5*) and a sustainability ratio of 80% (*Fig. 6*), 8TRON's performance objective was achieved. While the initial goal of zero CO2 fleet emissions by the beginning of quarter 17 faced delays, the company ended up achieving it by quarter 19.

1.2. Innovation

Innovation is a vital core competency for businesses (Lei et al. 1996), permeating the entire value chain and offering both risks and rewards (Lazonick et al. 2013). Competitive advantage is dependent on the skillful implementation of inventions, in innovation, creating superior customer value (Wolf et al. 2021). Thus, effective management of the innovation process is essential to turn concepts into profitable, sought-after products. The innovation process comprised four phases, each with challenges impacting its success (Tidd et al. 2009).

1.2.1. Search Phase: Generating Variety

During the initial innovation phase, 8TRON leveraged insights from strategic analysis and market intelligence. Innovation was driven by external challenges and opportunities, aligning with 8TRON's pursuit of sustained profitability and market competitiveness. Recognizing declining interest in diesel vehicles and with penalties for vehicles exceeding CO2 emissions of 95 g/mile, 8TRON urgently needed to rebuild its portfolio. With a significant portion of its ICE vehicles entering the declining phase in accordance with the product lifecycle model (Levitt 1965), there was a pressing need to accelerate the introduction of new products. The

emergence of unconventional EV competitors reinforced this trend. Simultaneously, it was recognized the importance of enhancing technologies to meet increasing demand and align with the differentiation aspect of the strategy (Hoeft 2021). Consequently, 8TRON's Innovation department acknowledged the need for substantial technology investments to accelerate the transition to a fully EV portfolio.

1.2.2. Select Phase: Strategic Decision-Making

During this phase, 8TRON identified growth opportunities within the automotive industry, particularly in the areas of connectivity, autonomous driving, and electromobility (Hoeft 2021).

Considering prevailing circumstances, the innovation department advocated an accelerated adoption of EVs. This decision was supported by numerous reasons: comprehensive market analysis revealed a significant consumer shift towards EVs, while hybrid vehicle demand was not projected (*Fig. 7*). Additionally, forecasts indicated favorable reception of EVs in the near term. Competitively, this decision was shaped by a landscape where direct competitors focused on hybrids, potentially intensifying competition in that segment. Opting for a direct entry into the EV sector, 8TRON aimed to position itself as an innovative leader ahead of major competitors. Financially, prioritizing EV technology aligned with the strategic intent, allowing for swift returns through EV launches without diverting. However, due to the immediate need to replace declining-phase vehicles and the timeframe for possible EV launches, the option of introducing hybrid vehicles that met regulatory standards was also considered.

1.2.3. Implementation phase: Transitioning to Sustainable Electric Mobility

The implementation phase transforms concepts into tangible results (Tidd et al. 2009). In this phase, 8TRON allocated constrained resources to its plan. Considering declining market responses to ICE vehicles and to maintain operational funds for the transformation, 8TRON strategically introduced a hybrid vehicle in quarter 4. This phased approach enabled the

company to assess customer demand, gain experience, and minimize the impact in its financial ratios (Winton 2021). The selection of the hybrid was made in compliance with emissions regulations while considering customer preferences determined by the marketing department.

Starting in year 1, investments were made in connectivity levels one and two and initial autonomous driving tiers. These investments allowed feature introductions while concurrently launching EVs. By quarter 20, comprehensive investments in these domains were completed (*Fig. 8*). In quarter 6, 8TRON invested in sustainable solid-state batteries to align with its sustainability vision and in quarter 8, the company acquired ethically sourced, recyclable solid-state batteries. Pre-simulation, 8TRON made foundational electrification investments, setting the stage for EV introduction within three quarters. The inaugural EV launch in quarter 7 was a collaborative effort involving all departments, ensuring customer-centric products and efficient production and financing. 8TRON's commitment from inception centered on creating value-aligned high-quality vehicles. Seven EV models were progressively launched, including three entry-level and four advanced models with long-range batteries (*Fig. 9*).

In a competitive landscape, factors beyond cost competitiveness, such as design, customization, and quality drive product growth (Tidd et al. 2009). Swift product replacement gains importance in rapid product life cycles like automobiles, intensifying the race to outpace competitors (Tidd et al. 2009). Prioritizing innovation, 8TRON carefully managed car lifecycles, strategically relaunching them during declining phases to maintain market appeal, while keeping the financial metrics within desired. Thus, this management ensured value retention and efficient resource utilization.

By year 5, the Innovation department strategically acquired a car-sharing venture, facilitating market entry, and introducing an additional revenue stream that aligned with the company's sustainability and innovation objectives. This decision was prompted by evolving customer

preferences, and it reflects how real-life brands, such as BMW and Daimler, who introduced ShareNow (BMW Group 2019), adapted to these same changes.

1.2.4. Value Capture Phase: Evaluating Returns

The concluding innovation phase focuses on extracting value from innovative initiatives (Tidd et al. 2009). This involved evaluating the financial and societal impacts resulting from 8TRON's innovations. To gauge demand for the vehicles, revenues, inventory management and contribution margins were continuously evaluated. As these metrics consistently maintained favorable values throughout the simulation, the products introduced remained in the company's portfolio and continued to generate value for 8TRON. The E-Mobility Project Ratio also emerged as a crucial metric, indicating 8TRON's progress in electric mobility, with a score of 92% across the entire value chain (*Fig. 10*).

1.3. Finance

Financial and strategic management are pivotal aspects of a company's operations, ensuring efficient resource allocation, value creation, and alignment with organizational objectives (Devenger 2021; Mir 2018). In this context, the Finance department played a pivotal role in supervising financial performance, encompassing investment and capital management, Key Performance Indicators (KPIs) control, and measures to enhance company value.

1.3.1. Balancing Financial Control and Strategic Decision-Making

The Finance department played a pivotal role in aligning strategic decision-making with financial control. One key responsibility involved integrating budgeting processes with the organization's strategic goals. Collaborating with other departments, the Finance team meticulously crafted an investment plan to optimize resource allocation for strategic objectives (*Fig. 8*). Throughout the simulation, these investments averaged over \$400 million per quarter,

emphasizing the need for planning and investment mapping to ensure timely implementation and maximum value generation while maintaining financial stability (CFI Team 2020).

1.3.2. Financial Metrics and Performance Evaluation

The Finance department also took on the responsibility of closely ensuring KPIs were aligned with strategic goals. A significant KPI for evaluating 8TRON's economic value was Value Added. The team initiated meticulous control of this metric from the beginning, considering its three drivers: Profitability and Operational Efficiency, Asset Utilization, and Capital Structure.

1.3.2.1. Driving Profitability and Efficiency

Value added experienced a positive impact as profitability increased. The company initially aimed for a 7% annual increase in revenues, but it was able to achieve an average yearly increase of 9%, despite its strategic setback (*Fig. 2*). Gross Margin, on the other side, was used to evaluate the relationship between direct production costs and revenue, while Return on Sales (ROS) measured operational efficiency by calculating the proportion of total revenue converted into operating profit. Initially, these metrics were at 38.1% and 15%, respectively, in Q3. The analysis revealed a close link between gross margin and factory utilization (*Fig. 11*) while ROS depended on operational and management efficiency. In the fourteenth quarter, both metrics declined primarily due to reduced factory utilization from a strategy misalignment (*Fig. 12 and 13*). However, adjustments led to a recovery, driven by increased factory utilization and sales, attributed to new vehicle models and price optimizations by the Marketing department. By year 6, gross margin reached 48%, and ROS reached 24% (*Fig. 12 and 13*). This reflected a 13-percentage points improvement in direct costs and a 9 percentual points overall process enhancement. The rise in ROS can be attributed in part to bonuses received per EV sold, which replaced the previous penalty expenses for ICE vehicles (*Fig. 14*). Efficiency improvements

were also seen in Marketing and General and Administrative expenses (*Fig. 15*). Overall, net income grew by an average of 25% per year, reaching \$5,933.28 M in year 6 (*Fig. 16*).

1.3.2.2. Asset Efficiency and Utilization

As 8TRON pursued substantial investments for its sustainability transformation, assessing their economic outcomes was crucial. Return on Net Assets (RONA), which contrasts net profits and net assets, was used to gauge asset efficiency in generating earnings (Drake 2012). The goal was to optimize asset utilization and returns on invested capital, and consequently improve value added. RONA firstly increased from quarters 7 to 11 due to investment in a new hybrid car by the Innovation department and production enhancements by Operations (*Fig. 17*). However, subsequent efficiency drop, driven by vehicle lifecycle entering declining stage and manufacturing inefficiencies, lowered this metric. The strategic shift in quarter 16 led to positive outcomes from the nineteenth quarter onwards, confirming the value of these investments. By the end of year 6, 8TRON achieved a RONA of 24.6%.

1.3.2.3. Optimizing Capital Structure and Value Creation

The finance directors' role involved optimizing the capital structure by balancing debt and equity, the two financing avenues, to minimize capital costs. The weighted average cost of capital (WACC) represented the average after-tax cost of all the funding sources, and its decrease impacted positively the value added. As outlined in the Modigliani-Miller theorem with tax implications (1958), companies can strategically employ debt leverage to reduce tax payments. However, practical constraints arise due to potential adverse effects of excessive debt, including higher interest payments, credit rating deterioration, and heightened bankruptcy risk (Ross 1977). Therefore, a balanced approach is necessary to manage capital structure. The Debt-to-Equity ratio (D/E) serves as an indicator of borrowing risk, significantly impacting capital costs (Berk et al. 2017, 531).

In Q5, as 8TRON began its transformation, it issued shares to fund its strategic objectives. This decision was motivated by two key factors: the need for financing to support investments and the anticipation of a temporary decrease in share prices due to the declining vehicle portfolio. While this move provided the necessary funding it resulted in an increase in WACC, which negatively affected the value added. However, it resulted in a lower D/E ratio, making it easier to secure more affordable loans in the future.

Subsequently, loans became 8TRON's primary financing method, particularly through the issuance of Green Bonds. These bonds, designed for sustainability initiatives, offered a cost-effective alternative with lower annual interest rates, unaffected by credit ratings. Companies like Volkswagen AG and Honda Motor Co have leveraged green bonds for similar purposes (Mutua 2023). 8TRON applied this financing for sustainable initiatives, with a strong emphasis on EVs, but also in projects in Operations and HR aimed to reduce carbon emissions and promote sustainability.

Maintaining a prudent approach, the company aimed to keep its D/E ratio below 70% (*Fig. 18*). A maximum value of 78% was achieved at the start of the transformation, due to the significant investments. During quarter 17, a strategic decision was taken to initiate a share repurchase program, aimed at distributing cash among shareholders (Berk et al. 2017, chap. 17). It led to a decrease in the WACC, enhancing value added, while increasing the D/E ratio. By the end of year 6, 8TRON achieved a WACC of 6.8% (*Fig. 19*), signifying a substantial 10% decrease from its initial value and, consequently, contributing to an enhancement in value added.

Considering the enhanced profitability, optimized asset management, and the reduction in WACC, 8TRON accomplished a value added of \$3,833 million at the end of quarter 28 (*Fig. 20*). This reflects an increase of 180% when compared to the initial stages of the simulation, underscoring the company's significant progress in value creation.

1.3.3. Strategic Management and Value Enhancement

Lastly, the Finance department played a pivotal role in monitoring the performance of vehicles within the 8TRON portfolio and had the responsibility to introduce a novel revenue stream to the company. Simultaneously, it meticulously managed cash flows through effective control of payment terms.

1.3.3.1. Strategic Discontinuation and Liquidation of vehicles

The Finance department played a crucial role in evaluating and executing the discontinuation and liquidation of specific vehicle models. This process, though incurred costs, aimed to eliminate less profitable and inefficient models that no longer aligned with the company's EV portfolio and objectives. Collaborating with all other departments, these decisions were based on the vehicle lifecycle, its production efficiency trends, corresponding revenues, and potential market demand. The elimination of six vehicle models by quarter 18 highlighted the company's commitment to streamlining operations and resource allocation.

1.3.3.2. Green Financing and Management of cash flows

In quarter 8, the department introduced Green Financing, a common practice in real-life brands like BMW (BMW Group 2022). This measure provided financing for vehicle acquisitions to customers, potentially affecting cash flow velocity. However, it promised a surge in demand, improving revenues and aligned with sustainability goals by encouraging vehicle recycling.

As expected, Green Financing led to delayed cash inflows. Given the early adoption of this measure and the necessity to invest in the company's transformation plan, mitigating the effects of cash flow delay became necessary. To counteract this and support vital investments in the company's transformation, the customer credit period was reduced to 15 days in quarter 12, down from the initial 30 days. This adjustment persisted for four quarters, expediting cash receipts, and offsetting some Green Financing effects, enabling crucial investments.

Conversely, in quarter 16, to address declining margins due to price-feature misalignment, supplier payment terms were reduced by 15 days. While potentially increasing the financial burden, this aimed to lower material costs by 1% and restore overall profitability. This change lasted four quarters, and as factory utilization improved, it was returned to the original 30-day supplier payment terms.

1.4. Concluding Insights on 8TRON's Transformative Journey

In response to the dynamic automotive landscape characterized by evolving consumer preferences, sustainability demands, and technological advancements, 8TRON adopted a hybrid strategy, positioning itself to deliver innovative EVs while maintaining profitability. This analysis portrayed 8TRON's transformative journey with focus across 3 key business domains.

8TRON's strategy involved a clear vision, mission, and objectives aligned with sustainable mobility. It assessed industry dynamics, leading to a commitment to diversify product offerings, prioritize sustainability, and drive technological advancements. In Innovation, 8TRON rapidly adapted to electric mobility trends by investing in technology, launching EV models, and entering the car-sharing market. Financially, the department played a pivotal role in balancing financial control and strategic decision-making. It optimized capital structure, managed investments, and monitored key performance indicators, leading to significant value creation.

Throughout its journey, 8TRON demonstrated adaptability and resilience, adjusting its strategy and operations to overcome challenges. The company's commitment to sustainability, its collaboration within departments, and the alignment with the strategy played a pivotal role in achieving its objectives and enhancing value. However, it's essential to acknowledge that the external environment remains dynamic. The ability to adapt, innovate, and continue to align with evolving industry trends will remain critical for 8TRON's sustained success in the dynamic automotive landscape.

2. Personal Reflection

The BiP program is an immersive three-week experience designed to enhance academic learning through practical application. It offers the opportunity to expand knowledge while applying theoretical concepts. Beyond academia, the BiP operates as an enriching self-development experience. Within this experience, self-reflection emerges as a pivotal component, focusing on the strengths and weaknesses inherent in our personalities, and revealing traits that are often overlooked. By analyzing and reflecting on two critical events, it provided the foundation for personal growth and the development of essential leadership skills.

The composition of teams in the BiP project encompassed representatives from five departments. In this context, my role in the finance department required close collaboration with a colleague, resulting in joint decision-making. The first event highlights how this collaboration inevitably brought to light differences in risk assessment. While these disparities typically induce discomfort and unease, I discovered that, counterintuitively, I became more amenable to decisions divergent from my usual preferences. This prompted an inquiry into the interaction of contextual factors, risk inclinations, and team dynamics, revealing that the convergence of these elements was pivotal in propelling me beyond my comfort zone towards more optimal decision-making. The subsequent event pertains to a scenario where I was unable to offer honest feedback. This reflection seeks to elucidate the underlying causes of this inability and how personal experiences intertwined with team dynamics contributed to this outcome. Ultimately, this reflection sheds light on how my blue personality, evaluated by The Colour Works(2023) can clarify certain behaviors in divergent dynamics groups.

2.1. Event I - Dynamics of Risk Orientation and Decision-Making

Upon retrospection, it became evident that certain decisions in the simulation entailed higher risk levels than I would have been comfortable with independently. Although both members of

the Finance department exhibited blue personalities (The Colour Works 2023), our risk propensities significantly diverged. While I leaned towards a cautious approach, my colleague embraced greater risk. Surprisingly, these divergent risk preferences didn't lead to apparent discomfort or tension during our decision-making process. Unlike prior instances with similar disparities, this project fostered productive and effective decision-making, despite the contrasting viewpoints. Although this realization didn't immediately surface, largely due to the project's fast pace, I can now discern decisions that challenged my typical risk tolerance.

2.1.1. Strategic Dilemmas when Evaluating the Decision to Offer Green Financing

In quarter 8, marking the end of the simulation's first year, the Finance department was presented with a critical decision: whether to offer financing solutions to customers, a move that could potentially boost sales significantly. Within the department we agreed to conduct independent analysis to determine the best course of action. Upon assessment, it became evident that Green Financing, one of the options, promised the most substantial boost to revenue growth. However, a significant challenge loomed - it would strain the company's cash flow, a critical concern during this early stage of EV transition, where substantial investments were essential. Despite its alignment with 8TRON's strategy, green financing's potential impact on cash flow gave rise to doubts. As we convened to discuss our findings, I struggled with this uncertainty, despite recognizing green financing's alignment with our goals.

2.1.2. Contextual Background

BiP initiated a transformative journey for 8TRON, aimed at enhancing value added within a specified 6-year timeframe. It became evident from the project's inception that strict adherence to a risk-averse approach wouldn't guarantee success, given the inherent link between innovation and risk (Lazonick et al. 2013). While this realization initially raised concerns, it also encouraged me to adopt behaviors conducive to calculated risk-taking, striking a balance

between caution and innovation. The drive for success prompted a reassessment of my risk perspective, leading me to consider the benefits of a more daring approach when contextual conditions allowed. Understanding the context and recognizing that the simulation's assessment focused on the value added metric, which considered revenue increases but overlooked the pace of cash inflow due to accrual accounting, I recognized the pivotal role that this decision could play in realizing our strategic objectives. Despite its heightened risk, I recognized its potential significance for our strategic plan's success and alignment with the team's expectations. Consequently, I understood the necessity of making bolder decisions, even though they contradicted my natural inclination to avoid risks.

2.1.3. Navigating Contrasting Risk Orientations

During our decision-making meeting, my colleague was enthusiastically advocating for the green financing option, emphasizing its advantages, and seemingly downplaying the associated risks. This stance was a striking departure from my own cautious and risk-averse tendencies, despite my awareness of the contextual need for a more daring approach.

The concept of risk can be understood from two perspectives: risk-seeking and risk-averse (Dunn et al. 2021, 68). Risk-seekers embrace risk as an invigorating element of business, unafraid of potential downsides, while risk-averse individuals strive to minimize or avoid risk, acknowledging its impact on the enterprise (Dunn et al. 2021, 68). Evident in my thought process, I tend to exhibit a cautious demeanor and a preference for proven methodologies. In contrast, my colleague displayed a willingness to embrace novel challenges with enthusiasm, and optimism, prioritizing the prospects of success, which aligns with risk-seeking behavior (Zaleskiewicz 2001, 106; Dunn et al. 2021, 68). Throughout the project, the interplay of our contrasting risk orientations introduced an intriguing dynamic. Using the described decision as an example, my colleague encouraged for more audacious strategies, while I initiated a personal

growth journey, recognizing the significance and necessity of risk-taking, all while seeking solutions that fitted my comfort threshold. Observing my colleague's poised handling of risky situations provided the incentive I needed to get out of my comfort zone and to accept taking riskier decisions and be committed to them.

2.1.4. Achieving Consensus while Mitigating Risk

Recognizing our differing risk profiles, we adopted a structured approach to achieve consensus in decision-making, integrating relevant research on team effective management (West 2012). Our process involved a thorough analysis of potential outcomes when faced with critical decisions. If the risk-reward balance justified moving forward, we established a contingency plan to mitigate potential negative consequences in case returns didn't align with expectations or if risks escalated unexpectedly. In the specific we developed a contingency plan involving continuous cash flow monitoring and proactive measures to ensure our financial stability while pursuing our strategic objective. This commitment exemplified the importance of recognizing our unique risk orientations in making well-balanced decisions.

2.1.5. Characteristics of a Cohesive Team

In this case, as we discussed the green financing decision, Lencioni's "The Five Dysfunctions of a Team" framework (2002) sheds light on our team dynamics, specifically focusing on three key traits of a cohesive team. These insights explain why our team effectively managed this event with minimal discomfort or tension and how we navigated our differing risk orientations.

Absence of Trust: Trust is the foundation of effective teamwork (Lencioni 2002). Fortunately, within the finance department, a high level of trust allowed us to openly communicate and discuss our comfort areas. Thus, when this divergence emerged, it was no surprise that our views differed. Despite our shared blue personalities, indicating similar preferred work approaches, we recognized the importance of embracing our differences to foster growth and

innovative ideas. This inclusive environment provided a secure platform for me to express opinions and concerns without undue worry about my reputation, setting the stage for constructive discussions. It also empowered me to have confidence in my colleague's viewpoints and attentively consider his positions.

Fear of Conflict: Within a cohesive team, the establishment of trust fosters an environment conducive to productive conflict, wherein members engage in debates without apprehension of retribution (Lencioni 2002). In the finance department, this environment of trust facilitated open and constructive discussions, even when opinions diverged, as they did in this event regarding differing risk assessments. By discussing our point of views and analysis in this event, we reached a consensus that green financing was indeed the path we wanted to take, albeit with an awareness of the associated risks. Our commitment to open and productive debate played a crucial role in making well-considered decisions that enhanced team effectiveness, ensuring the best course of action was chosen through constructive conflict. By agreeing to a contingency plan, we solidified our consensus and full commitment to the decision, ensuring that the best course of action was chosen (Toegel et al. 2016).

Inattention to Results: This dysfunction, as articulated in Lencioni's framework (2002), arises when team members prioritize individual or team status over collective goals. High-performing teams, on the other hand, focus on specific objectives and assess performance based on comprehensive outcome-based measures (Lencioni 2002). From the outset of the project, clear priorities were established. Although the finance department had its specific goal of optimizing WACC, the team remained unwaveringly focused on the overarching project objective of increasing 8TRON's value added and following the selected strategy. Consequently, every decision we made was aligned with this overarching goal, ensuring that our actions consistently contributed to the achievement of our collective objectives.

2.1.6. Reflection & Learnings

This event has been a valuable lesson in effective teamwork, emphasizing the critical role of open communication and trust. These factors enable teams to reach productive decisions even when faced with contrasting viewpoints. Furthermore, the experience has highlighted the benefits of diversity within teams. My colleague's risk-seeking behavior balanced my own risk-averse tendencies, resulting in more robust decision-making. It was illustrated that teams can successfully navigate differences in opinions and achieve consensus when a foundation is established, and constructive debates are encouraged. Moreover, this event emphasized the value of establishing structured processes within a team to effectively manage differences. It underscored the need for a balanced approach to risk and the need to adapt. In the future, I aim to embrace risk-taking perspectives more readily, acknowledging their potential to deliver superior outcomes and enhance agility in decision-making, always mindful of the context.

2.2. Event II - Dilemma of providing Honest Feedback

Towards the end of the second week, participants were requested to assess both their teammates and themselves on a scale ranging from 1 to 5, with 5 indicating the highest performance, across five key areas that went from contribution to the team until quality expected (*Fig. 21*). The purpose of this task was to gather comprehensive feedback from team members and promote self-awareness among participants. Subsequently, the results were to be deliberated upon during team clinics, scheduled for the final week of the project. In these clinics, each team member would receive an average score based on their peers' evaluations, and these responses would be subject to analysis and discussion, with the overarching aim of enhancing communication and team dynamics. The significance of the task laid in the emphasis on the value of honesty in the feedback provided, given that communication and trust are indispensable attributes within a team (Mickan et al. 2000). Nonetheless, upon receiving it, feelings of discomfort and

apprehension emerged, leading to an internal conflict. While I understood the program's objective to foster candid and constructive feedback, I struggled to reconcile this understanding with my ability to provide entirely honest and equitable assessments of my teammates. Instead, I defaulted to assigning scores of 4 or higher for all evaluated dimensions. This reluctance to offer feedback can be attributed to various potential factors, as explored by Abi-Esber (2022).

2.2.1. Fear of Negative Repercussions as An Inhibitor of Honest Feedback

A significant driver of this phenomenon is the apprehension of potential negative outcomes associated with delivering feedback (Abi-Esber et al. 2022). These outcomes include emotional distress to the recipient or straining the relationship between the feedback-giver and receiver (Ende 1983). This apprehension stems from individuals' innate ability to empathize and comprehend the suffering of others (Craig 2009; Levine et al. 2018) causing individuals to prioritize avoiding interpersonal harm over expressing unfiltered honesty when providing feedback (Schein et al. 2018; Haidt et al. 2007; Gray, et al. 2012).

My conscientiousness regarding potential adverse outcomes prompted me to allocate favorable evaluations to my team members, driven by the intention of shielding them from potential emotional distress and nurturing their personal development. Personally, I possess a heightened sensitivity to feedback and comprehend the harmful effects of poorly delivered feedback on motivation. I harbored concerns that assigning lower performance scores might act as a deterrent, discouraging my team members and obstructing their personal growth. In an effort to foster a positive environment, I opted for, what I then considered, a more encouraging approach, which I believed would be conducive to their individual progress. Additionally, the imperative of maintaining team harmony and preserving positive relationships played a role in my decision-making. The possibility of delivering critical feedback or lower scores raised

apprehensions about potential tensions among team members and hindering collective progress. I was apprehensive of the repercussions on overall team dynamics and collaborative efficacy.

2.2.2. Preserving Social Image on Feedback

Drawing from Goffman (1967) and Bond & Anderson (1987), the inclination to preserve one's social image and avoid appearing offensive or impolite can significantly contribute to individuals' refraining from expressing opinions perceived as negative. The anticipation of adverse reactions to candid feedback often leads to its withholding (Levine et al. 2014). In my case, I grappled with concerns that providing critical feedback could engender interpersonal conflicts within the team and, furthermore, negatively impact my own standing within the group. The apprehension of personal repercussions added complexity to my decision-making. I was motivated to avoid being perceived as a disruptive or overly critical team member, as I feared such a perception could potentially diminish the trust and respect accorded to me by my colleagues. Given my innate disposition characterized by reserve and caution, in alignment with my blue personality traits, I habitually exercise care in my behaviors and communication to avert conflicts or any form of negative perception. This apprehension about its impact on my standing within the team ultimately guided my choice to withhold candid feedback.

2.2.3. Motivation in Feedback Delivery

Additionally, a lack of motivation can hinder the willingness to provide feedback (Abi-Esber et al. 2022). When individuals are preoccupied or disinterested, they may be less inclined to invest effort in delivering quality feedback (Kurzban 2016; Kool et al. 2010). Despite the program's demands, I remained committed to my team's development, maintaining genuine eagerness to contribute. Even with time constraints, I prioritized the feedback process, considering it essential for our team's improvement. Reflecting on this, I can affirm that my motivation to provide constructive feedback was not an impediment to delivering candid feedback.

2.2.4. Underestimating the Recipients' Receptiveness to Constructive Input

Another influential factor contributing to feedback reluctance stems from overlooking the potential benefits that feedback can offer to recipients and underestimating their openness to it (Abi-Esber et al. 2022). This phenomenon finds its basis in egocentric bias, where individuals tend to rely on their own perspective when attempting to predict the mental states of others (Epley et al. 2004; Ross et al. 1979; Tamir et al. 2013). In this context, this egocentric bias can manifest as individuals predominantly consider the negative repercussions for themselves while unconsciously neglect the positive outcomes that feedback can provide to recipients.

During the feedback process, my predominant concern revolved around the potential negative consequences for both me and the overall team dynamics. These concerns were centered on the perceived risks of damaging relationships, causing tension within the team, and impacting my standing within the group. My prior experiences with poorly delivered and inconsistent feedback had contributed to an underestimation of the value that constructive feedback could potentially bring. Moreover, these experiences had also shaped my feelings towards the feedback providers, generating a sense of disfavor towards those individuals. What I had not adequately considered and had thus underestimated was my colleagues' readiness to genuinely embrace and internalize the feedback I provided, as well as the potential positive impact it could have on their personal growth and the overall performance of our team.

2.2.5. Reflection & Learnings

Upon reflection, my reluctance to provide candid feedback can be primarily attributed to concerns about potential adverse repercussions for both me and the team. In my efforts to maintain harmony, I unintentionally hindered my team members' growth opportunities. Additionally, the desire to uphold my social image acted as a deterrent. As someone aspiring to be an effective leader and supportive colleague, I need to understand the importance of

cultivating an environment where delivering feedback is viewed as a positive contribution rather than a problem. This event highlighted the critical role of self-awareness among leaders and team members, essential to build an effective team.

Furthermore, my past experiences with feedback enhanced my behavior in the event. This behavior is also evident in my self-evaluation, where I consistently assigned myself scores of 4 (*Fig. 21*). This recurring pattern suggests that my reluctance to deliver feedback is rooted in previous encounters with ineffective feedback, eroding my confidence in providing fair and constructive input. Interestingly, my colleagues' assessments of me were more positive, resulting in higher scores. This contrast prompted me to reevaluate the feedback process, regain confidence in my abilities, and recognize the value of reciprocating with constructive assessments. It also reinforced the importance of refraining from allowing personal experiences and biases to influence future collaborative scenarios.

2.3. Concluding Thoughts on Personal Reflection

From this reflection, it becomes evident that my ability to navigate team dynamics effectively varied depending on the group's environment. In the first event, where collaboration was closer and within a smaller group, potential tension between Finance department members with contrasting ideas was avoided. This suggests that I am more comfortable and adept at teamwork in smaller settings, aligning with my blue personality traits, which can lead me to be reserved and introverted, making larger group interactions more challenging. Larger group interactions posed challenges for me, particularly in cultivating trust and fostering open communication, areas where I require further development. Overall, the BiP experience provided valuable insights into the fundamental skills essential for effective collaboration and work in a dynamic environment, emphasizing the ongoing significance of self-reflection in enhancing our collaborative processes and decision-making.

3. References

- Abi-Esber, Nicole, Jennifer E Abel, Juliana Schroeder, and Francesca Gino. 2022. "Just Letting You Know ... ' Underestimating Others' Desire for Constructive Feedback." *Journal of Personality and Social Psychology* 123 (6): 1362–85. <https://doi.org/10.1037/pspi0000393>.
- Berk, Jonathan B, and Peter M DeMarzo. 2017. *Corporate Finance: The Core, Global Edition. The Pearson Series in Finance*. Fourth edition. Harlow, England: Pearson.
- BMW Group. 2019. "BMW Group and Daimler AG Invest More than €1 Billion in Joint Mobility Services Provider." 2019.
<https://www.press.bmwgroup.com/global/article/detail/T0292204EN/bmw-group-and-daimler-ag-invest-more-than-%E2%82%AC1-billion-in-joint-mobility-services-provider>.
- . 2022. "BMW Group Report 2022."
- Bond, Charles F, and Evan L Anderson. 1987. "The Reluctance to Transmit Bad News: Private Discomfort or Public Display?" *Journal of Experimental Social Psychology* 23 (2): 176–87.
[https://doi.org/https://doi.org/10.1016/0022-1031\(87\)90030-8](https://doi.org/https://doi.org/10.1016/0022-1031(87)90030-8).
- Boston Consulting Group. 1968. "What Is the Growth Share Matrix? | BCG." 1968.
<https://www.bcg.com/about/overview/our-history/growth-share-matrix>.
- CFI Team. 2020. "Strategic Financial Management."
<https://Corporatefinanceinstitute.Com/Resources/Management/Strategic-Financial-Management/>. November 2, 2020.
- Craig, Kenneth D. 2009. "The Social Communication Model of Pain." *Canadian Psychology / Psychologie Canadienne* 50 (1): 22–32. <https://doi.org/10.1037/a0014772>.
- David, Fred R. 2011. "Strategic Management Concepts and Cases 13th Ed." Prentice Hall.

- Devenger, Nancy. 2021. "Financial Management in Business." In *Salem Press Encyclopedia*. Great Neck Publishing.
- Drake, Pamela Peterson. 2012. "Analysis of Financial Statements EBook Pamela Peterson Drake, Frank J. Fabozzi." Wiley.
- Dunn, Samuel, and Joshua Jensen. 2021. "Risk in Leadership and Management: Risk-Seeking vs. Risk Averse." *International Journal of Business Administration* 12 (March): 64.
<https://doi.org/10.5430/ijba.v12n2p64>.
- Ende, Jack. 1983. "Feedback in Clinical Medical Education." *JAMA* 250 (6): 777–81.
<https://doi.org/10.1001/jama.1983.03340060055026>.
- Epley, Nicholas, Boaz Keysar, Leaf Van Boven, and Thomas Gilovich. 2004. "Perspective Taking as Egocentric Anchoring and Adjustment." *Journal of Personality and Social Psychology* 87 (3): 327.
- Goffman, E. 1967. "Interaction Ritual: Essays on Face-to-Face Behavior (Pantheon, New York)."
- Gray, Kurt, Liane Young, and Adam Waytz. 2012. "Mind Perception Is the Essence of Morality." *Psychological Inquiry* 23 (2): 101–24. <https://doi.org/10.1080/1047840X.2012.651387>.
- Haidt, Jonathan, and Jesse Graham. 2007. "When Morality Opposes Justice: Conservatives Have Moral Intuitions That Liberals May Not Recognize." *Social Justice Research* 20 (1): 98–116.
<https://doi.org/10.1007/s11211-007-0034-z>.
- Heineke, Kersten, Nicholas Laverty, Timo Möller, and Felix Ziegler. 2023. *The Future of Mobility*. McKinsey Quarterly.
- Hoeft, Fabian. 2021. "Fun to Drive? The Dynamics of Car Manufacturers' Differentiation Strategies." *Strategic Change* 30 (5): 489–500. <https://doi.org/10.1002/jsc.2463>.
- Hofstätter, T, M Krawina, B Mühlreiter, S Pöhler, and A Tschiesner. 2020. "Reimagining the Auto Industry's Future: It's Now or Never. McKinsey & Company."

IEA. 2023. "Global EV Outlook 2023." Paris.

Kool, Wouter, Joseph T McGuire, Zev B Rosen, and Matthew M Botvinick. 2010. "Decision Making and the Avoidance of Cognitive Demand." *Journal of Experimental Psychology: General* 139 (4): 665.

Kurzban, Robert. 2016. "The Sense of Effort." *Current Opinion in Psychology* 7: 67–70.

<https://doi.org/https://doi.org/10.1016/j.copsyc.2015.08.003>.

Lazonick, William, and Mariana Mazzucato. 2013. "The Risk-Reward Nexus in the Innovation-Inequality Relationship: Who Takes the Risks? Who Gets the Rewards?" *Industrial and Corporate Change* 22 (4): 1093–1128.

Lei, David, Michael A Hitt, and Richard Bettis. 1996. "Dynamic Core Competences through Meta-Learning and Strategic Context." *Journal of Management* 22 (4): 549–69.

Lencioni, Patrick. 2002. "The Five Dysfunctions of a Team a Leadership Fable Patrick Lencioni." Jossey-Bass.

Levine, Emma E, and Taya R Cohen. 2018. "You Can Handle the Truth: Mispredicting the Consequences of Honest Communication." *Journal of Experimental Psychology: General* 147 (9): 1400.

Levine, Emma E, and Maurice E Schweitzer. 2014. "Are Liars Ethical? On the Tension between Benevolence and Honesty." *Journal of Experimental Social Psychology* 53: 107–17.
<https://doi.org/https://doi.org/10.1016/j.jesp.2014.03.005>.

Levitt, Theodore. 1965. *Exploit the Product Life Cycle*. Vol. 43. Graduate School of Business Administration, Harvard University Cambridge, MA

Madić, Vladan, Dušan Marković, and Veljko Mijušković. 2021. "COMPETITIVE STRATEGIES IN PREMIUM AUTOMOTIVE SEGMENT." *TEME: Casopis Za Društvene Nauke* 45 (2): 639–59.
<https://doi.org/10.22190/TEME200528037M>.

- McKinsey & Company. 2016. "Automotive Revolution—Perspective towards 2030." *How the Convergence of Disruptive Technology-Driven Trends Could Transform the Auto Industry*.
- Mickan, Sharon, and Sylvia Rodger. 2000. "Characteristics of Effective Teams." *Australian Health Review : A Publication of the Australian Hospital Association* 23 (February): 201–8.
<https://doi.org/10.1071/AH000201>.
- Mir, Aasim. 2018. *STRATEGIC MANAGEMENT : BASIC MCQS*. First Edition. [Place of publication not identified]: CSMFL Publications.
- Modigliani, Franco, and Merton H Miller. 1958. "The Cost of Capital, Corporation Finance and the Theory of Investment." *The American Economic Review* 48 (3): 261–97.
- Mutua, Caleb. 2023. "Green Bond Sales From Automakers Could Double In Global EV Push." *Bloomberg.Com*, January, N.PAG-N.PAG.
- Porter, Michael. 1996a. "What Is Strategy?"
- . 1996b. "What Is Strategy?" *Harvard Business Review* 74 (6): 61–78.
- Porter, Michael E. 2008. "THE FIVE COMPETITIVE FORCES THAT SHAPE STRATEGY." *Harvard Business Review* 86 (1): 78–93.
- Ross, Michael, and Fiore Sicoly. 1979. "Egocentric Biases in Availability and Attribution." *Journal of Personality and Social Psychology* 37 (3): 322.
- Ross, Stephen A. 1977. "The Determination of Financial Structure: The Incentive-Signalling Approach." *The Bell Journal of Economics*, 23–40.
- Sanchez, Aidan. 2023. "The European Union's Investment-Based Approach to Decarbonizing Its Economy."
- Schein, Chelsea, and Kurt Gray. 2018. "The Theory of Dyadic Morality: Reinventing Moral Judgment by Redefining Harm." *Personality and Social Psychology Review* 22 (1): 32–70.

- Stank, Theodore P, Terry L Esper, T Russell Crook, and Chad W Autry. 2012. "Creating Relevant Value Through Demand and Supply Integration." *Journal of Business Logistics* 33 (2): 167–72.
<https://doi.org/10.1111/j.0000-0000.2012.01049.x>.
- Storme, Tom, Corneel Casier, Hossein Azadi, and Frank Witlox. 2021. "Impact Assessments of New Mobility Services: A Critical Review." *Sustainability* 13 (6): 3074.
- Stricker, Klaus, and Pedro Correa. 2023. "Automotive Profitability: How OEM and Supplier Margins Are Faring | Bain & Company." Bain & Company. 2023.
<https://www.bain.com/insights/automotive-profitability-how-oem-and-supplier-margins-are-faring-interactive/>.
- Swapnil Palwe. 2019. "Automotive Industry Trends, Growth 2019 Size, Share And Global Forecast To 2024. ." <https://www.marketresearchfuture.com/reports/automotive-industry-7683>. 2019.
- Tamir, Diana I, and Jason P Mitchell. 2013. "Anchoring and Adjustment during Social Inferences." *Journal of Experimental Psychology: General* 142 (1): 151.
- The Colour Works. 2023. "Insights Discovery Colour Energies: A Beginners Guide." <https://www.thecolourworks.com/insights-discovery-colour-types-guide/>. 2023.
- Tidd, Joe, and John Bessant. 2009. *Managing Innovation Integrating Technological Market and Organizational Change* John Bessant. 4th ed. John Wiley & Sons.
- Toegel, Ginka, and Jean-Louis Barsoux. 2016. "How to Preempt Team Conflict." *Harvard Business Review* 94 (6): 78–83.
- West, Michael A. 2012. *Effective Teamwork Practical Lessons from Organizational Research*. 3rd ed. Wiley-Blackwell.

Winton, Neil. 2021. "Auto Industry Commits To All-Electric, But Hybrids Make Powerful Interim Case; Report." *Forbes*. 2021. <https://www.forbes.com/sites/neilwinton/2021/10/04/auto-industry-commits-to-all-electric-but-hybrids-make-powerful-interim-case-report/>.

Wolf, Victoria, Renata Dobrucka, Robert Przekop, and Stephan Haubold. 2021. "INNOVATION STRATEGIES IN THE CONTEXT OF THE PARADIGM OF THE FIVE DIMENSIONS OF INNOVATION STRATEG." *LogForum* 17 (2): 205–11. <https://doi.org/10.17270/J.LOG.2021.587>.

Zaleskiewicz, Tomasz. 2001. "Beyond Risk Seeking and Risk Aversion: Personality and the Dual Nature of Economic Risk Taking." *European Journal of Personality* 15 (S1): S105–22.

4. Appendice

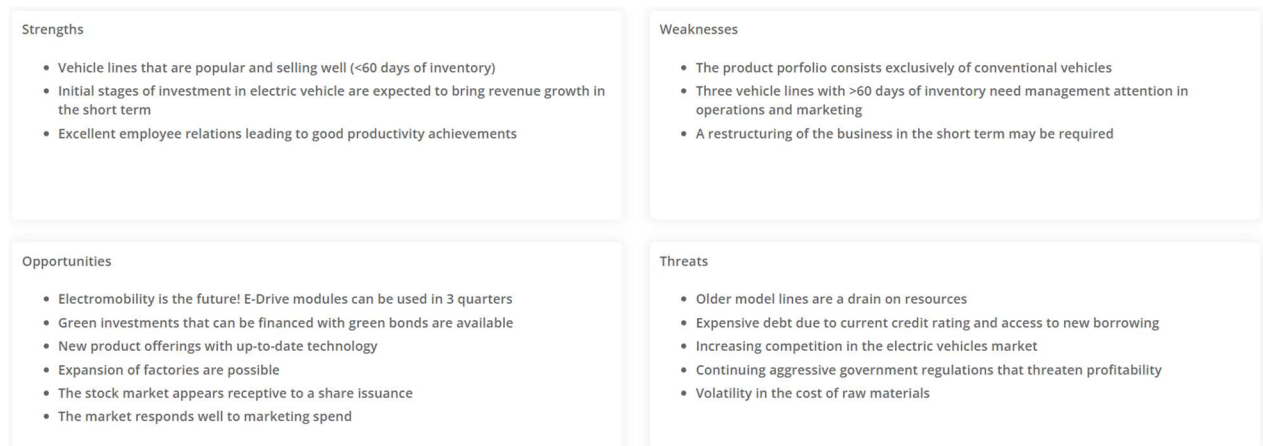


Figure 1: 8TRON's SWOT Analysis

Source: BiP Industry Master's Simulation. 2023

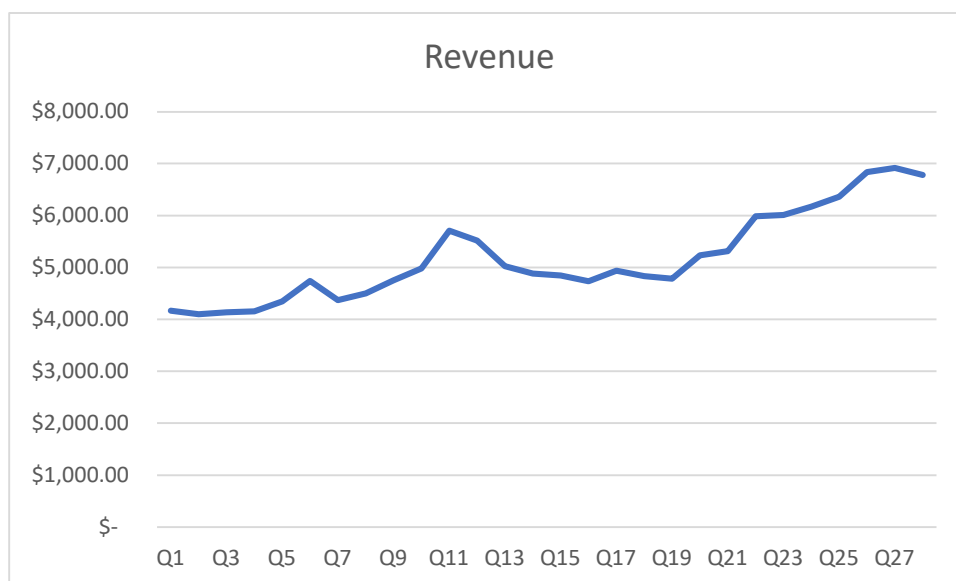


Figure 2: 8TRON's Revenue in millions over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

Rank	Corporation	Marketing Mix	Credit Rating	Debt Ratio	Revenue	EBIT Margin	Share Capital	CO2	Value Added
1	8Tron (7*)	C P T	AA	27%	\$6,781M	32.6%	\$10,000M	0.00g/mile	3,833.10
2	Competitor C (4*)	C P T	AAA	0%	\$3,023M	16.4%	\$10,000M	0.00g/mile	409.60
3	Competitor A (7*)	C P T	AAA	20%	\$5,363M	11.2%	\$10,000M	6.09g/mile	186.30
4	Competitor B (6*)	C P T	AA	24%	\$5,133M	12.6%	\$10,000M	0.00g/mile	171.90

Figure 3: 8TRON's and its competitors KPIs at the end of quarter 28

Source: BiP Industry Master's Simulation. 2023

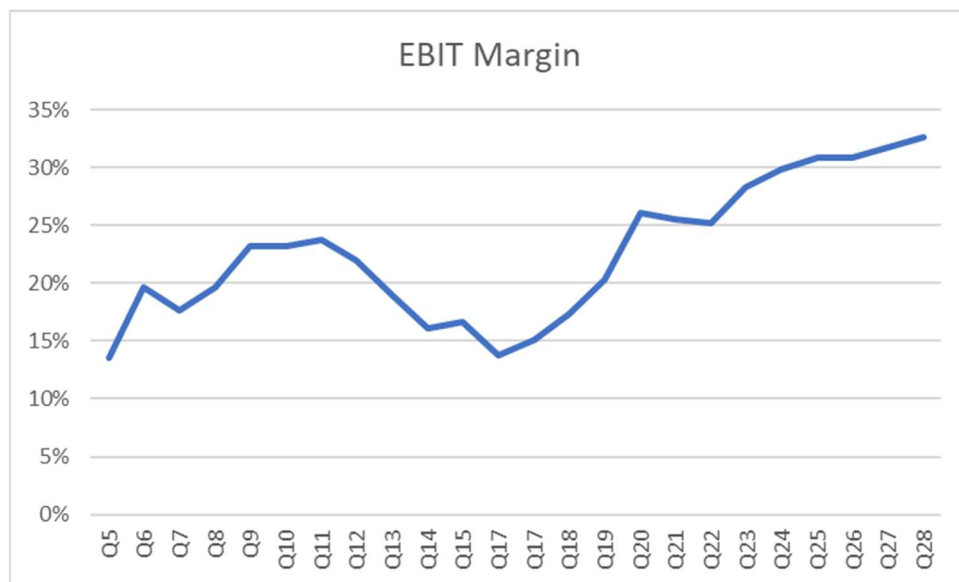


Figure 4: 8TRON's EBIT Margin over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

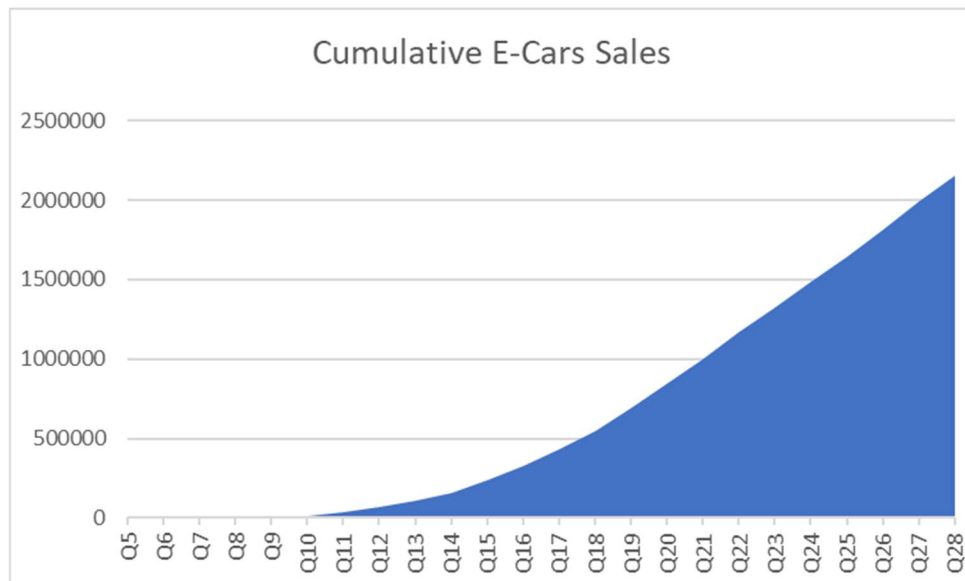


Figure 5: 8TRON's Cumulative EV sold over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

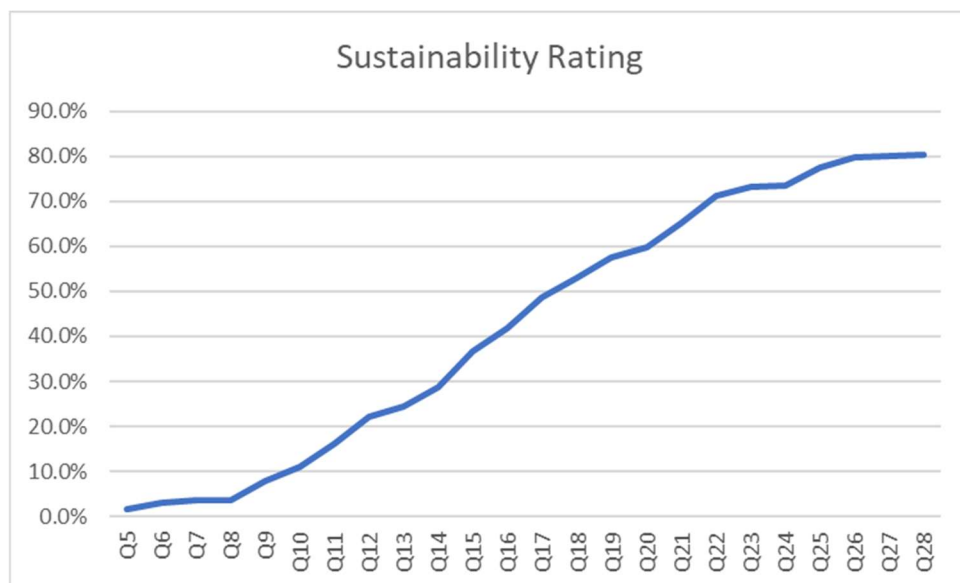


Figure 6: 8TRON's Sustainability Ratio over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

Be Aware



Changed Buyer Preference

The buyer preference for electric drives has increased significantly.

Figure 7: Simulation warning on changed Buyer Preference

Source: BiP Industry Master's Simulation. 2023

	Year 1					Year 2					Year 3					Year 4					Year 5			
	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24			
Operations																								
Production Investments (Scope 1)							\$200					\$400					\$ 500							
Energy Investments (Scope 2)		\$150								\$250								\$10						
Supply Chain Investments (Scope 3)					\$10								\$ 50											
Factory Expansion						\$ 800					\$ 800													
HR																								
Sustainability Policy and Training		\$10		\$15		\$ 15																		
Innovation																								
Electrification						\$ 300				\$200														
Connectivity	\$250		\$160						\$150									\$ 200						
Autonomous Driving			\$500				\$500									\$300		\$ 400						
Launch Product	\$510			\$650	\$550			\$550			\$ 510		\$1,150			\$710				\$130	\$110			
Total Investments (Million)	\$760	\$160	\$660	\$665	\$560	\$1,115	\$700	\$550	\$150	\$450	\$1,310	\$400	\$1,200	\$-	\$300	\$710	\$1,100	\$10	\$130	\$110	\$-			

Figure 8: 8TRON's Investment Plan over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

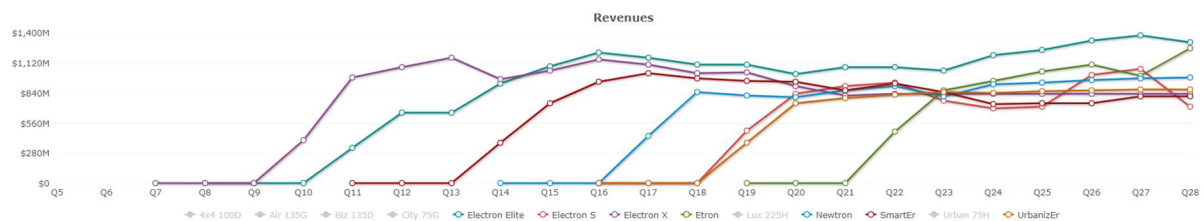


Figure 9: 8TRON's Revenue per Electric Car

Source: BiP Industry Master's Simulation. 2023

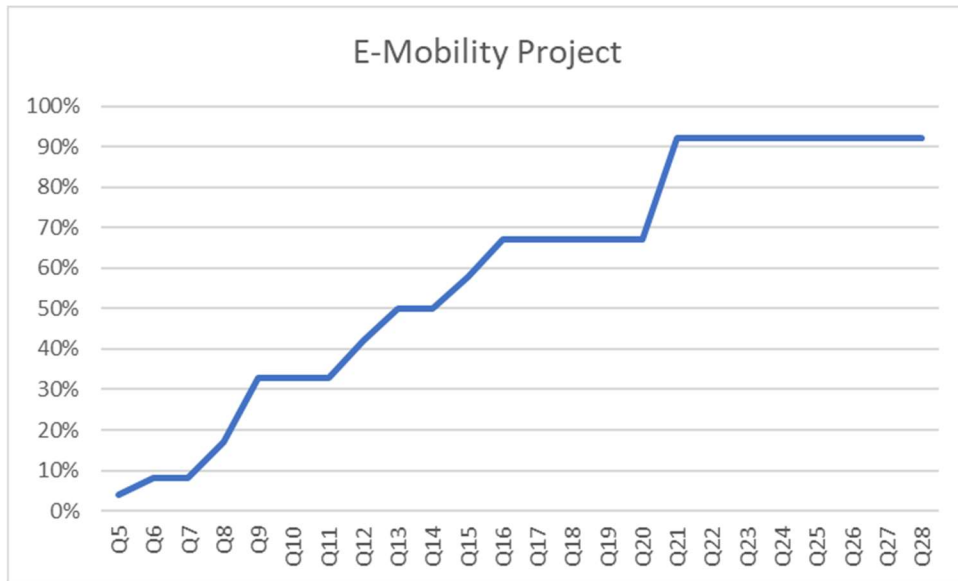


Figure 10: 8TRON's E-Mobility Project Ratio

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

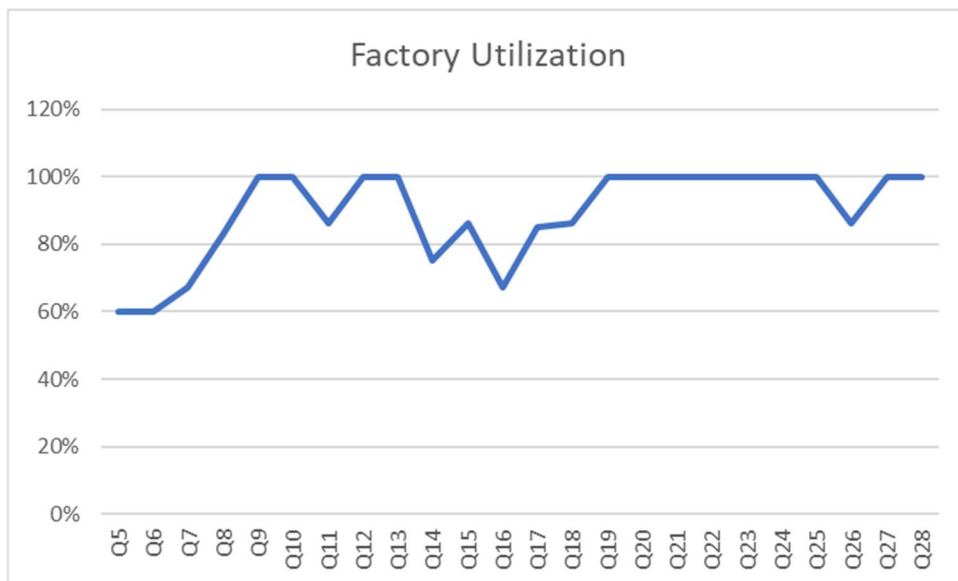


Figure 11: 8TRON's Factory Utilization over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

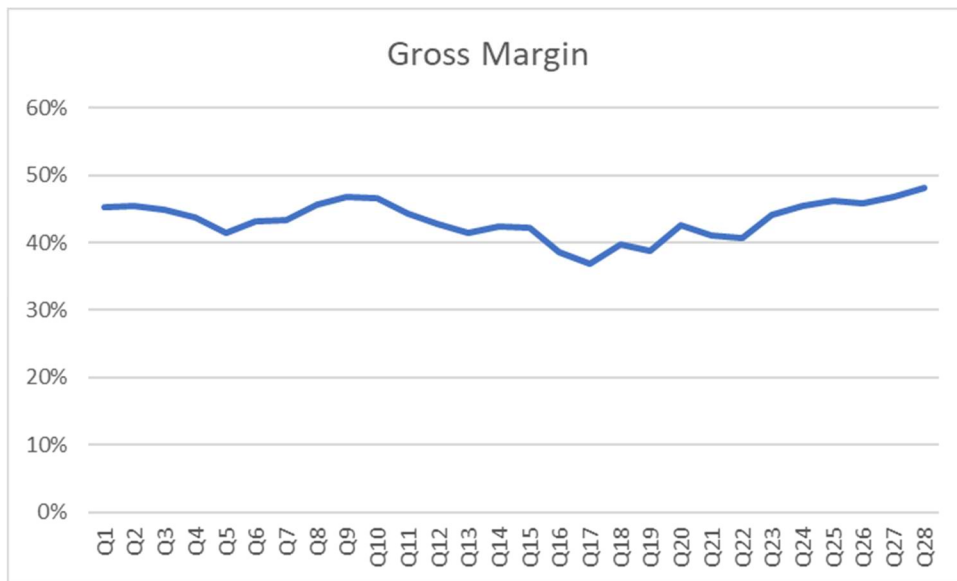


Figure 12: 8TRON's Gross Margin over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

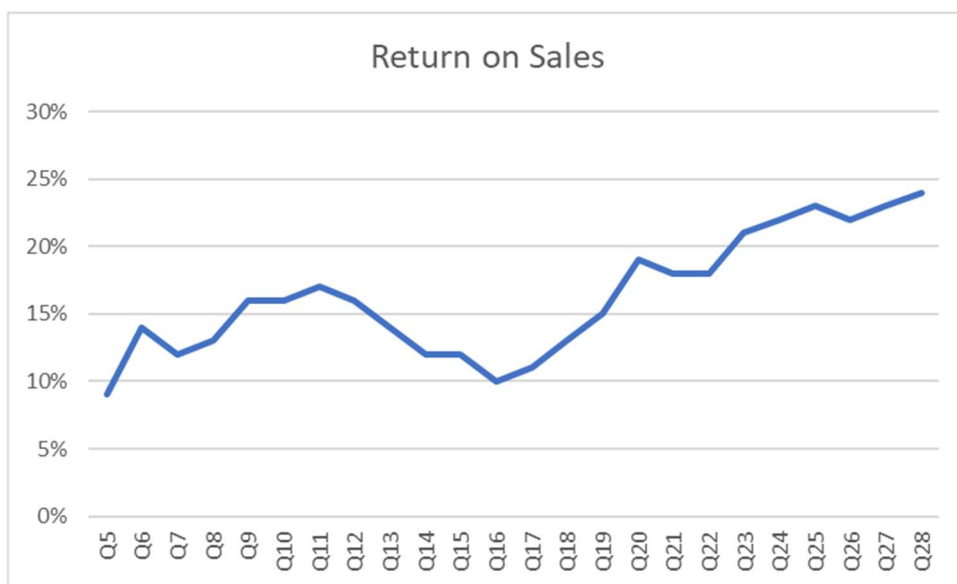


Figure 13: 8TRON's Return on Sales over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

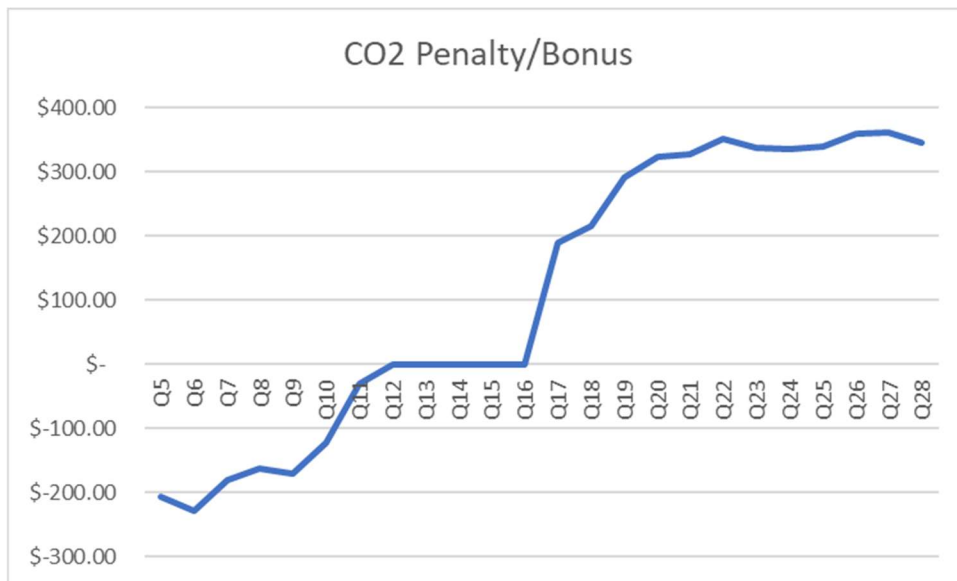


Figure 14: 8TRON's CO2 Penalty/ Bonus over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

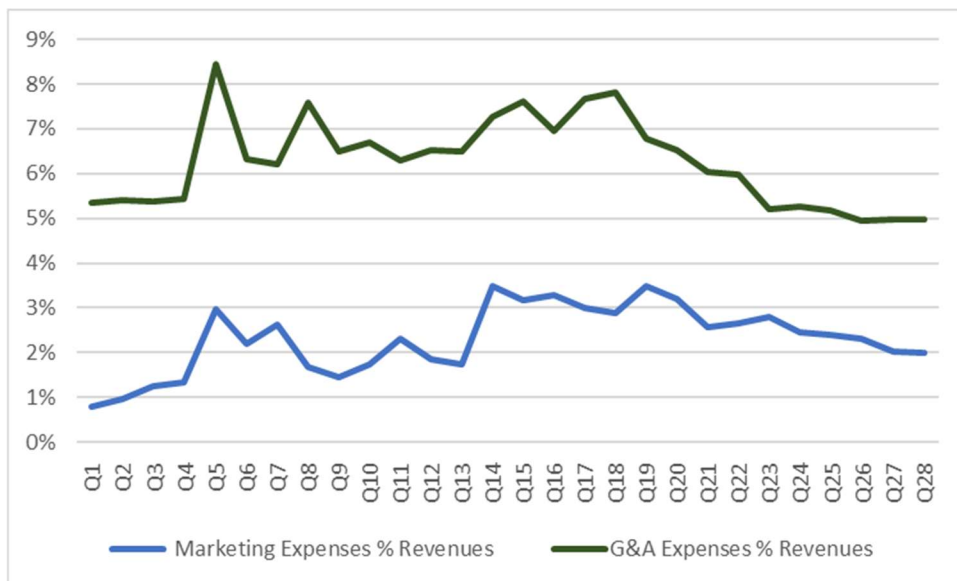


Figure 15: 8TRON's Marketing and General& Administrative as a percentage of revenues over the simulation

Source: Own Illustration – Data from BiP Industry Master’s Simulation. 2023

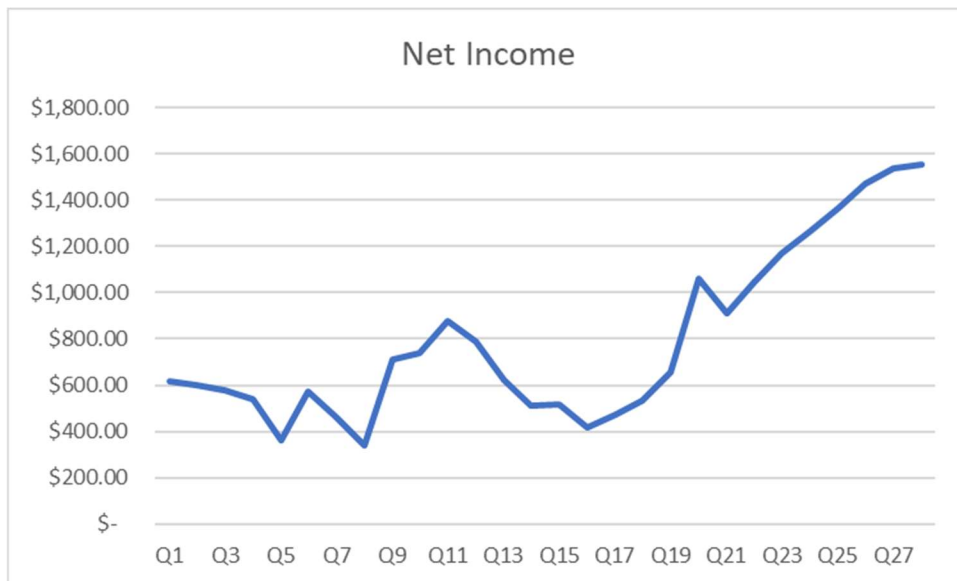


Figure 16: 8TRON's Net Income over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

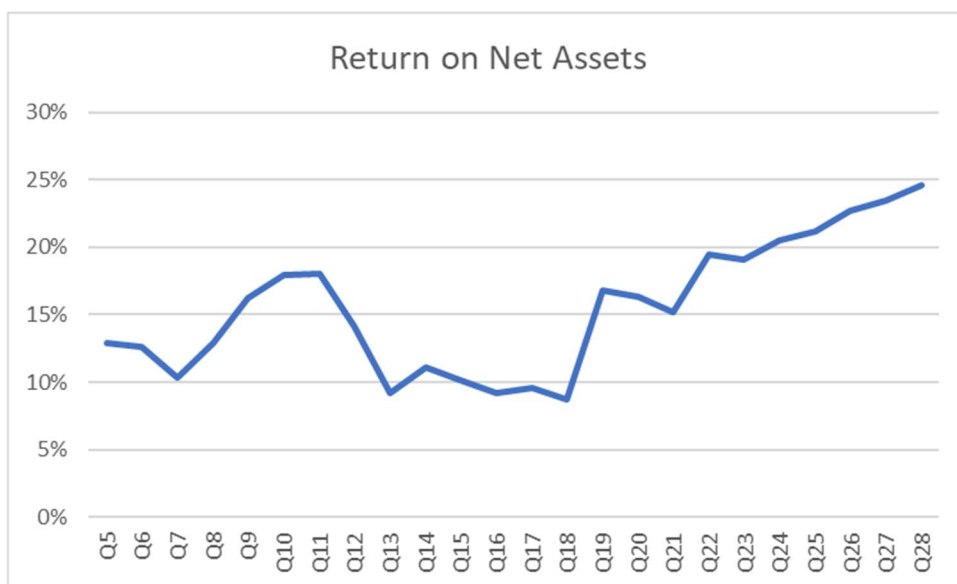


Figure 17: 8TRON's Return on Net Assets over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

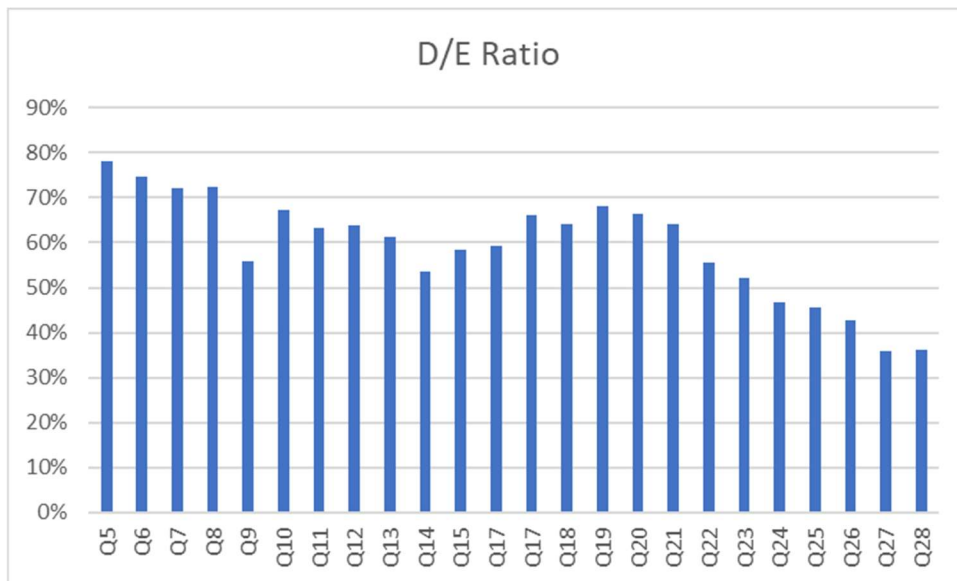


Figure 18: 8TRON's Debt-Equity Ratio over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

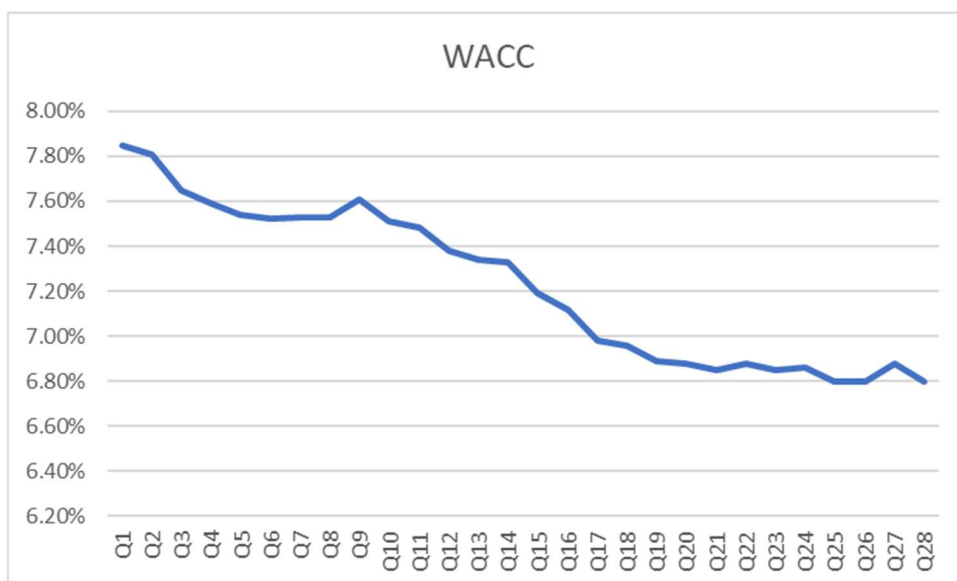


Figure 19: 8TRON's WACC over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

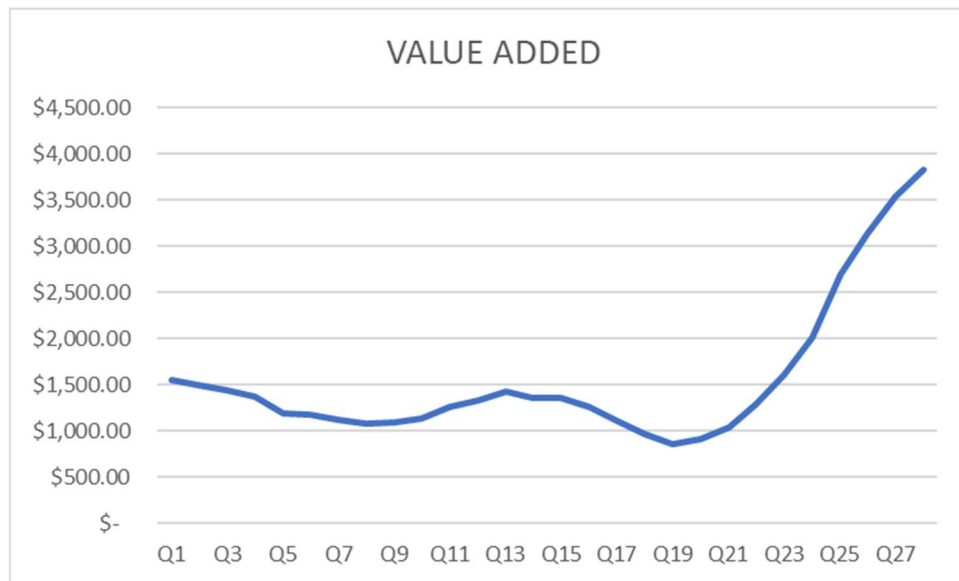


Figure 20: 8TRON's Value Added over the simulation

Source: Own Illustration – Data from BiP Industry Master's Simulation. 2023

29173 _ Beatriz Duarte de Oliveira

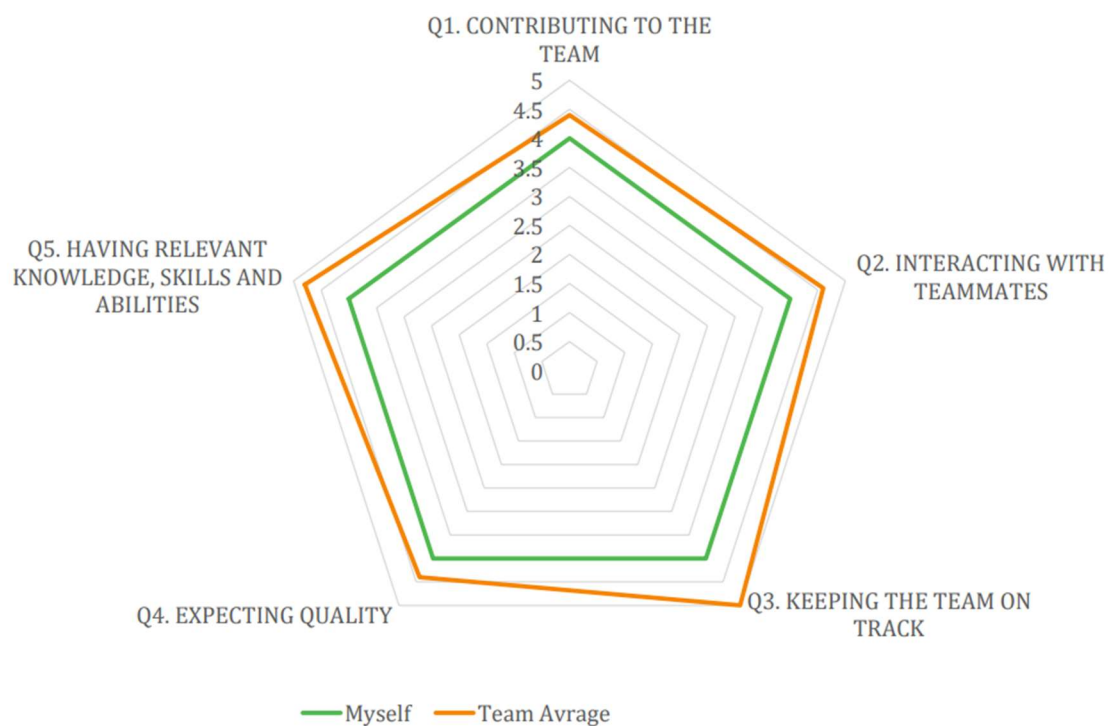


Figure 21: Peer & Self-Assessment

Source: BiP Industry Master's Simulation – Peer feedback 2023