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BUSINESS IN PRACTICE: STRATEGIC AND FINANCIAL DECISIONS FOR THE DEVELOPMENT OF BEEP IN THE AUTOMOTIVE INDUSTRY WITH PERSONAL REFLECTIONS ON TEAM DYNAMICS

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Abstract: This paper explores the strategic and financial decisions made during a Business in Practice (BIP) simulation, with a focus on a company's transition to sustainability and operational excellence. The role of key directors, such as the CFO, COO and Chief Innovation Officer, in driving the company's growth and achieving its long-term goals is examined. Critical incidents related to team management and effective communication are also analyzed. Finally, conclusions related to the personal development of leadership and decision-making skills to achieve sustainable company growth are discussed.

Keywords: Apply Theory In Practice, Business Simulation, Develop A Business Strategy, Integrate And Coordinate Decisions Across Business Functions, Managing A Business, Reflective Practice, Sustainability And ESG, Team Dynamics

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1. INDIVIDUAL FIRM ANALYSIS

1.1 INTRODUCTION

During the three weeks of the Business in Practice programme, our team at BEEP consisted of seven professionals, each responsible for a specific function: innovation, operations, finance, marketing, and human resource management. We worked closely together to deliver the best results and demonstrate our commitment to technology leadership and differentiation in the electric vehicle market.

Our mission as BEEP was to offer innovative, sustainable, and high-tech vehicles targeted at demanding customers. We saw our role as creating the most advanced electric vehicles in the world, capable of not only meeting but exceeding consumer expectations.

Our strategy as a team focused on achieving a complete transition to an electric product portfolio, emphasising differentiation through the introduction of cutting-edge technologies. We endeavoured to not just follow trends, but to pioneer them, ensuring competitiveness and sustainability in the market. At BEEP, we adopted a cross-functional and integrated management approach where all departments worked together to realise our strategic goal of leading in technology and offering products of the highest standards.

In this section of the paper, I decided to analyse and compare BEEP's performance in the business simulation with that of real automotive companies from the perspective of the innovation, operations, and finance directors. These roles, in my opinion, were the most important to maintain a leading position in the market and had to be in constant interaction to achieve our goal. The analysis was based on simulation data, academic sources, sessions, and executive notes from the team throughout the simulation. For further analysis and comparison, reports from real automotive companies were used to justify and support the critical analysis of the decisions made in the simulation.

1.2 INNOVATION DEPARTMENT ANALYSIS

As part of the Business in Practice (BIP) programme, the Innovation Department of the BEEP team played an important role in ensuring the company's growth and competitiveness through the introduction of advanced technologies and new product development. The Director of Innovation was responsible for setting the strategic direction of the company through innovation, creating products that met or exceeded customer expectations. His responsibilities included designing and bringing new product lines to market, as well as determining the optimal feature set for each product to maximize the company's profitability. The rapid introduction of new products allowed BEEP to be in a leadership position and meet changing customer needs.

The Director of Innovation also made key decisions on which technologies to invest in and when. This included evaluating technologies such as AI Implementation, Next Generation E-Drive Modules and Sodium-ion Batteries. It was important not only to select the right technologies, but also to determine the best time to implement them to maximize return on investment and provide technology leadership. Interaction with peers and sharing insights supported strategically relevant decisions and the integration of innovation into all aspects of the business.

Sustainability and reducing the company's carbon footprint was a particular focus of the simulation. The Innovation Director focused on investing in CO2-reducing technologies, electric cars, and innovative batteries. This enabled BEEP to meet international environmental standards, avoid fines and gain a competitive advantage in a sustainable market. The Innovation Director was also responsible for continuously assessing opportunities for innovation and managing the risks associated with the introduction of new technologies and

products. Conducting research, analysing potential threats and opportunities in the market, and making strategic decisions helped strengthen the company's competitiveness.

The introduction of advanced technologies such as autonomous driving and connected cars was also a key challenge for the Director of Innovation. These technologies improved the user experience and helped differentiate the company in the market by offering unique features and strengthening BEEP's position as a technology leader. As Paul Trott notes in his book Innovation Management and New Product Development, product differentiation through innovation is a key success factor, as evidenced by BEEP's simulation strategy (Trott 2017). Thus, the role of the Chief Innovation Officer has been critical to the company's sustainable growth and strategic objectives, enabling BEEP to strengthen its market position and competitiveness.

One of the key areas of focus for BEEP's Innovation Department as part of the BIP business simulation was the emphasis on sustainability and CO2 reduction. In the face of increasingly stringent international environmental standards, BEEP sought to minimize the carbon footprint of its fleet. In the fourth quarter of the simulation, average CO2 emissions were 69.5g/mile, which was above the limit, and the company faced significant fines for exceeding limits (Meireles, Robaina, and Magueta 2021). To address this issue, the Director of Innovation decided to develop and introduce electric Model C2 vehicles in Q6 and Model L2 in Q7, replacing the petrol Business 135H model. This reduced emissions to 39.5g/mile by the end of Q7. These actions not only helped meet the new regulations, but also laid the groundwork for further environmental initiatives by the company (Figure 1).

Realistically, according to the European Commission's reports on CO2 emissions, an even stricter standard of around 79 CO2 g/mile will be set from 2030. From 2035, a complete transition to zero emissions is planned, which means that exclusively electric cars must be

produced. This emphasises the validity of BEEP's full electrification strategy (European Commission 2024).

The evolution of BEEP's product portfolio has been centered on investments in key technologies that have contributed to differentiation and strengthened competitiveness. The first step was the investment in Sodium-ion Batteries ($250M), which reduced costs and increased demand for electric vehicles. AI Implementation ($500M) enabled the company to stay ahead of the competition by increasing demand for cars in all regions.

Further investments such as Next Generation E-Drive Modules ($300M) helped in reducing the cost of production of electric vehicles and increasing their popularity. The introduction of Cyber Security ($400M) improved vehicle security and boosted consumer confidence. Charging Network Expansion ($400M) fueled demand growth through improved infrastructure. The introduction of Cloud Connection ($300M) enabled it to offer new digital services to customers, which strengthened BEEP's market position.

These solutions helped the company to revamp its product portfolio, meeting market demands and strengthening the company's technology leadership. According to the IPCC report, the transport sector remains one of the largest contributors to CO2 emissions, making BEEP's investment in sustainable technologies critical to reducing its carbon footprint (IPCC 2021).

Investments in electrification and infrastructure have become an important part of BEEP's strategy. According to the IEA report, electric vehicles play a key role in reducing emissions in the transport sector. In the Q5 simulation, the Management Issue decided to invest in the expansion of the charging station network, which has increased demand for electric vehicles and subscription revenues, as well as reducing customer concerns about the range of electric vehicle journeys. This has accelerated the adoption of electric vehicles and increased their popularity.

In Q9, the company considered investing in Cloud Connection but decided to postpone it until Q11, focusing its efforts on expanding its network of charging stations. This allowed for a more efficient allocation of resources and supported the growth of the electric vehicle market. These measures have helped to increase demand and improve customer experience, which has strengthened BEEP's position in the market (IEA 2023).

The Innovation Department's strategy culminated in a complete transition to electric vehicles. During the first 10 quarters, the company gradually reduced production and sales of vehicles with internal combustion engines, replacing them with electric models. By the 11th quarter of the simulation, BEEP's entire portfolio consisted solely of electric vehicles, eliminating CO2 emissions and meeting modern environmental standards. The move to an all-electric portfolio also opened up new markets and enabled the company to earn bonuses for meeting carbon footprint reduction targets, strengthening its global competitiveness.

1.3 OPERATIONS DEPARTMENT ANALYSIS

In the Business in Practice (BIP) business simulation, the role of the operations director played a key role in achieving operational efficiency and sustainable growth for the company. The main responsibilities of the operations director included managing capacity, optimizing costs, and improving the company's environmental performance. This is in line with the approach outlined in the book Operations Strategy by N. Slack and M. Lewis, which emphasizes the importance of aligning operations strategy with the overall business strategy to create competitive advantage (Slack & Lewis, 2019).

The operations director was responsible for making decisions regarding the opening of new production lines, although the closure of existing ones was not foreseen in the simulation. He also allocated production capacity between regions such as Europe, USA and China. The main objective was to maximize plant utilization to achieve economies of scale as full capacity utilization helps to reduce costs and increase productivity (Stevenson, 2020). An important aspect of management was to monitor Days of Inventory (DOI) to optimize processes and prevent overproduction or stock outs.

Also, an important indicator was to track the Product Maturity indicator. This indicator showed whether a product was at a stage of growth, peak demand or decline in its life cycle. A high level of product maturity, for example above 120%, indicated that the product was becoming obsolete, and the company needed to either increase production capacity to increase demand or rethink its product portfolio renewal strategy.

Investing in environmental standards and improving ESG performance was also a key challenge for the operations director. It was important not only to improve operational efficiency, but also to reduce the company's carbon footprint across all three categories (Scopes 1, 2 and 3), including emissions from its own factories, energy consumption and

throughout its supply chain. These measures enabled the company to improve its position in ESG ratings and access green bonds, which had a positive impact on the company's financial performance and market sustainability.

The Directors of Operations worked proactively with other departments to maximize the company's performance. By supplying data and analyses on operational capabilities and strategy, the Directors assisted the team in decision making, which enabled effective implementation of the company's overall strategy and improved results at all levels.

An analysis of BEEP's operations department's actions in the BIP programme simulation shows that all decisions were closely linked to the company's overall strategy to transition to an all-electric portfolio and differentiation through innovation.

One of the key objectives of BEEP's strategy was to fully transition to all-electric vehicles while maintaining technology leadership. The operations department's actions to reduce production of older models, such as the Business 135H and City E, and replace them with new electric models, such as the Model C2 and Model X2, contributed to achieving this goal. This phasing out of obsolete vehicles from the market and increasing the share of electric vehicles was fully in line with the company's strategic focus on innovation and sustainability. In addition, electric models better met market needs and helped the company avoid CO_2 emissions penalties.

The Operations Department focused on increasing production capacity for models that were at the peak of their life cycle, such as the B2 and C2. Expanding production lines for these models allowed BEEP to achieve economies of scale, which contributed to lower production costs and improved competitiveness. This approach has enabled BEEP to offer high-tech and affordable electric vehicles for both the mass market and the premium segment.

One of the main challenges for the operations department in the first stages of the simulation was the high level of inventory (Inventory). During the first 12-15 quarters, a

significant number of cars accumulated in the warehouses, which was the result of a mismatch between production capacity and real demand for the company's products. The problem was particularly acute with outdated models such as the City E and Lux 225G, which had reached the peak of their maturity and were beginning to lose popularity. As a result, the company faced high Days of Inventory (DOI), which meant slow product movement and a significant number of unsold vehicles.

To address the high inventory levels, the operations department took several key steps. Firstly, prices were cut on models with high inventory levels, such as the 4X4 and City E, which stimulated demand and helped to reduce inventory. Secondly, a decision was made to reduce production of obsolete models such as the Lux 225G and increase production of new models such as the C2 and B2. These measures reduced inventory levels and increased revenues, which was particularly evident by Q21-22, when inventories began to decline, and revenues increased (Figure 2). In addition, the strong promotion of electric models helped to reduce inventories of older vehicles with internal combustion engines and further drive the shift to an all-electric portfolio.

Part of BEEP's strategy was to focus on environmental sustainability, meaning reducing carbon emissions and improving the company's ESG ratings. The Operations Department has actively invested in projects aimed at reducing carbon emissions across all three categories: Scope 1, 2 and 3, which is in line with international IPCC (2021) recommendations and GHG Protocol standards and reinforces its environmental commitment (Figure 3). For example, investment in the Scope 1 Sustainability Project and solar panel installation (Q14) reflected the company's commitment to environmental standards and sustainability. This not only reduced environmental impact, but also provided access to financing through green bonds, which was in line with strategic objectives.

As part of product lifecycle management, the Directors of Operations closely monitored Product Maturity metrics (Suomala 2005). This enabled timely production cuts or expansions depending on the life cycle phase to avoid freezing capital in unsold products and redirecting it to maintaining competitive offerings. For example, when the Lux 225G model reached peak maturity and began to become obsolete, the decision was made to reduce its production (Q9), which helped avoid inventory accumulation and financial losses. This approach to product portfolio management supported flexibility and timely adaptation to market needs, which was fully in line with BEEP's strategy to pioneer innovation and offer state-of-the-art solutions.

Thus, the actions of BEEP's Operations Department in the BIP programme simulation were fully in line with the company's strategic objectives. The COO ensured efficient capacity management, reduced the company's carbon footprint through environmental investments and actively adapted the product portfolio to market requirements (Dahlmann and Roehrich 2019). This enabled the company to successfully address high inventory levels and achieve the overarching goal of becoming the market leader in electric vehicles, maintaining a competitive advantage through innovation and sustainable solutions (Figure 4).

1.4 FINANCE DEPARTMENT ANALYSIS

The analysis of the Finance Department in the BIP business simulation demonstrates that the role of the CFO was central to the sustainable growth of the company and the effective implementation of its strategy. The CFO performed several key functions, each of which played an important role in achieving the company's objectives.

One of the main responsibilities was debt and credit management. The CFO made borrowing decisions to finance both current operations and investment projects. This required a balanced approach to the allocation of financial resources, especially for innovative and operational improvements, in order to support the company's growth without excessively increasing the debt load.

Managing access to green bonds (Green Bonds) was an important challenge. The CFO used these instruments to obtain financing on favorable terms for environmentally sustainable projects. This involved liaising with other departments to ensure that investments in sustainable technologies, such as carbon reduction and electric vehicle development, were supported by funding through Green Bonds (Flammer 2021). This helped the company to follow its environmental targets and improve its ESG ratings.

The CFO also dealt with equity issues, assessing when it was best to raise additional capital to fund the company's growth. This could include both expanding production capacity and developing new technologies, both of which required significant financial investment.

An important part of the job was determining the timing of payments to customers and suppliers. The CFO set payment terms to control the company's liquidity and optimize cash flow management. This allowed the company to efficiently maintain its operations and avoid financial problems.

An equally important aspect was providing financial advice to other departments. The CFO worked closely with other managers to provide them with advice on financial matters related to their operations. This ensured that all strategic decisions in the company were financially sound and in line with long-term goals.

In addition, the CFO was responsible for managing the liquidation of product lines. If necessary, he made decisions to discontinue obsolete or unprofitable car models, which helped to optimize the company's product portfolio, minimize losses and reallocate resources to more promising projects.

The CFO's role in the BIP business simulation was fully consistent with the corporate finance objectives described in Operations Strategy by N. Slack and M. Lewis, which emphasizes the importance of aligning financial decisions with a company's operational strategy to achieve competitive advantage (Slack & Lewis 2019). The CFO also drew on the principles outlined in Financial Management: Theory and Practice, which emphasizes the importance of aligning financial policy with the company's long-term strategic objectives to achieve sustainable growth (Brigham & Ehrhardt 2019). Thus, the CFO was an integral element of the executive team, making key decisions that supported the financial stability, growth and competitiveness of the company.

An analysis of BEEP's finance department's actions in the BIP simulation shows that all financial decisions were aimed at achieving the company's key objectives: maximizing the use of green bonds, reducing the cost of capital (WACC) and maximizing the value of the company. These decisions were also closely aligned with BEEP's overall strategy of moving towards an all-electric portfolio and environmental sustainability.

One of the finance department's main strategic objectives was to maximize the use of green bonds to finance environmentally sustainable projects. Green bonds provided the company with the ability to raise funds at lower interest rates for projects aimed at reducing

its carbon footprint and increasing environmental sustainability. The Department of Finance began using green bonds as early as Q5, when the first loan of $985,000 was received. In subsequent quarters, up to Q21, the department actively continued to use this tool, resulting in a significant increase in Green Capital Expenditure (Figure 5). This funding was used for projects in Innovation, Operations, and Human Resources. This allowed BEEP to invest in technology development for the production of electric vehicles, which was in line with its strategy of environmental sustainability and green technology development.

In addition, an important focus of the finance department was to reduce the WACC (weighted average cost of capital), which had a direct impact on the company's ability to raise cheap capital to finance projects. At the beginning of the simulation, the company's WACC was at 6.3%, which is quite high for sustainable growth. However, by Q25, the finance department was able to bring this down to 5.3%, indicating a significant reduction in the cost of capital. This was achieved by increasing the share of green bonds in the capital structure, which reduced debt servicing costs. Such an approach is supported by international practice that reducing carbon emissions and utilizing sustainable finance helps to reduce the cost of capital (Raimo et al., 2021).

Maximizing the value of the company was also one of the key objectives of the finance department. The main metric the company focused on was economic value added (EVA), which represents the residual income after deducting the cost of capital. BEEP's finance department took several strategic decisions to increase net operating profit after tax (NOPAT). These included increasing product margins by introducing new technologies and utilizing economies of scale. In addition, a decision was taken to discontinue production of obsolete and unprofitable models such as the Business 135H (Q6) and Lux 225G (Q11), allowing the company to reduce losses and focus on producing higher value-added electric

vehicles. These actions contributed to an improvement in free cash flow (FCF), which changed from -2,750,803 in Q1 to positive values in Q22 and Q28.

All the actions of the finance department were fully aligned with BEEP's overall strategy centered on the transition to an all-electric portfolio and environmental sustainability. Funding through green bonds has helped the company realise projects to reduce carbon emissions across all three categories: Scope 1, 2 and 3, which strengthened its position in ESG ratings and gave it access to cheaper capital. In Q14, the department financed the installation of solar panels, which reduced the company's operating costs and improved its environmental sustainability. This decision was supported by access to green bonds, making the project more cost-effective and in line with BEEP's strategic objectives to reduce its carbon footprint.

BEEP's financial performance over the entire simulation period also shows significant improvements in key metrics. Decisions taken, such as utilising green bonds, lowering the WACC and increasing the value of the company, have enabled the company to maintain stable growth and meet its strategic objectives. Liquidity metrics such as Current Ratio fluctuated between 2.1 and 15 throughout the simulation, indicating the company's high level of liquidity. However, this ratio has been stabilized in recent quarters, indicating better management of liquid assets.

Additionally, BEEP's Debt to Equity Ratio was in the range of 0.48-0.56 throughout the simulation. This value reflects a moderate proportion of debt in the company's capital structure and is in line with the average in the automotive industry. The average Debt to Equity Ratio for global automakers ranges from 0.7-2.7, reflecting a balance between leverage risks and opportunities to invest in innovation and expansion (Statista 2022). Companies with lower debt to equity ratios often demonstrate greater financial strength, which is particularly important in a highly volatile automotive market and a strong shift towards electric vehicles.

Debt to Equity Ratio BEEP indicates a balanced capital structure: a company uses debt to finance growth and investment in technology, such as electric vehicle development, but is not overly exposed to the risks associated with high debt levels. Managing this metric also plays a key role in lowering the WACC, as an optimal capital structure allows the company to raise capital at a lower cost. This is particularly important within BEEP's strategy of moving towards sustainable production and green bonds, as companies with high environmental standards and a stable financial structure have more favorable conditions for raising finance.

In terms of Net Margin, BEEP exhibited values in the range of 0.10-0.12, slightly below the industry leaders. For example, Tesla, one of the leaders in the electric car segment, has shown net margins of 0.15-0.17 in recent years (Tesla Annual Report, 2021). Tesla's higher margins are attributed to its market leading position in the market and its economies of scale advantages that provide high profitability per unit.

Nevertheless, despite some lag in net income, BEEP has shown a positive trend in improving its financial performance, especially in the last quarters of the simulation. The increase in product margins has been made possible by strategic investments in innovation and technology, such as the development of new electric vehicle models and optimization of production processes. This demonstrates that BEEP has taken successful steps to increase profitability.

BEEP's finance department has thus played a key role in achieving the company's strategic goals of environmental sustainability and increasing the company's value. The use of green bonds to finance projects aimed at reducing carbon footprints, as well as the active reduction of WACC, has enabled BEEP to remain competitive and effectively implement its strategy of transitioning to an all-electric portfolio.

2. INDIVIDUAL PERSONAL REFLECTION

2.1 INTRODUCTION

The Business in Practice (BIP) programme provided a unique opportunity to develop key professional skills such as decision making, interpersonal communication, teamwork and project management. As part of the simulation, I played the role of the CFO of BEEP, which gave me a deeper understanding of the dynamics of working in a cross-functional team and the importance of cohesive communication and assertive leadership. This experience opened my eyes to how personal actions and interactions with the team can impact the overall results and success of a project.

This section reflects my personal observations and analysis of the important points that influenced my development during the programme. I will focus on two critical incidents that not only showed the importance of clear communication and coordination, but also helped me realise my weaknesses and opportunities for further growth. These incidents allowed me to evaluate my role in the team from a new perspective, realise how my actions affected my colleagues and how this can help in the future when working in similar environments.

Reflection is an important part of professional and personal growth. Through analyzing these situations, I was able to identify key skills that needed to be developed further, as well as strengths that helped me to cope. Both incidents showed that even in difficult situations where opinions or actions may not align with team dynamics, it is important to have the courage and confidence to express one's ideas and find common ground with colleagues.

2.2 CRITICAL INCIDENT No 1

During my participation in the Business in Practice (BIP) programme, I encountered several situations that had a significant impact on my teamwork skills and personal development. There were moments during the team tasks that required not only technical knowledge but also the ability to communicate effectively and make decisions under time constraints. In this section, I will describe and analyse two critical incidents that became important moments in my experience in the BIP programme. These incidents allowed me to better understand how my actions and approaches could affect team dynamics and highlighted the need to develop open communication and decision-making skills.

On 18 June, after completing a sales training session, my team and I were heading to the workroom to prepare for an upcoming pitch. At this time, a few colleagues decided to go to lunch earlier than the scheduled time, without prior discussion with the rest of the team. When I arrived at the auditorium, I was greeted by several team members who were already putting their things away and invited me to join them for lunch. I replied that I didn't want lunch as I wasn't hungry and expected to eat lunch during the break from 1:00pm to 2:00pm as indicated in our schedule.

I realized that postponing lunch without discussion could have had a negative impact on our work as time to complete the assignment was limited, only 30 minutes. However, instead of insisting on a discussion and outlining the importance of sticking to the schedule to team dynamics and productivity, I chose not to bring it up. I didn't bring the team together for an open discussion or explain why it was important for me to stick to the schedule in order to use my pitch preparation time more effectively.

When my colleagues returned from lunch, they were relaxed, which I observed hindered their productivity. They didn't get back in time, which resulted in a lack of time to

fully work on the task. We spent the remaining minutes until the next session in an attempt to complete the task, but our efficiency was noticeably reduced.

The analysis of this incident showed how important timely and clear communication is in teamwork. My main mistake was that I did not initiate a dialogue with the team about keeping to the schedule. I let the situation develop on its own, which led to disorganization and feelings of alienation. Importantly, I did not express my opinion at a key moment, which allowed the team to make a decision that negatively impacted overall performance.

According to Valls, González-Romá and Tomás (2016), quality communication is an important factor affecting team performance. The lack of clear discussion in this case led to inefficient use of work time and reduced our overall productivity. Had I been more proactive and offered to discuss the work schedule in advance, we could have avoided this incident.

This incident was also a reminder of the importance of each team member's role in working together. My failure to indicate the importance of discussing the schedule and my silence created the perception that my opinion did not matter, when in fact I simply did not dare to express it. According to Toegel and Barsoux (2016), open and transparent communication not only helps prevent conflict but also helps build trust within the team.

After the incident, we discussed the situation with the team and I was able to express my feelings. Colleagues apologized for not discussing the issue beforehand and we agreed that from now on we would be more mindful of schedules and respect each team member's opinion. This step allowed us to improve communication and overall productivity.

Thus, this incident demonstrated the importance of not only open communication, but also my personal involvement in decision-making processes. In the future, I plan to participate more actively in discussions and not to miss opportunities to express my ideas and suggestions.

2.3 CRITICAL INCIDENT No 2

The second incident was not an isolated incident, but a chain of events and actions that revealed deficiencies in communication and coordination between functional directors.

As part of the business simulation, I fulfilled the role of the Finance Director of BEEP. Key responsibilities included managing financial flows, allocating resources between departments, and analyzing key performance indicators such as profit, profitability and asset utilization. However, one of the critical metrics for manufacturing companies is Inventory, as excessive inventory levels lead to freezing of funds in finished goods, reducing liquidity and negatively impacting cash flow. Also important is the Days of Inventory (DOI) indicator, which shows how quickly turnover allows the sale of accumulated goods. The higher this indicator, the longer products lie in stock, which increases storage costs and reduces the company's efficiency.

The beginning of the incident dates back to Q8 when I noticed that the Inventory score had increased significantly. This should have signaled a problem with inventory management, but the team didn't give it the attention it deserved. Each director was focused on their personal goals and performance metrics, and the overall company goal of creating value was taking a back seat. In particular, the operational directors in charge of production and supply chain management were focused on maximizing factory utilization, which led to stockpiling. Despite my pleas to the team, this did not become a priority for the operations department as the problem was seen as an afterthought.

By Q11, I started to focus more on the issue, insisting on the need for a change in approach from the operations directors. I saw that their main focus was on production capacity rather than inventory management. At first this produced temporary improvements: lower stock levels and a slight improvement in sales performance. However, without a

systematic approach and a clear strategy for inventory management, by Q15, the problem became an issue again. Inventory started to skyrocket again.

My mistake was that I didn't explicitly express my views and explain to the team why it was important to control inventory and keep it at an optimal level. I was afraid that my colleagues would not understand or reject my suggestion, so instead of actively discussing the problem, I simply put the chart with stock levels in the Operations Director's shared Excel file as a reminder (Figure 2). However, the lack of active dialogue and a clear position on my part prevented the team from taking effective action.

By Q20, it was clear that the problem with excessive inventory had reached a critical point and required urgent intervention at the whole team level. The company's inventory continued to grow (as you can see in the Figure 2) despite our efforts to reduce it in previous periods. At that time, the inventory was over 8 billion, which had a significant impact on our financial flows, increasing storage costs and freezing liquid assets that could have been used for further investments. At the same time, the revenue figure was not showing adequate growth, compounding the problem. Against this backdrop, it became apparent that further ignoring the problem could lead to a deterioration of the company's financial position and a decline in its market value.

Having initiated a dialogue with the operations and marketing directors, I focused on several key aspects. Firstly, I suggested revising production plans and focusing more on managing production volumes in line with real market needs rather than maximizing capacity utilisation. In previous quarters, the operations department had been inclined to maintain maximum production volumes to achieve economies of scale, however, without taking into account product demand, this resulted in the accumulation of significant inventory. My job as CFO was to explain the need for flexibility in production plans and to argue that the short-

term benefits of economies of scale should not outweigh the long-term negative effects on the company's liquidity.

Second, I suggested increasing the marketing budget to stimulate sales. At the time, the marketing director was cautious about increasing promotional spending, fearing that the additional costs might not be recouped. However, analyses of our sales and inventory figures showed that without additional demand stimulus measures, we would not be able to reduce our accumulated inventory, which would lead to further deterioration in our financial performance. More aggressive promotion of our models, especially those that have accumulated in stock, would help accelerate product turnover and reduce inventory.

Our discussion also focused on the need for more thorough market analysis when introducing new models. The innovation director did not always coordinate with the marketing department, which led to models being launched without sufficient research into demand and potential customer reaction. This also had a negative impact on sales volumes and increased inventories as some of the new models were not in expected demand. We came to a consensus that in the future, there was a need for closer collaboration between the innovation and marketing departments to ensure that new models met market expectations and were in demand from launch.

Following the changes made, we have already seen positive momentum in Q21. Sales increased due to a more active marketing campaign and inventories started to decrease, which can be seen in the graph where the inventory has been gradually decreasing since Q21. This also had a positive impact on liquidity and financial flow ratios. Free cash flow (FCF) started to recover, allowing the company to better utilize its resources for further growth (Figure 6).

In addition, improved communication within the team led to more coordinated actions of all departments. We began to better understand the overall goals of the company and the need to work towards increasing Value Added, which became especially noticeable in the

following quarters. The Figure 4 shows how, towards the end of the simulation, Value Added began to increase rapidly after we adjusted our actions and improved coordination between departments. This incident emphasized the importance of timely and clear communication within the team and the need for coordination between different functions to achieve the company's overall strategic goal of increasing the company's value and competitiveness (Johnson, Heimann, and O'Neill 2000).

Reflecting on this incident, which involved an inventory management problem, showed me the importance of self-confidence and the ability to communicate my views to the team, even if those views may differ from those of others. As CFO, I had access to key company metrics such as stock levels and liquidity that signalled problems. However, in the early stages of the simulation, I wasn't confident enough to suggest the necessary changes and influence the team's actions more proactively.

The reason for this was my fear of being misunderstood and doubt that my suggestions would be properly received. This is because, according to the PEER & SELF Evaluation (Figure 7), one of the key points that my colleagues noted was my ability to make decisions and express myself confidently. For example, the peer evaluation graph shows that although I demonstrated good analytical skills and understanding of financial processes, the scores in the 'communication' and 'confidence in decision making' categories were below average. This indicates that I did not always express my ideas with confidence and clarity, which may have created barriers in teamwork.

This incident helped me realise that the ability to express my thoughts and rationale effectively is a critical skill for a leader. As this incident showed, the lack of confidence led to the team's lack of attention to an important issue and the stock increase situation was not addressed in a timely manner, exacerbating the problem by Q15.

Based on this incident and feedback from the team, I concluded that in the future I need to actively develop my assertive communication skills. This involves participating more actively in discussions and expressing my thoughts clearly, especially in critical situations where important decisions need to be made. As research on team dynamics shows, such situations can arise from a lack of trust and a lack of confidence that each team member's opinion will be heard and considered. Lencioni (2002) ‘The Five Dysfunctions of a Team’ emphasises that one of the key dysfunctions of teamwork is a lack of trust, where team members are afraid to express their thoughts or ideas for fear of being misunderstood or rejected. Clearly, at this stage, this was one of the reasons why I did not insist on my opinion more actively.

This incident helped me realise that it is important to not only see a problem, but to have the courage to bring it to the team. In the future, I will strive to better develop my leadership skills, especially in the area of communication, which will enable me to be a more effective team member and help the organisation achieve its goals.

2.4 CONCLUSION AND REVIEW OF LEARNING

During the Business in Practice (BIP) programme, our team went through significant development from a group of people with individual goals to a cohesive, high performing team. The challenges we faced, especially at critical times, not only tested our abilities, but also strengthened the team dynamic, helping us to move more effectively towards common goals. As I analyse these incidents, I see that the obstacles we faced ultimately led to deeper trust, better communication and better decision making.

The first critical incident, which involved a lack of communication and failure to meet an agreed-upon schedule, showed the importance of transparent dialogue and setting clear expectations within the team. This incident taught me that open communication is key to preventing miscommunication and ensuring all team members are aligned. A balance had to be found between individual preferences and the overall goals of the team. Once we realised this, we were able to continue working as a more organised and respectful team.

The second critical incident, related to an inventory management issue, was a turning point for our team. In the early stages, a lack of coordination and collaboration between departments prevented effective problem solving. As CFO, I was responsible for monitoring key financial indicators such as inventory levels, but my indecisiveness in the beginning led to a delay in resolving the problem. However, once the problem was brought up for discussion and resolved through collaborative action, we were able to adjust strategy and improve the company's performance.

Both incidents taught me that communication, trust and confidence in one's ideas are essential elements of effective teamwork. The initial challenges we faced, although challenging, contributed to our growth as a team. By the end of the simulation, we were no longer working as separate departments, but as a team moving towards a common goal of

increasing the value of the company. The improved coordination and open communication was reflected in the company's results, especially in lower inventory levels and increased sales and value created.

As Haas and Mortensen (2016) point out, teams thrive when they have clear direction, a solid structure, and a supportive environment. By the end of the BIP programme, our team had developed these three components, enabling us to overcome initial challenges and work together more effectively. The conflicts and challenges we faced ultimately helped us build a strong foundation for continued collaboration.

Reflecting on my personal development, I realised the importance of confident communication and active participation in decision making. By improving these skills, I am confident that I will be able to contribute more effectively to any team in the future. This experience has taught me important lessons in leadership, communication and teamwork that will be essential in my professional career.

In conclusion, the Business in Practice programme was an invaluable experience that not only tested our technical and analytical skills, but also forced us to develop important interpersonal and leadership skills. By overcoming these challenges, we have become stronger as a team, able to tackle complex tasks with greater confidence and cohesion.

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APPENDIX

1. FIGURES

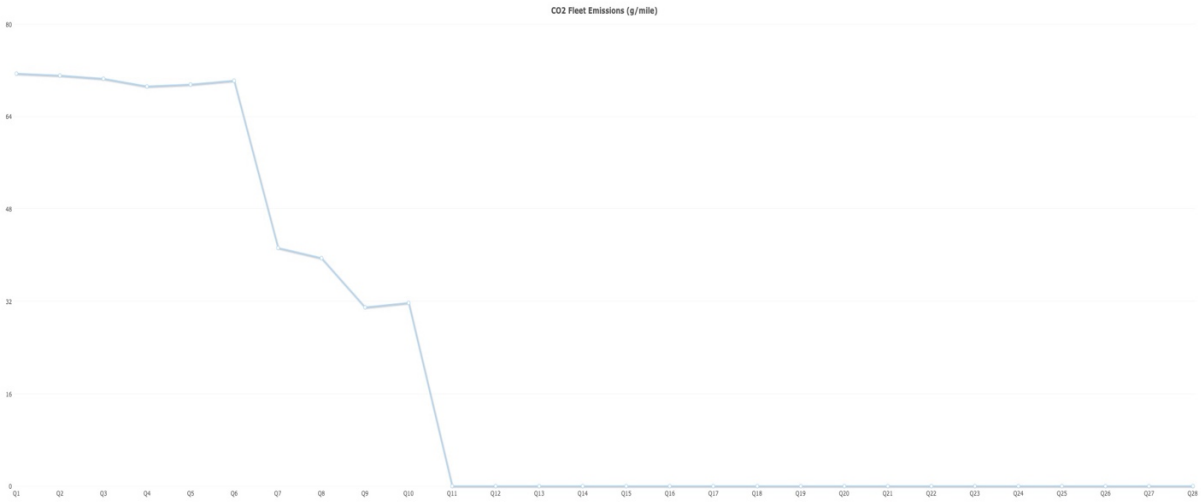

Figure 1 - CO2 Fleet Emission (g CO2/km)

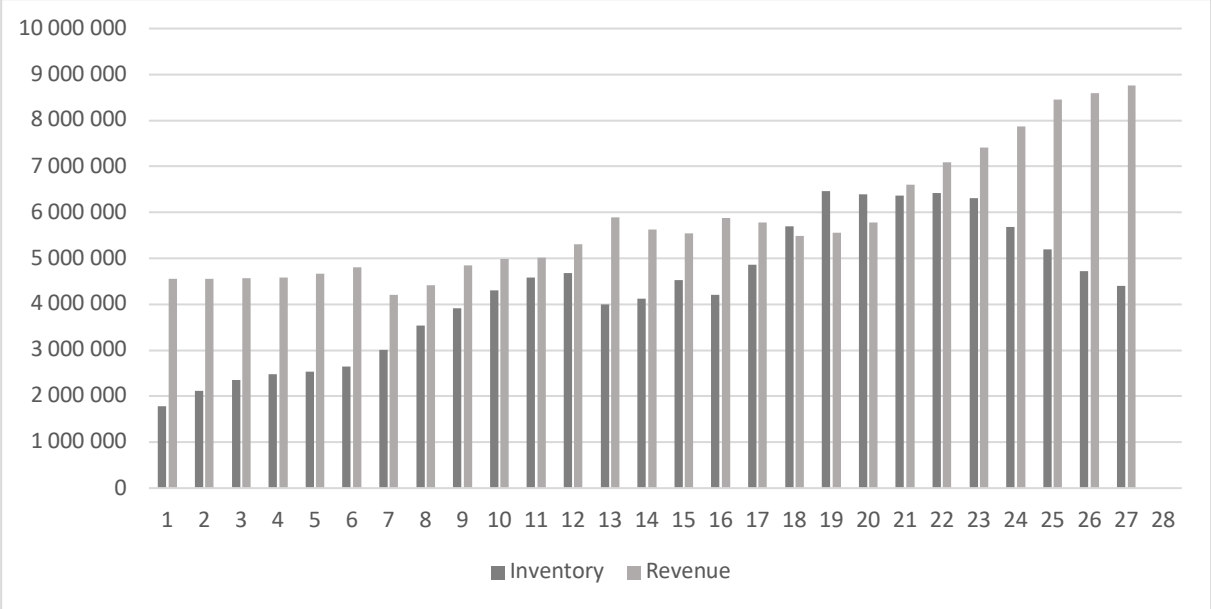

Figure 2 - BEEP Revenue and Inventory Values Chart

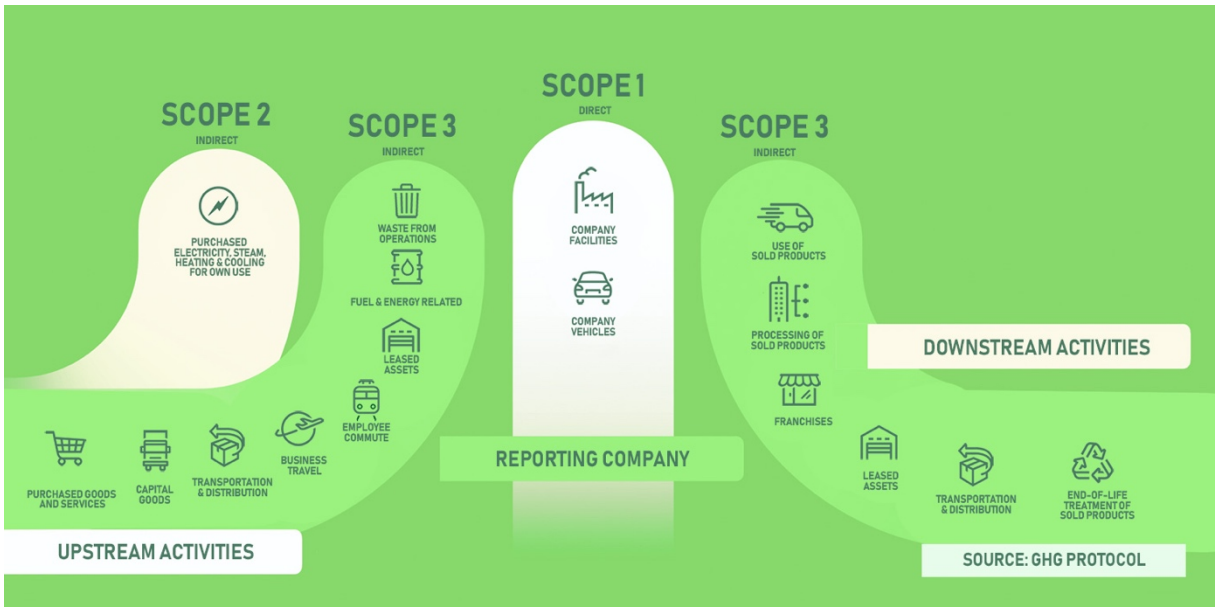

Figure 3 - GHG Protocol standards

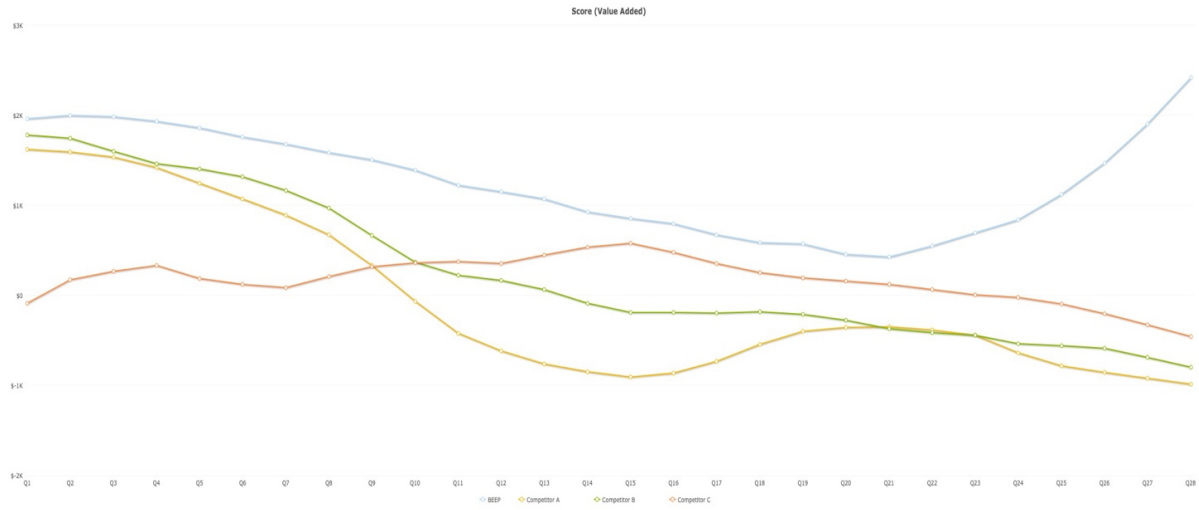

Figure 4 - Chart Score BEEP and competitors

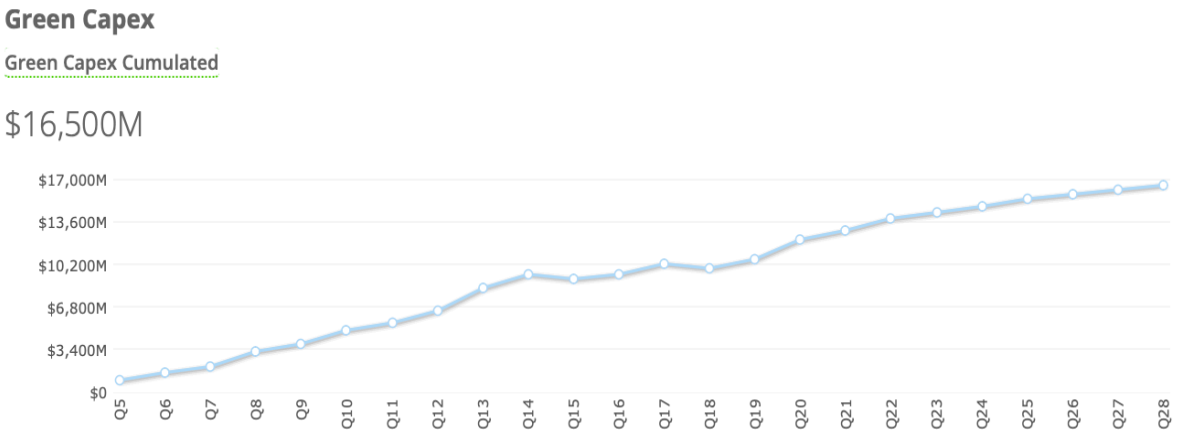

Figure 5 – BEEP Green Capex Chart

Figure 6 – BEEP FCF Chart

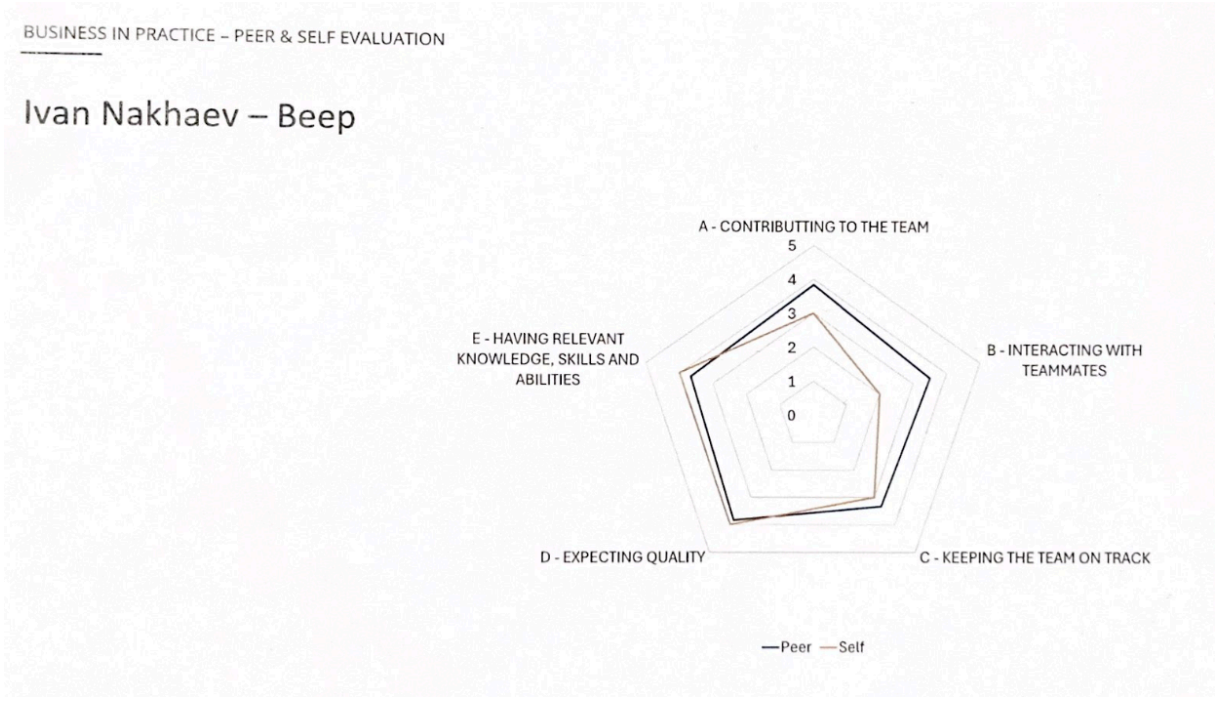

Figure 7 – PEER & SELF EVALUATION