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BUSINESS IN PRACTICE:

A Finance Director's Perspective on the Automotive Industry - Analyzing Grizzly Simulation Results and Key Insights

Francisco Dias Costa

Work project carried out under the supervision of:

Professor João Loureiro Rodrigues

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Abstract

In a world of constant and rapid changes, people and organizations must continuously adapt. Sustainability became a cornerstone on todays' world, driven by the visible impacts of climate change. *Business in Practice* applies theory in practice, through a simulation of the automotive industry, addressing challenges posed by electrification and technology advancements. This dissertation aims to analyze the results and key learnings from this 3-week change management program, with a focus on self-reflection on personal leadership development and assessing Grizzly's performance over the 6-year frame. It provides insights into how teamwork, strategic adaptation and effective leadership drives success in dynamic environments.

Keywords

Theory in Practice; Sustainability; ESG; Finance; Strategy; Innovation; Leadership; Team Dynamics; Emotional Intelligence; Feedback; Psychological Safety; Conflict Resolution; Growth Mindset.

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1. Firm Analysis

The world as we know is constantly changing and full of uncertainties, where the abilities to adapt and being resilient are seen as essential, not only for individuals but also for organizations. Events as the Covid-19 pandemic, political conflicts or the wars in Ukraine or Gaza show that nothing can be taken as guarantee and that the world must be constantly evolving to answer these and so many other problems. Climate change is also a topic in people's mind in which they and industries must adjust and adopt more environmentally friendly initiatives. The automotive industry is no exception

The automotive industry is currently facing an enormous disruption, with a paradigm shift in which companies must be one step ahead of others to define the future of mobility (Ferràs-Hernández, Tarrats-Pons, and Arimany-Serrat 2019). Technological Advancements, Environmental Regulations and Sustainability, Economic factors and shifts in consumer preferences can be defined as the main factors driving to a fast-paced transformation on the automotive industry.

To replicate this industry and its trends, the Industry Masters developed the 'Auto Manufacturing Business Simulation', a complex simulation with the goal of providing a deeper understanding of the challenges in managing an automobile manufacturer. For the context of simulation, a company needed to be created. And that is where Grizzly appears.

Grizzly vision is simple: "A car for the brave professionals". The company aims to navigate trough all the challenges of the industry, by offering a diverse range of model cars to their customers in the US, Europe and China, with the best technology available of the market. During the 6 years' time frame of the simulation, Grizzly will seek growth and create value, always with Sustainability as the main driver of the company.

The following sections will analyze Grizzly' performance, by doing a critical reflection of the company' decisions and their impact. For that, this section will not only resort to different relevant literatures to provide a deeper understanding of the results, but also use real case examples from companies in the automotive industry, providing a realistic side to the analysis. In particular, it will be reviewed the journey of the functional areas of Strategy, Finance and Innovation and prove the connection between all of them.

1.1 Strategic Review

Grizzly strategy was designed in line with the main tendencies underlined in the PwC article "Five Trends Transforming the Automotive Industry", where the future of mobility is described as “EASCY” (Electrified, Autonomous, Shared, Connected, and Yearly Updated) (PwC, 2023). In fact, these trends are reshaping the current automotive industry and so companies must be proactive, instead of being reactive, in addressing their customers' needs and preferences. Grizzly knows best and is sure to keep up with these market advances: whatever the technologies the company applies, it must focus on innovations that put customer experiences at the forefront. In this context, the approach adopted by Grizzly aligns closely with the perspectives articulated by Michael E. Porter, who highlighted the significance of synchronizing a firm's strategy with market dynamics and evolving trends to sustain a competitive edge. Porter's analysis of competitive strategy stresses the need for ongoing innovation and adaptability considering industry transformations, which is particularly vital in the swiftly evolving automotive industry (Porter, 1980).

External Analysis

The PESTEL model (Aguilar, 1967) enables a complete check into the current state of the automotive industry and what it means for Grizzly. Politically, regulation and compliance have steadily become more important with global governments as they focus on the need to reduce carbon emissions and increase renewable energy consumption. For the automotive industry, greater environmental policy, as seen with the European Union's CO2 emissions standards, directly impacts the automotive industry, notably in the case of ICE vehicles. The simulation shows this trend, where in Q4 the government defined a limit for the average CO2 emissions by the cars and imposed penalties payments if this threshold was surpassed (Appendix, Fig. 1). In Q6, this limit was even more tightened (Appendix, Fig.2), resulting on Grizzly starting to pay fines. Only in Q14 the company finally was following the constraint level and avoided these penalties, that were negatively impacting the financial results (Appendix, Fig. 3). Finally, trade policies are essential. For instance, see the USA-China trade conflicts, where in Q6, U.S. defined a 100% tariff on Chinese EVs entering the country (Appendix, Figure 4). Then, in Q9, China immediately hit back, increasing its tariffs on American electric vehicles from 25% to 40% (Appendix, Fig. 5). On the economic front, the automotive industry is overly sensitive to economic cycles. In times of recession, the consumer usually defers purchase

of a new vehicle, thereby directly affecting sales. As occurred in Quarter 24, the industry was rocked by a global recession, having done damage to the market (Appendix, Fig. 6). There is rising demand for environmentally sustainable vehicles as well as pressure to reduce carbon emissions from an environmental and social perspective. Grizzly needs to realign its strategy to meet these changing consumer expectations and environment-associated obligations. Today, technological innovation is quickly changing the automotive sector, especially in electric vehicles, battery innovations, autonomous driving systems, and connectivity features. During the simulation, there are several opportunities where Grizzly can innovate and develop better features and technologies that enhance its performance and, therefore, meet customer demands and expectation, like AI implementation, Cyber Security and Personalized Services. From a legal perspective, this includes safety regulations and intellectual property protection in the automotive industry.

From another perspective, using the Porter's Five Forces (Porter, 1997), Grizzly can assess the 5 forces that shape the automotive industry competition and navigate smartly through the challenges and opportunities. The Threat of New Entrants is low, due to the big barriers to penetrate this industry, for example the necessity for substantial funds investment to start. Additionally, the market is replete of formidable competitors, rendering entry for new participants quite challenging. The Bargaining Power of Suppliers is moderate. While the industry is reliant upon a vast range of suppliers around the globe, the fact that a few key suppliers dominate the supply of certain critical components increases their power. Indeed, suppliers do face high switching costs, and quality levels must be maintained. In contrast, the Bargaining Power of Buyers is high. There are many models and brands available for consumers. Their high price sensitivity lowers their willingness to pay and thus puts pressure on the auto manufacturers to deliver value.

The Threat of Substitutes may be assessed as moderate. Indeed, there are alternatives in the form of public transport, bicycles, and car-sharing services available in most metropolitan cities. However, their total impact is constrained by the fact that a majority of regions still favor private use of automobiles, even if it is decreasing (McKinsey & Company, January 2021). Finally, the Industry Rivalry is high, since there are too many players globally, leading to immense competition, and companies are fighting back on three dimensions: price, innovation, and brand loyalty.

Internal Analysis

The Resource Based View framework states that the competitive advantage of an organization comes from its ability to accumulate and apply a unique set of valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). For Grizzly, this involved identifying and tapping critical resources to gain a competitive advantage in the auto industry. In terms of Physical Resources, Grizzly had the advantage of having already established manufacturing facilities across the three major regions: the United States, Europe, and China. Its international presence allowed Grizzly to reach different customer segments and various preferences while maintaining a wide production capacity. Towards the end of the simulation, Grizzly reached 100% full factory utilization, which proves its good resource management practice. With a strategy of putting in and taking out the cars from the production lines, but also downsizing or expanding the number of lines in production of the models, Grizzly achieved, in general, an optimal inventory management, where it was ranked 3rd in this category in the end of the simulation (Appendix, Fig. 7). Additionally, a new European production line was built to increase its capacity. By looking back on Grizzly decisions, the company might had benefited from expanding more their factories, mimicking Tesla global growth plan, with the construction of Gigafactories globally to satisfy the demand pressures (Tesla, 2024). From a Human Resources point of view, the competitive advantage of Grizzly was significantly increased by its excellent management staff, where employee satisfaction was consistently near 100% all quarters, exceeding industry benchmarking, aligning with the critical importance of human capital in sustaining organizational performance (Wright, Dunford, & Snell, 2001) (Appendix, Fig. 8). For example, organizations like Toyota have long recognized the value of their employees by embracing continuous improvement (Kaizen) practices that engage individuals at all levels, contributing to the firm's operational efficiency (Liker, 2004). Worker well-being and competency development are what enabled Grizzly to innovate and deliver operational excellence in the simulation. On an Intellectual and Technological Resources side, innovation was the basis of Grizzly's strategy, by investing a big amount of money in R&D. These investments enabled Grizzly to constantly deliver vehicles with the most upgraded features in the market. From the point of view of Financial Resources, Grizzly's established Financial Position allowed continuous investments in all the different departments, for example in technological innovation. According to Sustainability

Resources, Grizzly's business spirit was deeply grounded in sustainability, which today underlines the growing importance of environmental, social, and governance criteria in the automotive industry. The company's strong Environmental Social Governance (ESG) ranking, supported by its comprehensive ESG report (Appendix, Fig. 9), attracted an additional investment and made Grizzly one of only three companies in the simulation receiving the ESG Creditation (Appendix, Fig. 10).

Finally, the SWOT analysis is a framework used to evaluate a company's competitive position and to develop strategic planning, by looking at internal and external environment (Humphrey, Albert 2005). At the beginning of the simulation and starting with the Strengths, Grizzly has factories all over the different regions, being one step ahead of its competitors in sustainability practices. Most of the vehicles were showing a positive tendency of increasing sales as well with good contribution margins. The company also had a stable Credit Rating which allows them to support on leverage to grow. On the Weaknesses side, one of Grizzly' vehicles is presenting a poor performance in sales and a low contribution margin, being imperative to handle this problem urgently. The fleet CO2 emissions is also above the allowance showing the need of restructuring the business in a short-term view too. This led to Grizzly decreasing its performance on Year 0 of the simulation. Looking at the Opportunities, one is very clear: the future of mobility is electric. According to the "2024 Global Automotive Consumer Study" by Deloitte, one of the other main trends is that a significant number of consumers might be switching their car brands (Deloitte, 2023) and so Grizzly can take advantage of that by increasing its number of customers and capturing a big portion of market share, if the company takes a proactive approach and adapt to the new necessities of the customers. Finally, Grizzly faces as Threats an intense competition among the various companies trying to survive in the new mobility future, as well growing penalties in CO2 emissions and high volatility in the cost of raw materials.

Strategy Implementation

Grizzly, living by the motto "A car for the brave professionals," wants to revolutionize the car industry by transitioning to an all-electric vehicle portfolio by 2028. The company's strategy was initially focused on offering a diverse portfolio of high-end, innovative cars targeting differentiation and a broader market segment, according to Michael Porter's Competitive Advantage Matrix (Porter, 1985). Grizzly heavily invested in R&D to ensure that its cars were characterized by both luxury and technological

leadership, then launching them to the market with a price slightly above average. Nevertheless, the simulation revealed that the market was also looking for more compact and more economically friendly vehicles, meaning that the company's offerings needed to be diversified, but still involving advanced technologies. In the United States, Grizzly continued its focus on premium offerings but expanded the product lineup to appeal to a greater number of customers. Additionally, one of the most important strategic moves was accelerating the shift towards fully electric vehicles. In the simulation, the launch of the Grizzly Turbo-H hybrid failed to meet initial projections, making as a priority the need for a faster transition to fully electric vehicles. This change not only kept Grizzly competitive but also reinforced the commitment to innovation and sustainability simultaneously, thus acknowledging the importance of adaptability in a rapidly evolving industry.

1.2 Finance Review

The Finance Review considers Grizzly's financial performance evolution from 2024 to 2030 and looks, in more detail, at the strategic responsibilities of the Finance Directors to drive the company towards growth and financial stability. They guided Grizzly through challenging and opportunistic times, handling the key aspects of the company related to revenue growth, cost efficiency, and capital management. Under their leadership, Grizzly was able to increase profitability, optimize cash flow, and strengthen the balance sheet, all while remaining deeply focused on both shareholder value and sustainability.

Profit & Loss Statement (Appendix, Table 1)

Grizzly demonstrated consistent revenue growth throughout the period from 2024 to 2030, achieving a compound annual growth rate (CAGR) of 9.66%. Revenues increased every year except for a slight decline in 2028. In 2030, Grizzly achieved a significant year-over-year (YoY) revenue increase of 26%, indicating strong momentum that suggests more growth and success in the future. This dramatically increase can be explained by the introduction to the market of the last 3 new car models developed (Grizzly UPM-E, Grizzly McQueen-E, and Grizzly Jesus-E), launched in 2027 that, by being in a maturity phase, had impressive sales and capture a good portion of market share.

The Cost of Goods Sold (COGS) also saw an evolution proportionally like the revenues, holding a ratio of COGS in % of revenues about 62-64% between 2024 and 2028. In the

last two years, the ratio reduced even more, allowing it to be 59% in 2030, reflecting good cost management. Over the past years, Tesla has reported COGS ratios around 80% and BYD, on the other hand, has a lower COGS ratio of about 75% to 80%. The COGS ratio of Grizzly in 2030 shows not only efficient production and effective cost control, but also some advantages against key competitors regarding this metric. These COGS good management resulted in $14.1 billion in gross profit in 2030, which represented 41% of revenues. For reference, Tesla's gross margin has floated in the range of 20% to 25%, while BYD's has remained around 20%. The 41% gross margin achieved by Grizzly in 2030 surpasses these companies and underscores the company's efficient production process. Although, Operating Expenses, (Marketing Expenses, General and Administrative Expenses, Bonuses/Premiums, and Depreciation), have been much more volatile, ranging between 13% to 24% of revenues on the period referred and so how to manage these costs will be one of the key challenges for Grizzly in the future. However, in the last two years, the company has managed to slightly reduce operating expenses. Consequently, these lower costs and a better gross margin have allowed for an increase in the EBIT margin, from 12% in 2028 to 23% in 2030. Additionally, Grizzly's net income as a percentage of revenues has been also quietly volatile, ranging from 4% to 15% during the period. For comparison, Tesla has sustained its net income margin within a range from 10% to 15% over past periods, while BYD has seen its net margins around 5% to 7%. Grizzly's 15% net income margin in 2030 is a good sign and can compete but the historical volatility indicates the need for further stabilization and optimization of profitability so the company can sustain its position in the automotive industry.

Balance Sheet (Appendix, Tables 2 and 3)

Grizzly's balance sheet has a strategic focus on growth and operational efficiency. Grizzly heavily invested in Long-Term Assets between 2024 and 2027, mostly in Property, Plant, and Equipment, which peaked at $19.9 billion in 2027 to answer the scaling of production required by increasing demand.

Liquidity remained a priority, with cash reserves increasing tremendously to $4.2 billion in 2028, working as a strong base for future investments and against market fluctuations. The Grizzly current ratio, with an average value of 8,36 over the period, indicates a very secure liquidity position, sufficient to sustain the company's short-term liabilities fully. Additionally, the ratio is much superior comparing to companies like Tesla (1,73 in 2023), showing the good position of the company. On the other hand, increasing Accounts

Receivable, amounting to $4.7 billion by 2030, seems to point to the requirement for tighter credit controls to avoid cash flow constraints. Inventory management has also improved, as after reaching a maximum of $5.3 billion in 2028, it reduced to $2.4 billion by 2030.

On the equity and liabilities side, Shareholder Equity grew linearly to $17.3 billion in 2030, representing our profit reinvestment and careful financial management. Our debt-to-equity ratio was at an average of 0.99, thus showing the usage of leverage to create value, but at the same time keeping in control our capital costs. It was this kind of prudent balancing that allowed us to keep us at a competitive WACC of 5.30%, ensuring ongoing investments in growth while preserving financial stability.

In the future, Grizzly must focus on the optimization of working capital, more specifically in receivables and inventory management. In addition, leveraging the equity base will provide room for expansion into new markets and for strategic investments that will further enhance Grizzly's financial health and competitive edge in the industry.

Cash Flow (Appendix, Table 4)

As stated in Grizzly cash flow statement, the company focused on operational efficiency and prudent capital management. In fact, from 2024 to 2030, its Operating Cash Flow (OCF) had consistently improved, increasing from $3.4 billion in 2024 to a $9.2 billion in 2030, almost tripling its value. This positive evolution shows the firm's ability to generate cash from its core operations, driven by growth in revenues and cost management, as stated in the Balance Sheet analysis.

On the other side, the Investing Cash Flow (ICF) had a continuous series of outflows. The largest investments were in the earlier years, reaching an outflow peak of $4.5 billion in 2025. These investments were primarily for increasing production capacities, developing new and better car models and upgrading technology features that would have a long-term impact on the company’s growth.

Financing Cash Flow was highly volatile, as it contained shifts in debt management and dividend payments. In the initial years, Grizzly was more dependent on debt financing that provided the way to finance its growth. This is evidenced in the change of debt especially in the years of 2024 and 2025. However, from 2028 to 2030, it started reducing

its debt weight and bought back shares, reflecting a more conservative and better financial structure, ensuring a much more stable and lower risk capital structure.

The net effect of Grizzly's cash flows shows a significant rise in cash reserves, especially by the end of the period. Despite fluctuations in OCF and substantial outflows in ICF, the company improved its cash position, ending the period with over $3 billion in cash, indicating strong liquidity and financial health.

Dividend Policy and Payments and Shareholder Returns (Appendix, Table 5)

Grizzly had a dividend policy payment where 40% of the Net Income was required to be yearly distributed among its shareholders for their satisfaction. However, as Grizzly faced some challenges in the first years, its Dividend per Share felt a big drop from $15.85 in 2024 to $4.89 in 2028 due to fluctuating net income and other financial pressures, indicating a poor quality of the shares. However, Grizzly showed great efforts and a great commitment to value creation, having an excellent recovery until 2030, with the DPS having increased by 567 percent to $32.65 by 2030.

The share price also replicated this recovery, more than doubling from $398.21 in Q1 2024 to $831.69 by Q4 2030. This exemplified a lot of resilience from the company to enhance its financial performance on good management and strategic prioritization toward improved shareholder returns, which ensured that investors benefited both from augmented dividends and capital appreciation.

Sustainability in Finance

In 2021, Grizzly has adopted sustainability as a core value in its rebranding process. For the first time the company was allowed to resort to green financing options, due to the green investments made. By raising green bonds to environmental investment initiatives, the company initiated the reduction of carbon emissions in the major functional areas like Production, Energy, and Supply Chain eco-friendly projects, but also invested in the new 100% electric fleet. This strategic move not only aligned Grizzly's operations with its long-term sustainability goals but further optimized the capital structure by substituting costly debt with more favorable green financial options. The results were a high increase in the Green Capital Ratio, increasing to 71% by Q20, and full allocation of Green Capital by Q27, as well achieving a Green Capex Ratio of 56,30% at the end of 2030, meaning

that more than a half of total CAPEX investments were in green projects (Appendix, Fig. 11).

1.3. Innovation Review

Innovation is the basis on which value creation and long-term growth for any company in the modern world can be achieved (Rothaermel, 2013). According to Schumpeter (1934), innovation is the main driver of economic progress, through new products, new processes, and new markets. Innovative organizations in the contemporary business world are better positioned to respond to shifts in consumer demand, technology, and competition pressures (Porter, 1985). At Grizzly, innovation is more than an operations emphasis, it is a strategic focus to further continue developing high-end vehicles to meet the needs of a continuously changing automotive world, as well to shift to an 100% electric fleet.

In the context of the simulation, among the three possible drivers of economic progress—new products, processes, or markets—new products were the primary focus for Grizzly. On day 0 of simulation, Grizzly already had six cars available and selling in the market: City E, Business 135H, Sport E, 4x4 E, PU 225G, and Lux 225G. The company was facing the challenge of the CO2 emissions scandal that was impacting the market, with half of the fleet being gasoline or hybrid engine cars. This led to decreasing sales of these models and penalties for CO2 emissions above the allowance from Q6 to Q13, peaking at $143.97 million in Q8. Given these risks, Grizzly had to react promptly while also developing new and better features for the fleet. This proactive approach indicated that the company was ahead of the market and responding to the future of mobility, which is increasingly "EASCY" (Electrified, Autonomous, Shared, Connected, and Yearly Updated). According to the Stage-Gate model (Kleinschmidt, Geschka, and Cooper, 1996), before proceeding with new developments, Grizzly's Marketing Department conducted a rigorous study of consumer preferences by location and rating, as well as the performance of existing cars. They also analyzed the competition, examining the models and features already available on the market and how customers were responding to them. These developments were considered alongside the product life cycle of each model, where Grizzly aimed to replace models as they entered the decline stage, reflected by dropping sales and lost market share (Levitt, 1965).

<u>The Phases of Progress</u> (Appendix, Tables 6 and 7)

By the end of 2025, Grizzly had developed two new models, the Turbo-H and the Baby-E, which required a total investment of $1,524 million. The Grizzly Turbo-H was a new sports model with a hybrid engine, with a higher-quality engine type to satisfy the high demand of the U.S. market. By contrast, the Grizzly Baby-E was an urban car and marked the company's first effort toward the development of an electric vehicle (EV). This model was developed after competitor analysis showed that similar models enjoyed strong sales without requiring too many marketing expenses, further contributing towards a higher contribution margin for the model. In that same year, Grizzly undertook a significant investment amounting to $750 million in innovative technologies, focusing on AI Implementation and Sodium-ion Batteries, both of which were in high demand globally. Moreover, Grizzly also invested $500 million in a Charging Network Joint Venture in anticipation of stimulating EV demand, thus selling more. 2025 was also remarkable as it was the only year when Grizzly invested in a non-EV car, as this model, Turbo-H, did not result in the expected effects, which we believed that customers were switching much faster to full electrification. This called for a slight re-strategizing from what had been initially defined. This move was also aligned to Tesla and BYD strategies, that never offered non-EV models and showed known exponential growth rates. In 2026 Grizzly innovation investment was towards the development and launch of new car models, rather than focusing on R&D too. The company created the Corporate-E for Europe, a new business model meant to replace the under-performing hybrid business car, and the Mini Baby-E—a micro car for the urban areas with the highest technology available, in line with Grizzly's offering of EVs with edge features. In 2027, Grizzly continued its focus on R&D, especially in areas such as Cyber Security and Cloud Connection, while developing new models of cars. More than one billion dollars were invested in the Shiny-E, a new luxury EV replacing the old gasoline model with the highest CO2 emission in the fleet. This move underlined the company's commitment to sustainability. Given the six-year time frame of the simulation, 2028 marked the last year to invest in new vehicle developments, since these types of investments take a long time to materialize and demonstrate any market impact. However, instead of slowing down there, Grizzly continued aggressively, investing almost $3 billion in three new models: the UPM-E, McQueen-E, and Jesus-E, representing a new pick-up, sports model, and 4x4 model, respectively. The models were developed to supplant earlier iterations that were witnessing a downturn in sales and possessed obsolete features, thereby not satisfying the growing demand for more sophisticated alternatives. Furthermore, in 2028, Grizzly

allocated resources towards V2V Communication and Next Generation E-Drive Modules. The concluding investment in research and development took place in the first quarter of 2029, centering on Personalized Services.

Innovation and Sustainability: Powering the Future Together

By investing approximately $2.2 billion in R&D and $6.9 billion in developing new models, Grizzly exemplifies the vital role that innovation plays in achieving both environmental and financial success (proven in the Finance Review section). This also confirms the findings of Zhang and Khan (2019), in which a positive correlation among innovation, sustainability, and economic performance is strongly established. This big investment focus on innovation was on line with the strategies of companies like Tesla or Volkswagen, that have a big focus towards a transition to a future sustainable mobility. Tesla, by already possessing a 100% electric fleet, prioritizes its investments in battery technology and autonomous driving features that add value to the company. By the other hand, Volkswagen, as part of its "ACCELERATE" strategy aims to position the brand as the global market leader for climate-neutral e-mobility. To achieve it, until 2030, the company visions that in Europe their EV car sales represents 70% of total sales, exceeding the EU planned regulation, and in the US and China to increase the same share to 50%. Additionally, by 2026 Volkswagen aims to invest 18 billion euros in e-mobility, hybridization and digitalization.

The move to a fully electric fleet by Q24 shows the commitment that Grizzly had in reducing their carbon footprint and maintaining growth. The innovation strategy of the company, with continuous investment in the most modern technologies, assured compliance with global emissions standards but also increased its competitiveness in the market. Freeman (1984) argues that innovation is a means for an organization to adapt and survive in dynamic environments, and Grizzly's strategic emphasis on innovation seems to drive it thus far.

1.4. Conclusions

First, it is important to highlight that for Grizzly performing like it did, it was extremely vital that all the departments worked together to create value and achieve competitive advantage (Porter, 1985). In specific, the three areas analyzed (Strategy, Finance and Innovation) were highly dependent on each other's, as all the decisions made throughout the simulations were always supported by the other departments. From the point of view

of Strategy, the strategy itself was only possible to be defined after, for example, analyzing the physical resources the company had, supported by Operations, but also detailing the customers preferences by regions, sustained by the Marketing Department work. All this proved the strategy being possible to develop. It was also crucial that Innovation focused from the beginning on investing in R&D. By the other side, Innovation was dependent on Finance raising the funds need to invest but also had to coordinate perfectly with Operations the timings of the development and launch of the models. Additionally, the department needed to be assured that it was developing exactly what the customers were looking for, doing so with the Marketing department. Finance required that all Grizzly's departments work as a 'perfect engine' so that the company could grow and state a good financial position, at the same time where it was needed to balance and prioritize the different investments through the funds available. The Finance Department was responsible for moving the quarters, so it was crucial that they were very careful before doing it and checking if every department had already done what was supposed to.

The Value Added Score (Appendix, Fig.12) was the primary metric of measuring performance and Grizzly finished the simulation with an overall Value Added Score of $3 118,42, being only ranked at 9th position overall compared to other companies in the simulations (Appendix, Fig. 13). Obviously, it wasn't a satisfied result, but I need to look to the bigger picture. Regarding this score, Grizzly faced troubled times, where during the first 4 years of the simulation its score, in general, was always decreasing until a negative peak of $850,70. This was caused by our delay on shifting our initial strategy, but also of the huge investments Grizzly did on Innovation and development of new models, that precisely ended on this same year. Going forward, Grizzly' score faced a fast growth, by almost quadrupling. This was a result of learning by doing, where the company learned from the mistakes and turned around and finished the simulation with stratospheric growth, leaving to know how it would have been like if the simulation had a few more years, or even if Grizzly have stopped investing earlier.

During this section, Grizzly's strategic journey in the automobile industry was highlighted by leveraging key frameworks, relevant literature on these topics and analyzing the results. By applying, for example, Porter's Five Forces, the Pestel analysis and the VRIO frameworks, the company identified the opportunities available on the industry and the internal resources Grizzly had to pursue the new trends on the automotive industry, especially the future of mobility is green and the importance for customers of connected

vehicles. In addition, Grizzly's financial statements were analyzed and what were the reasons behind these results, deepening the understanding of the company's decisions and it gave a critical opinion on what could have been done better to improve the financial results, namely an improvement in inventory management and in controlling the Receivables Accounts. Then it was discussed how important is to an organization to innovate when pursuing the goal of sustainable and long-term growth and success, but also that this growth can be even more leveraged if the investments are made in sustainability projects. By maintaining a customer-centric approach, all the journey led Grizzly to achieve incredible milestones, like an increase in the company's market share, improvement in financial stability and the enhancement of brand reputation. According to Grizzly ESG report and data from the platform, the company finishes the simulation impacting directly at least 11 Sustainable Development Goals (SDGs) (Appendix, Fig. 14) and with a reduction of 65% in emissions across all scopes. Grizzly ended the program with a Sustainability Rating of 83,60% (5th position overall) and a Corporate Social Responsibility ratio of 100%, indicating the company is fully socially responsible in terms of sustainable business.

Grizzly finishes the simulation with the feeling of 'mission accomplished'. Through the values of Dynamism, Reliability, Performance, Innovation, Sustainability and Consumer at the heart, the company was successful in the objective of reshaping the automotive industry by producing unique, high performance EVs and inspiring a new generation of drivers through excellence and environmental responsibility. Additionally, Grizzly won the simulation Marketing Prize, with the lowest marketing expenses by revenues (Appendix, Fig 15).

With a total of $170 billion revenues, about 3 million E-cars sold and a 100% electric fleet, the future of Grizzly is bright! The company must continue the excellent work done over the past 6 years, but also with a critical approach and improvement vision. They should continue expanding their product lines to capture different market segments but also study the possibility of expanding to new regions where EV adoption is growing, like the emerging markets in rest of Asia or Latin America. With the rising trend of car sharing models, Grizzly should also adapt to this, by exploring and then offering the best service models in the market. To enable continuous innovation and a step ahead of the competitors, the company should also have as a focus on attracting and retaining the top talent in areas such as software development and AI.

2. Individual Personal Reflection

"Life isn't about waiting for the storm to pass, but about learning to dance in the rain". This quote perfectly describes my experience with the Business in Practice (BiP) program. There have been multiple tests throughout this program that I have been involved: tests with different kinds of "storms", like conflict, uncertainty or complex decision-making. However, these proved to be greatly enriching, by making me improve leadership and teamwork qualities.

Two incidents stand out to be crucial in terms of development. The first was a team conflict that tested my emotional intelligence and skills in communication, requiring me to identify and work towards finding solutions and overcoming the problems and obstacles our group faced. The second incident involved my role as Finance Director, where facing self-doubt I had to make complex decisions related to the finance role. These incidents illuminate the core of transparency, tough communication, and stepping outside the comfort zone to form solid platforms for leadership and teamwork. The first incident shows the importance of managing team conflict and understanding and respecting others' emotions. Going through the team's disagreements required patience, empathy, and a proactive approach to solve them. The second incident shows that the adversities faced in leadership are interlinked with self-doubts. This demonstrated how being vulnerable and having open discussions were great ways to assist in the development of trust in all others and improving my relationship with team members.

In this reflection, I look forward to analyzing those events in detail, and incorporate the insights and descriptions from my daily journals about the program so that authentic emotions and thoughts, relative to these circumstances, are appropriately communicated. This reflection is evidence of those lessons learned and how those situations have influenced me toward growing into a prospective business leader. Learning various forms of conflict resolution and valuing emotional intelligence will enable me to face such related or different issues in the future with better efficiency. I will appreciate the importance of transparency and honesty in helping me develop stronger and more cohesive teams.

2.1. Critical Incident #1 – It is not all about the simulation

The incident

During a series of role-playing exercises and simulations designed to enhance sales skills and teamwork, one of the Operations Director's behavior became a recurring issue. Despite the collaborative efforts of the team, the Operations Director consistently showed a lack of engagement and cooperation, which negatively impacted the group's overall performance and morale. But for a proper understanding of this problem, it is important first to establish a timeline of the events and what succeeded with them.

On June 13th, the first week of BiP, we had the academic session on Finance in the morning and during this session, one of the Operations Director left it the middle of the session saying it wasn't being interesting and that he already knew what was being taught. Even if it was true, which I believe since for me it was also subjects that we already been taught during the Finance courses, like Corporate Finance, all the sessions of the BiP were mandatory to attend, as they were crucial for all the program. Nevertheless, I consider the problem itself started during the afternoon on this day, when we had the Leading Yourself Workshop, presented by Professor Miguel, where the Operations Director was not present too. During this workshop, we had two team activities that started to model our team dynamics and raise awareness of each other. The first one was where each person of the team told each other who individually he is at his best, but also at his worst. The idea was to identify possible team synergies but also to trigger to team conflicts, improving team dynamics and foundations The other activity, which I really liked and was meaningful to understand myself and my teammates, was the Answering to the Insights Discovery® personality test to see which color matched our personality better. This test categorizes each individual into four primary color energies, each representing different personality traits and behaviors, which are fiery red, sunshine yellow, earth green and cool blue (Appendix, Fig.16). After doing the test, we realized that we were distributed by 3 of the colors (Appendix, Fig. 17), except the Operations Director because he didn't make the test, which suggested some kind of equilibrium and sign that the team would work well and smoothly, as our team would benefit from a balanced approach problem-solving, decision-making, and innovation. According to the test, an earth green person is empathetic, patient, and supportive, thriving in collaborative and stable environments, valuing deep connections, harmony, and prefer making decisions based on feelings and

relationships, often finding it challenging to connect with more assertive, results-oriented personalities. My test result was earth green, and I agreed with it as I identified myself with the characteristics referred. Because the Operations Director didn't show up to this workshop, we needed to predict his color. Based on the few days we already had as a team and seeing his way of work as well the traits of each color, we thought that he would probably be fiery red, which means results oriented and quick decision making and so he would be in the exact opposite direction of my color. On that same day, and without him, as requested by Miguel, we developed our Team Charter where explicit rules were established for behavior and attitudes, aiding in conflict management and team cohesion (Appendix, Fig. 18). As he wasn't present at the formulation of this charter, he didn't follow strictly these rules which difficulted our team dynamics.

On June 19th, during the Training for Sales Role Play, where I, plus the Human Resources and Marketing Directors were assigned for the Role Play, conducted a realistic training session with the rest of the team. The Operations Director, however, did not contribute to the preparation beyond calculating some statistics for the PowerPoint presentation, providing no feedback or effort to improve the process and the probability of success of the team, and so didn't show any interest for what we were doing.

On the next day, we had a Leadership Workshop. During the workshop, the Operations Director resisted participating in the group dynamics, and wanted to focus solely on strategy for the simulation. There, we as a team started to become upset and felt the need to talk with him. When approached about his attitude, he was dismissive and disengaged, leading to frustration within the team as he ignored feedback and failed to change his behavior.

However, in June 21st, during the Third-Year Simulation, he showed a more participative attitude and contributed positively for the first time, and we started to think that maybe he had listened the feedback and would start to change his attitude. But it was not the case. On June 24th, during the training for the Sales Client Retention Roleplay, the Operations Director once again displayed disinterest, causing frustration as his lack of engagement was a recurring issue and it was starting to escalate. As we were not having reasonable results on the simulation, we needed to focus and be successful on the Roleplay because it would have a positive impact on the Simulation. Unfortunately, he didn't think like that and showed no interest on the preparation this Role Play.

Additionally, as me and the HR and Marketing Directors participated on the other Roleplay, the rest of the team were the ones that would take on this Roleplay, which included him and so it was important he showed interest and helped the team.

On the next day morning, we trained once again, and everyone rehearsed for the role play with clear roles assigned. However, during the actual roleplay, the Operations Director deviated from the plan, discussing sales and economies of scale, which confused the evaluators and potentially led to losing a client, according to what the team told me, which was then confirmed when we received the feedback of the roleplay (Appendix, Fig. 19). Right after, we had Team Clinics with Miguel, and the tension was palpable, and the team hesitated to address the issue directly. Eventually, I confronted the Operations Director about his behavior, supported by other members of the team. Miguel facilitated the discussion, highlighting his resistance to feedback and the challenge it posed to addressing the problem effectively. After, we understood we couldn't do anything and would have to wait until he was ready to receive feedback. if that moment arrives.

Lessons Learned

Impact on Team Dynamics

The Operations Director's disengagement and resistance to feedback impacted negatively on team cohesion and effectiveness, testing the premise that what is required is the active participation and openness to constructive criticism of each member of the team. According to Tuckman's model of group development (1965), which includes stages of forming, storming, norming, and performing, team cohesion and effectiveness are crucial for reaching the performing stage. Without active participation and resistance against constructive criticism, a team can be hindered during the storming phase of prevalent conflict and power dynamics among team members (Bonebright, 2010). Additionally, Edmondson's (1999) concept of psychological safety, team members' perception of a safe environment for taking risks and being vulnerable is particularly crucial for the smooth operation of teams. His behavior likely compromised the psychological safety within the members and consequently damaged overall performance.

Handling Difficult Team Members

The incident with this director highlighted the necessity for clear communication and assertive conflict resolution. The team's initial hesitation to address the problem enabled its growth, highlighting the importance of an earlier intervention. Literature on conflict management, such as Thomas-Kilmann's Conflict Mode Instrument (1974), identified five strategies in managing conflicts: competing, collaborating, compromising, avoiding, and accommodating. Usually, conflict resolution is successfully resolved by collaboration, a process where team members take part in open discussion of the issues involved and, together, they reach solutions that are acceptable to all the implicated parties (Thomas & Kilmann, 1974). Our team's delay in addressing his behavior demonstrates an avoidance strategy, which is less constructive in conflict resolution (De Dreu & Weingart, 2003). I should also invest in building emotional intelligence as it is crucial in handling difficult team members, by using methods to be aware of, control, and express one's emotions while managing interpersonal relationships empathetically (Goleman, 1995).

Feedback Mechanisms

Miguel's insight into the Operations Director not being ready to receive feedback was crucial. Effective feedback requires a recipient who is open and prepared to listen. Kluger and DeNisi's (1996) feedback intervention theory suggests that feedback can be counterproductive if the recipient is not in the right mindset to receive it. The fact that the director wasn't ready to receive feedback emphasized the need for a strategic approach to feedback or that we could not give it at all at that moment. Kluger and DeNisi emphasize that feedback should be specific, constructive, and delivered in a manner that encourages the one that receives it to reflect and improve. Additionally, Stone and Heen (2014) in "Thanks for the Feedback" argue that feedback is most effective when it is a two-way conversation, where the recipient is actively engaged in the process. My approach needs to adapt to his readiness to receive feedback, possibly incorporating more supportive and empathetic communication strategies to engage him.

Promoting the importance of feedback for personal and professional growth and encouraging team members to regularly solicit and give feedback are also key points. Additionally, I should value importance of gratitude and recognition in motivating team members and promoting performance generally (Grant & Gino, 2010).

Adaptability and Resilience

Despite the Operations Director's behavior, the team showed resilience by continuing to pursue the set objectives, changing strategies, and ultimately improving in certain areas. Research by Luthans et al. (2006) on psychological capital, which includes hope, efficacy, resilience, and optimism (HERO), highlights the importance of such qualities for overcoming adversity and achieving success. The team's ability to adapt and remain resilient aligns with these findings, demonstrating that positive psychological resources can cushion the adverse effects of disruptive team dynamics. Developing adaptive leadership skills is emphasized toward adapting to changing circumstances and effectively leading a team through transitions (Heifetz, Grashow & Linsky, 2009). Self-awareness and continuous learning are identified as key components of adaptability. Implementing training sessions on resilience to help teams cope with setbacks and stress is recommended and encouraging a growth mindset and the ability to bounce back from failures, viewing them as opportunities for learning and improvement, is also discussed (Dweck, 2006).

2.2. Critical Incident #2 – Fear of Asking

The incident

This incident captures well my personality and underscores the necessity for transformation in certain domains. I perceive myself to be an introverted and reserved individual, often keeping things to myself, which has implications across different aspects of life. This became apparent during the BiP program. Being an introverted and shy person, I tend to be reserved and not share my thoughts or beliefs, especially in new environments and among people with whom I am not familiar with.

Before enrolling in the program, I felt curiosity and apprehension regarding who my future team members would be and how nicely they would interact with me. During the first year of my master's, I mainly interacted with Portuguese people, so I was worried that in the BiP program, where almost everyone was international, I wouldn't be able to form good relationships or communicate well in English. In fact, my team had only one other Portuguese person, whereas the rest were internationals. To protect myself, I tried

to present a good image in front of that group, and hide my weaknesses, if there were any, in language and finance knowledge.

As I was assigned the role of finance director along with another person, I felt the pressure, especially since two other team members with finance backgrounds had also applied for the role but were given other positions. I feared not knowing as much about finance as they did since almost all of them had previous experience like internships, which I lacked. To avoid showing this, I tried to understand the simulation and software we would use as much as I could. However, I didn't understand it completely and didn't want to share my struggles with the team, fearing their reaction and I didn’t want to be excluded from key activities and relationships. I subtly shared my doubts with the other finance director, but we couldn't find exact answers, frustrating me.

As days passed by in the program and training sessions, we slowly felt comfortable with our roles. But one thing always remained confusing: the green bonds section in the simulation. I have discussed this topic multiple times with the Finance Director, but somehow, we weren't able to catch how to leverage and benefit from the green bonds. I didn't want to ask others and continued to have this question only in my mind for the first three years of the simulation.

On June 21st, during the third year of the simulation, the HR director had a question for the Industry Masters on campus, and I joined her. After her question, I realized I needed to explain my confusion and show some level of vulnerability. The answer from the Industry Masters was very useful and revealed that we were misusing the green bonds and therefore had increased our company's costs for no reason. We should have been issuing more green bonds as opposed to normal loans because the latter had higher interest rates.

I had to inform the team about this mistake, as it could possibly affect our overall results. I feared their reaction since I wasn't yet full of confidence to admit mistakes. Surprisingly, they were very understanding and supportive, acknowledging that mistakes happen and appreciating that I asked the question, since none of them had thought to ask about the green bonds either. From that moment on, I felt a lot more comfortable with the team and believe I performed better in all aspects of the program.

Lessons Learned

The Importance of Vulnerability and Open Communication

This incident demonstrates the extreme and essential needs of vulnerability and transparent communication within a team. Brown (2012) argues that vulnerability lies at the heart of true leadership as it can act to create trust and effective collaboration among the members of a team. My initial hesitance to share my struggle came from a potential fear of judgment and eventual exclusion that could follow. However, it was by surfacing these uncertainties about the green bonds subject that vulnerability among individuals could lead to support and strengthen the solidarity of our group. This aligns with Edmondson's (1999) concept of psychological safety, where team members feel confident to take risks and express their opinions without fear or intimidation of the other members. It was through this openness of my challenges that I contributed to establishing a culture of psychological safety, which helped increase the overall effectiveness of the team.

Overcoming the Impostor Syndrome

I felt frustrated about my feelings of inadequacy, especially compared to other colleagues who had more experience in finance. Clance and Imes (1978) described this as impostor syndrome, in which individuals doubt their achievements and fear being discovered as a "fraud". The decision to conceal my struggles only enhanced these feelings and limited my ability to be helpful. By acknowledging and addressing these feelings, I learned that seeking help and doubt clarification are major steps that can be employed for overcoming impostor syndrome. This experience made me learn the importance of self-awareness and how self-doubt should be confronted head-on to promote personal and professional development.

The Role of Effective Feedback and Learning

This incident underscored the important role of feedback in any continual improvement process. According to Kluger and DeNisi (1996), effective feedback interventions can significantly enhance my performance by providing clear, specific, and actionable insights. My hesitancy in the early stage to search for feedback retard my understanding regarding the green bonds. However, following feedback from the Industry Masters, I soon realized where we went wrong and made the corrections. This experience taught me

that timely and constructive feedback is important to learn and grow. It also told me that there's a real need for a feedback-rich environment where team members feel comfortable asking and giving feedback regularly.

Building Confidence and Leadership Skills

Taking on the role of finance director despite my initial fears helped on improving my confidence and leadership. Kouzes and Posner (2002) assert that effective leadership necessitates self-challenge and the willingness to embrace risks toward personal and professional growth. It was only by coming out of my comfort zone I experienced and learned much about proper leading abilities. This event proved that a leader doesn't need to know everything to be a good leader but, rather, has to be humble enough to learn and ask questions as well as lead his team through challenges. It also shows the importance of resilience and adaptability, as highlighted by Luthans et al. (2006), who describe these attributes as critical components of psychological capital.

Fostering Inclusivity and Supportive Team Culture

The favorable response of the team to my acknowledgment of the error exemplified the importance of fostering an inclusive and supportive team culture. As noted by Grant and Gino (2010), recognizing and appreciating the inputs of team members can significantly enhance both motivation and overall effectiveness. My fear of exclusion was unfounded, considering that the team emphasized transparency and mutual support. This experience really reminded me of the importance of creating a team environment where everyone feels valued and supported, independent of their expertise or experience level. For teamwork to glow and shine, there should be ample communication, respect, and consideration for individual contributions towards growth.

Team Dynamics and Psychological Safety

The positive outcome of this event illustrates the importance of the team dynamics and psychological safety in achieving high performance level. Tuckman's (1965) model of group development (forming, storming, norming, performing) illustrates that there should be moments of conflict and cohesion within the to attain maximum efficiency. The capacity of our team to identify and nurture my vulnerability was very helpful for enabling our progress into the performing stage.

2.3. Conclusion

My BiP journey has been a rollercoaster ride of sorts, full of challenges and transformation. Incidents related to conflict management and handling my role' decisions gave me real lessons on leadership, team collaboration, and personal development. These experiences showed that emotional intelligence, open communication and the courage to be vulnerable in the face of uncertainty are things that cannot ever be ignored. Additionally, I learned the importance of being a more conscious and realistic person during self-reflection. Upon reviewing the Peer and Self Evaluation made at the close of week two of the program, I noticed that I slightly over scored myself in most areas, but in particular in 'Keeping the Team on Track', which I consider one of key qualities of a leader. This suggests that I need to adopt a more holistic and closed perspective on what is happening around me. On the other hand, I received near-maximum scores for 'Interacting with Teammates,' which I believe is a strength and I can exploit to improve the support and follow-up for my team (Appendix, Fig. 20).

These experiences really taught me that good leadership is not about perfection and never making mistakes. It means how you make changes facing challenges by being responsive, understanding, and open toward learning opportunities. I learned that effective leadership is based on trust and honesty in a team and creating an in which all the members of the team feel stimulated to participate and learn from the experience. My colleagues and I have stood shoulder to shoulder in these times of adversity, facing the challenge with unconditional effort to find ways around even the most overwhelming of difficulties.

Looking ahead, I see just how much the program has done for me. Now, I am better at creating stronger, more cohesive teams, and I have become a more confident and resilient leader. One of most important things I learned is how to keep a growth mindset, never settling for "good enough." Embracing challenges for growth and keeping open to feedback is what enables concentration on the continuous improvement of endeavors in the future.

Ultimately, my involvement in the BiP program has taught me that personal and professional growth is born from adversity. Authentic leadership isn't about waiting for the storm to pass but guiding others through the rough seas, learning to dance in the rain. I am confident that these lessons will be the source of further development and success.

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Appendix

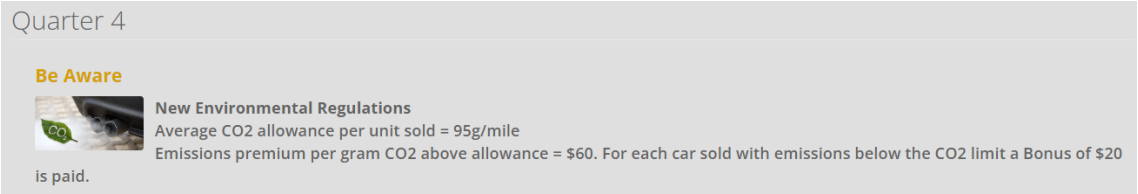


Figure 1: New Environmental Regulations

Source: BiP Industry Masters' Simulation – Team Grizzly. 2024

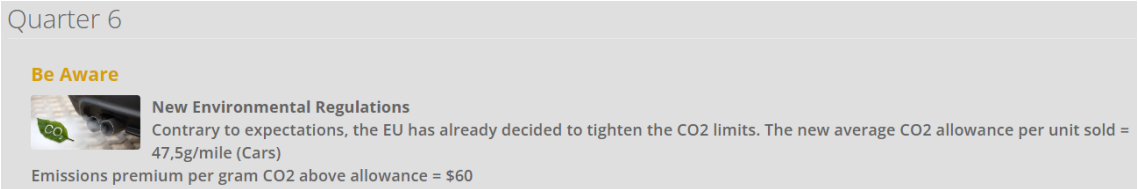


Figure 2: Tightness of CO2 emissions limit

Source: BiP Industry Masters' Simulation. 2024

Figure 3: Grizzly' CO2 Penalty/Bonus ($ in millions)

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

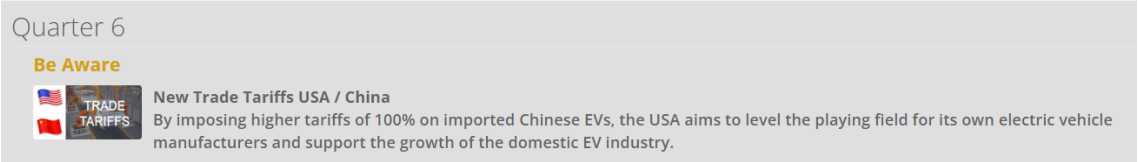


Figure 4: New Trade Tariffs USA/China

Source: BiP Industry Masters' Simulation. 2024

Figure 5: New Trade Tariffs China/USA

Source: BiP Industry Masters' Simulation. 2024

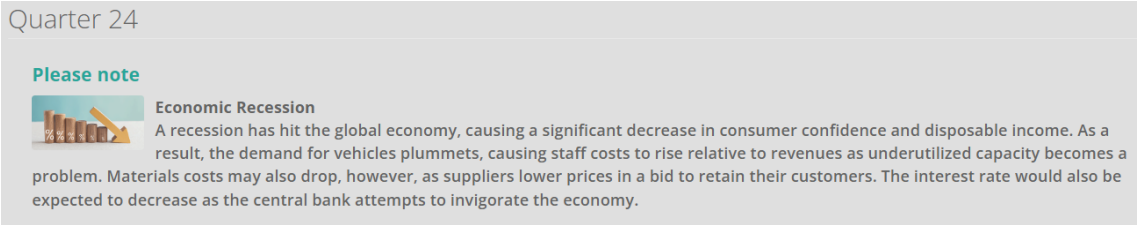


Figure 6: Economic Recession

Source: BiP Industry Masters' Simulation. 2024

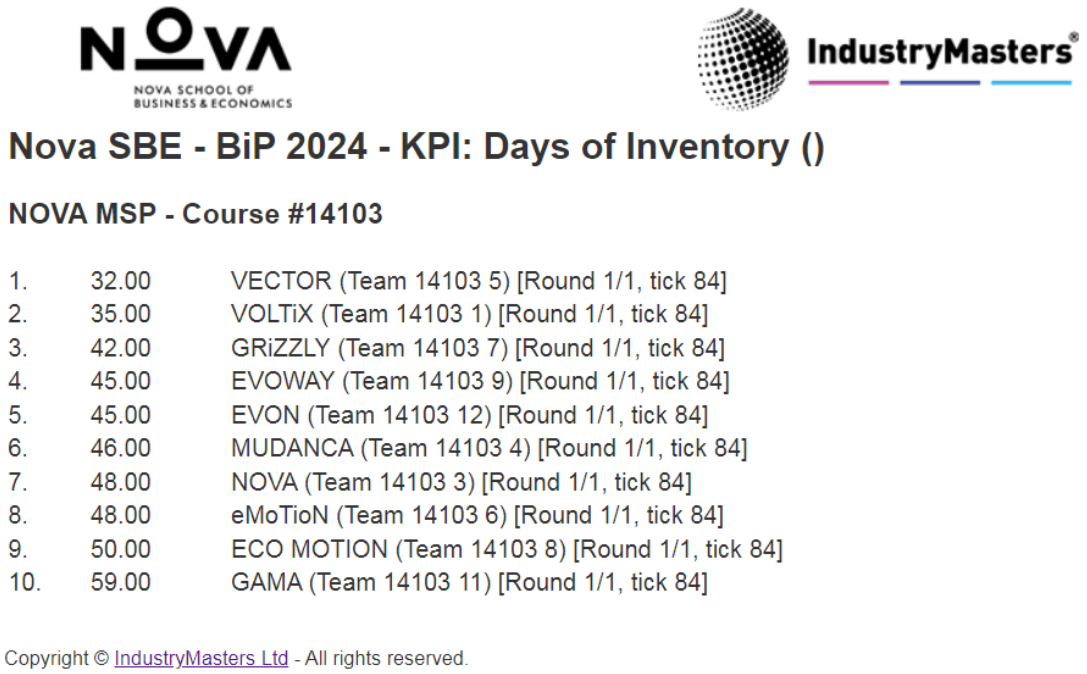


Figure 7: Score Dashboard in terms of Days of Inventory

Source: BiP Industry Masters' Simulation. 2024

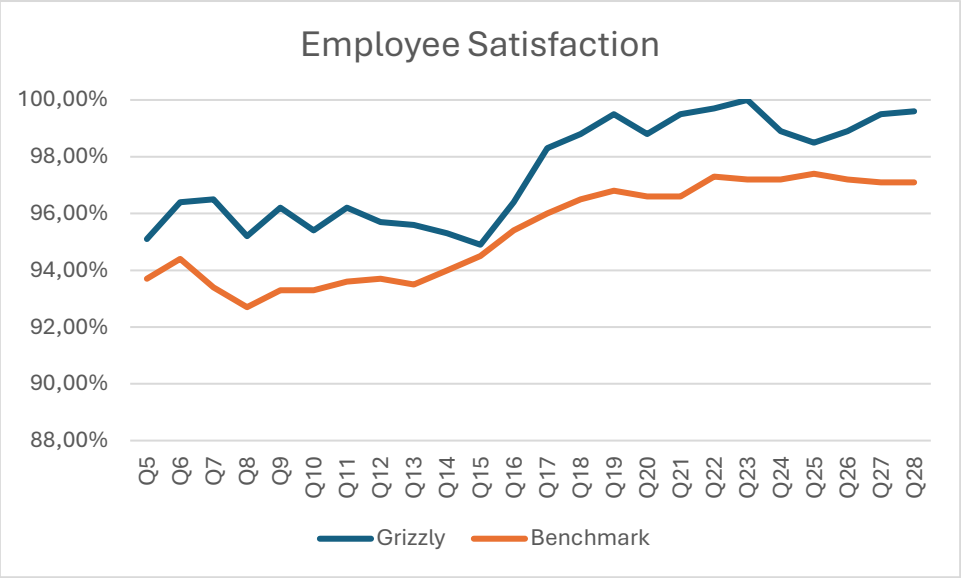


Figure 8: Employee Satisfaction of Grizzly and Industry Benchmark

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

Grizzly, a company for the "Brave Professional" that aims to revolutionize the car industry by becoming a leader in sustainability and innovation

Mission
To transform the automotive industry by producing unique, high-performance EVs. Inspiring a new generation of drivers through excellence and environmental responsibility.

Vision
We aspire to become a leading innovator in sustainable electric mobility, With cutting-edge designs and technologies and promoting a sustainable future for the nowadays dynamic and brave consumer committed to a sustainable future.

Values
Our core principles define the values that guide our actions and decisions: Dynamism, reliability, performance, innovation, sustainability, consumer at the heart.

Strategic Decisions and Actions

- 65% reduction in emissions across all scopes
- 8 out of our total 9 cars are currently fully EV, 1 car is hybrid.
- Investments focused on sustainability policy and awareness training among all employees.
- Customer-centric approach as our guidance.
- Increased company's sustainability rating to 61.1% by Q14.

Grizzly in the long-term

- Become fully EV by the end of year 5 through investments in the highest technology, electrification and performance features.

360 – Degree Sustainability

Operations
- Production, Energy and Supply Chain CO2 emissions reduced by 65%.
- Resource use optimization, waste reduction, integration eco-friendly technologies within production process to reduce our footprint.
- 40% CO2 fleet emissions decrease

Marketing
- Build an eco-friendly dynamic brand, focused on eco-conscious consumers.
- Continuous market research for adequate pricing strategies, communication and campaigns that meet the current demands for sustainable practices.

Innovation
- Grizzly has invested $3.9 billion in technology since inception.
- This significant investment allows us to select the most advanced technology options for our EVs, positioning Grizzly as the top market leader in innovation.

Human Resources
- Recruiting and training employees in sustainability.
- Promoting diversity and inclusion within the company.
- Enhancing employee's satisfaction by making them feel valued and respected.

Finance
- Responsible for providing funds for sustainable innovations and development aligned with company's values.
- Green Capex grown to $10B allowing greater Green Bond Issuances.

82% CO2 emissions reduction from production
$40M Invested in EV branding campaigns
$3.5B Invested in high technology EVs
44% Women in leading roles
13.8% Green Capex Growth over 4 years

Grizzly successfully reduced direct emissions from company operations in just five quarters

I Water Consumption Reduction (GRI 303)

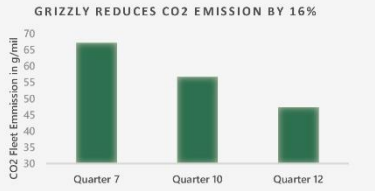
200 million USD investment [Completed in Quarter 7]
- ✓ Less water drawn from natural sources reduces environmental impact and reduced water cut downs, Grizzly energy required for pumping, heating, and treating water reduced.
- ✓ Achieving lower greenhouse gas emissions associated with energy consumption.
- ✓ Impact: Enhanced CSR, reduced material costs, and increased demand

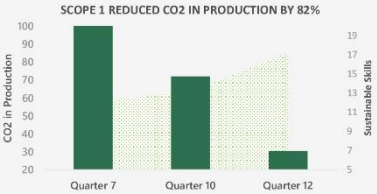
II Waste Reduction (GRI 306)

200 million USD investment [Completed in Quarter 10]
- ✓ Less waste generation reduces landfill use, preventing soil and groundwater contamination and reducing methane emissions from decomposing waste.
- ✓ Grizzly promoted recycling which helps conserve resources and reduces the environmental impact of extracting and processing raw materials. This efficient waste management lowered waste disposal and handling costs.
- ✓ Impact: Lower operating costs, enhanced CSR, and boosted demand

III ISO 14001 / EMAS Certifications (GRI 307)

500 million USD investment [Completed in Quarter 12]
- ➢ Grizzly ensure compliance with environmental laws and regulations, reducing for our shareholder the risk of fines and legal actions.
- ➢ Investments results in more efficient use of resources which reduced costs and boosted EBIT margin.
- ➢ Grizzly has a clear commitment to sustainability. Our employee follows this values of a sustainability-conscious workforce.
- ➢ Impact: Improved company image, compliance, process efficiency, and employee motivation



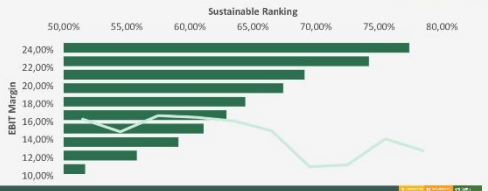


Through a sophisticated ESG approach and GRI 305 implementation, Grizzly's has achieved a 40% reduction in CO2 fleet emissions to 40.2 g/mil by Q14, while increasing our sustainability rating to 61.1%.

Grizzly is actively reducing Scope 2 emissions by minimizing indirect emissions from the generation of purchased energy

I Efficiency Investment; completed in Q11 for 150 million USD (GRI 302)

- ✓ Adoption of technologies and processes has **increased Grizzly's operational efficiency** in **reducing energy consumption**.
- ✓ **Direct reduction of greenhouse gases** and pollutants lowered GHG and pollutants and enhanced compliance with increasing environmental regulations and e-vehicle portfolio.
- ✓ Grizzly could develop **efficient operations** which have led to **decreased dependency on external energy sources, stabilizing costs** amidst market fluctuations.
- ✓ By demonstrated commitment to sustainability we could **strengthens Grizzly's brand value for Shareholders** and corporate social responsibility profile.
- ✓ Economic Benefits: Reduction in energy usage translates into **lower operational costs** (EBIT-Margin), improving overall Grizzly's **financial performance** and **sustainable ranking**.[1]



II Install Solar Panels; completed in Q16 for 250 million USD (GRI 305)

- ✓ **The transition to solar energy** reduces Grizzly's reliance on non-renewable power sources, aligning with **global sustainability targets** and has a **significant long-term savings** on **energy costs** due to reduced consumption of externally sourced electricity from which our **Shareholder profit**.
- ✓ Utilizing solar power substantially **lowers Grizzly's carbon footprint**, advancing its **environmental goals**.
- ✓ Adoption of renewable energy sources bolsters Grizzly's **public perception, enhancing customer loyalty** and **attracting eco-conscious consumers**, from which **Grizzly's Portfolio of E-vehicle sales profits**.

III Next: Energy Management System expected in Q25 for 100 million USD

- ✓ **Monitoring, controlling**, as well as **optimizing the performance** of the generation and transmission systems, **leading to Scope 2 reduction by -66% in just 5 quarters.**
- ✓ **Adoption** If energy production **surpasses consumption**, the **excess electricity of Grizzly is sold to utility companies**, leading to **lower energy bills.**

[1] The lower EBIT margin in Q17 and Q18 can be attributed to significant extraordinary write-downs on gasoline-based vehicles in Grizzly's portfolio as part of the complete transition to electric mobility; Management expects a substantial increase in the EBIT margin, which has historically been at 17-25%.

Grizzly is prioritizing reduction of CO2 emissions across the entire value chain, emphasizing ethical sourcing and environmental responsibility

Reduction of CO2 emissions in our supply chain (GRI 305)

Carbon offset scheme

We invest in reforestation, renewable energy, and conservation projects to offset our CO2 emissions, neutralizing our carbon footprint and contributing to global sustainability.

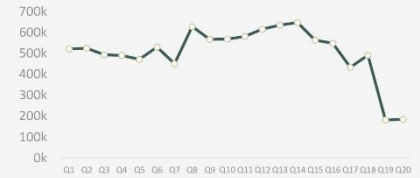
Green supply management

We collaborate with suppliers to reduce their carbon emissions, selecting those who align with our sustainability goals and providing them with resources to implement green initiatives.

External battery recycling

Our battery recycling program reduces reliance on raw materials, minimizes environmental impact, conserves resources, and cuts carbon emissions from mining and production processes.

CO2 in Supply Chain (in k tons)



521k Q1

184k Q20

65% Reduction of CO2

Battery suppliers' sustainability credentials

- ✓ **Solid-State Battery Technology:** Grizzly is in the process of adopting solid-state batteries, which offer **higher energy density, improved safety, faster charging, and longer lifespan**. This technology significantly reduces **environmental impact** by increasing energy efficiency, lowering the risk of hazardous incidents, and extending battery life, thereby reducing waste
- ✓ **Sustainable Supplier Selection:** At Grizzly we choose suppliers with top sustainability credentials, emphasizing **ethical sourcing and environmental responsibility**, reinforcing our commitment to sustainability despite potential cost implications

Our Future Plans

- ✓ Ensure **raw materials**, especially critical ones like **lithium**, cobalt, and nickel, are **sourced responsibly and sustainably**
- ✓ **IoT investment** already in the pipeline will allow us to utilize **data analytics** to monitor, manage, and reduce Scope 3 emissions effectively
- ✓ Optimize our logistics and distribution networks to reduce emissions from transportation

0% CO2 in Supply Chain by Q32

100% Sustainable Material Usage

Universal End-of-Life Vehicle Recycling

By 2040

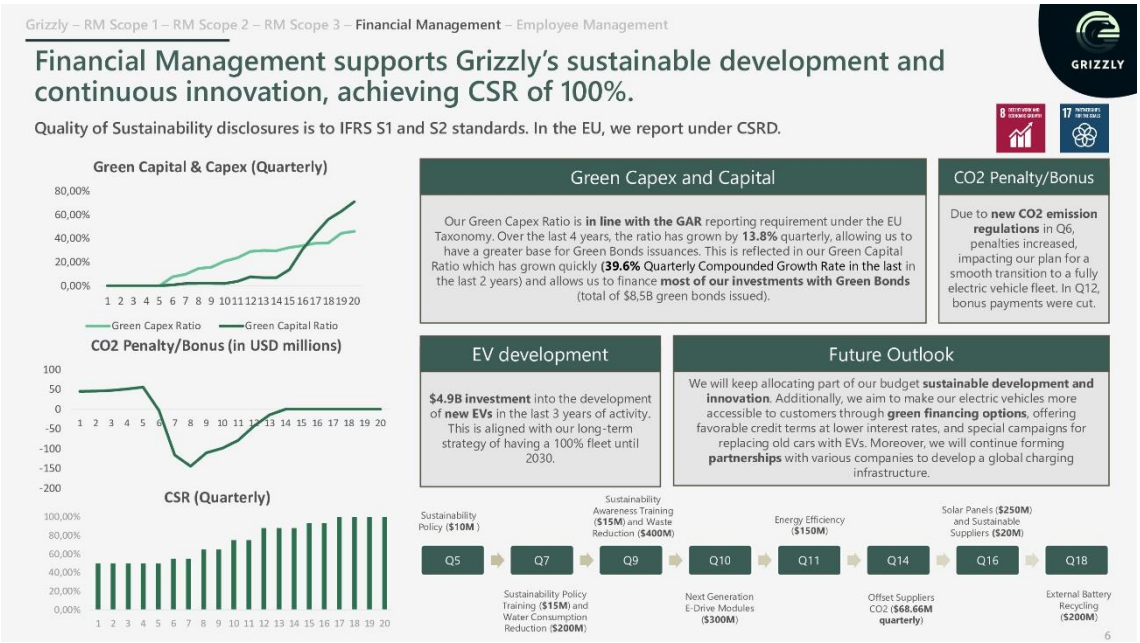


Figure 9: Grizzly ESG Report

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

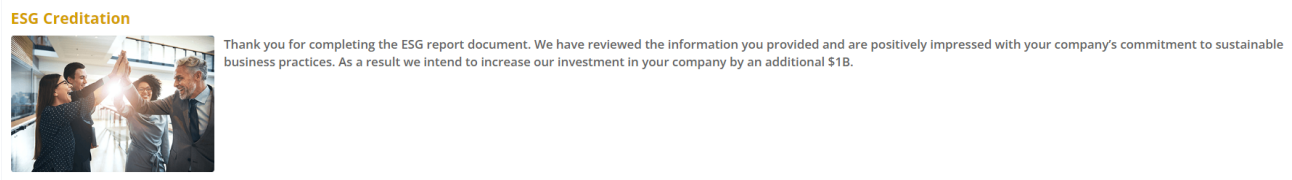


Figure 10: Result of ESG Roleplay for Team Grizzly

Source: BiP Industry Masters' Simulation. 2024

($ in thousands)	2024	2025	2026	2027	2028	2029	2030
Revenues	**$18 235 096,00**	**$18 452 228,00**	**$22 918 125,00**	**$23 713 768,00**	**$23 668 274,00**	**$27 631 101,00**	**$34 783 590,00**
- Costs of Good Sold	$11 312 976,00	$11 820 055,00	$14 586 010,00	$14 976 691,00	$15 150 972,00	$16 968 440,00	$20 645 780,00
COGS % Revenues	62%	64%	64%	63%	64%	61%	59%
= Gross Profit	**$6 922 120,00**	**$6 632 173,00**	**$8 332 115,00**	**$8 737 077,00**	**$8 517 302,00**	**$10 662 661,00**	**$14 137 810,00**
Gross Profit % Revenues	38%	36%	36%	37%	36%	39%	41%
- Marketing Expenses	$207 021,00	$318 526,00	$578 761,00	$629 264,00	$655 551,00	$767 750,00	$743 021,00
- G&A Expenses	$618 022,00	$840 094,00	$1 191 109,00	$1 166 981,00	$1 802 935,00	$1 869 928,00	$1 752 181,00
+ Bonus/-Premium	$190 409,00	-$206 380,00	-$330 158,00	-$13 972,00	$0,00	$0,00	$0,00
- Depreciation	$1 806 439,00	$2 024 514,00	$2 667 454,00	$3 088 091,00	$3 128 470,00	$3 471 004,00	$3 792 318,00
Operational Expenses % Revenues	13%	18%	21%	21%	24%	22%	18%
= EBIT	**$4 481 047,00**	**$3 242 659,00**	**$3 564 633,00**	**$3 838 769,00**	**$2 930 346,00**	**$4 553 979,00**	**$7 850 290,00**
EBIT % Revenues	25%	18%	16%	16%	12%	16%	23%
+ Other items	-$338,00	-$129,00	-$208,00	-$388 470,00	-$1 211 137,00	-$337 792,00	-$96 872,00
+ Financial Income	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00
- Interest Expenses	$519 315,00	$543 560,00	$591 575,00	$599 682,00	$496 790,00	$479 379,00	$406 593,00
= Profit Before Tax	**$3 961 394,00**	**$2 698 970,00**	**$2 972 850,00**	**$2 850 617,00**	**$1 222 419,00**	**$3 736 808,00**	**$7 346 825,00**
- Taxes	$1 188 418,00	$809 691,00	$891 855,00	$855 185,00	$366 726,00	$1 121 042,00	$2 204 047,00
= Net Income	**$2 772 976,00**	**$1 889 279,00**	**$2 080 995,00**	**$1 995 432,00**	**$855 693,00**	**$2 615 766,00**	**$5 142 778,00**
Net Income % Revenues	15%	10%	9%	8%	4%	9%	15%

Table 1: Grizzly Profit & Loss Statement

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

Assets ($ in thousands)	2024	2025	2026	2027	2028	2029	2030
Long-Term Assets	**$15 632 477,00**	**$18 292 842,00**	**$19 850 337,00**	**$19 872 502,00**	**$19 499 177,00**	**$19 001 007,00**	**$17 374 810,00**
Property, Plant & Equipment	$10 932 477,00	$13 692 842,00	$15 350 337,00	$15 472 502,00	$15 199 177,00	$14 801 007,00	$13 274 810,00
Land & Buildings	$4 700 000,00	$4 600 000,00	$4 500 000,00	$4 400 000,00	$4 300 000,00	$4 200 000,00	$4 100 000,00
Current Assets	**$8 280 268,00**	**$8 762 193,00**	**$9 591 438,00**	**$10 762 879,00**	**$13 492 899,00**	**$11 887 407,00**	**$13 728 464,00**
Cash and Cash Equivalents	$2 765 182,00	$2 499 474,00	$2 498 070,00	$3 499 456,00	$4 169 413,00	$2 619 173,00	$5 663 749,00
Accounts Receivable	$3 035 286,00	$3 017 696,00	$3 984 259,00	$4 007 475,00	$4 401 611,00	$5 035 761,00	$5 703 976,00
Inventory	$2 479 800,00	$3 245 023,00	$3 109 109,00	$3 255 948,00	$4 921 875,00	$4 232 473,00	$2 360 739,00
Equipments on Subscription	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**
Receivables from Financial Investments	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**
Receivables from Financial Services	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**	**$0,00**
Total Assets	**$23 912 745,00**	**$27 055 035,00**	**$29 441 775,00**	**$30 635 381,00**	**$32 992 076,00**	**$30 888 414,00**	**$31 103 274,00**
Liabilities and Equity ($ in thousands)	2024	2025	2026	2027	2028	2029	2030
Shareholder Equity	**$11 834 601,00**	**$12 968 155,00**	**$14 216 737,00**	**$15 413 984,00**	**$15 927 401,00**	**$16 049 676,00**	**$17 281 882,00**
Share Capital	$10 000 000,00	$10 000 000,00	$10 000 000,00	$10 000 000,00	$10 000 000,00	$9 650 000,00	$9 300 000,00
Capital Reserve	$0,00	$0,00	$0,00	$0,00	$0,00	-$1 097 180,00	-$2 600 640,00
Retained Earnings	$1 834 601,00	$2 968 155,00	$4 216 737,00	$5 413 984,00	$5 927 401,00	$7 496 856,00	$10 582 522,00
Liabilites	**$12 078 144,00**	**$14 086 880,00**	**$15 225 038,00**	**$15 221 397,00**	**$17 064 675,00**	**$14 838 738,00**	**$13 821 392,00**
Long-Term Debt	$11 068 702,00	$12 768 669,00	$13 484 121,00	$13 503 649,00	$14 973 273,00	$13 404 217,00	$13 020 820,00
Short-Term Debt	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00
Accounts Payable	$1 009 442,00	$1 318 211,00	$1 740 917,00	$1 717 748,00	$2 091 402,00	$1 434 521,00	$800 572,00
Total Liabilites and Equity	**$23 912 745,00**	**$27 055 035,00**	**$29 441 775,00**	**$30 635 381,00**	**$32 992 076,00**	**$30 888 414,00**	**$31 103 274,00**

Table 2: Grizzly Balance Sheet Statement

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

Ratios	2024	2025	2026	2027	2028	2029	2030	Average
Current Ratio	8,20	6,65	5,51	6,27	6,45	8,29	17,15	8,36
Debt-to-Equity Ratio	1,02	1,09	1,07	0,99	1,07	0,92	0,80	0,99

Table 3: Grizzly Ratios

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

($ in thousands)	2024	2025	2026	2027	2028	2029	2030
+ Net Income	$2 772 975,00	$1 889 279,00	$2 080 995,00	$1 995 431,00	$855 694,00	$2 615 765,00	$5 142 777,00
+ Depreciation	$1 806 439,00	$2 024 514,00	$2 667 454,00	$3 088 091,00	$3 128 470,00	$3 471 004,00	$3 792 318,00
- Changs in Inventory	$1 006 058,00	$765 223,00	-$135 914,00	$160 314,00	$1 731 375,00	-$673 516,00	-$1 871 734,00
- Change in Accounts Receivable	-$85 581,00	-$17 590,00	$966 563,00	$23 216,00	$394 136,00	$634 150,00	$668 214,00
- Change in Uncollectible Accounts	$182 082,00	$183 598,00	$220 765,00	$235 925,00	$232 189,00	$270 875,00	$340 790,00
+ Change in Accounts Payable	-$74 014,00	$308 770,00	$422 705,00	-$23 170,00	$373 655,00	-$656 881,00	-$633 950,00
- Profit/Loss from Disposal of Assets	$0,00	$0,00	$0,00	-$388 318,00	-$1 210 682,00	-$337 659,00	$0,00
- Change in Equipment on Subscription	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00
- Change in Receivables from Financial Services	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00
= Operating Cash Flow	**$3 402 841,00**	**$3 291 332,00**	**$4 119 740,00**	**$5 029 215,00**	**$3 210 801,00**	**$5 536 038,00**	**$9 163 875,00**
Investing Cash Flow	**-$1 546 074,00**	**-$4 501 282,00**	**-$4 004 183,00**	**-$3 249 173,00**	**-$3 668 191,00**	**-$3 023 732,00**	**-$1 825 331,00**
+Change in Debt	$1 435 765,00	$1 699 967,00	$715 452,00	$19 528,00	$1 469 624,00	-$1 569 057,00	-$383 397,00
- Change in Bank Deposits	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00	$0,00
- Dividend Paid	$1 109 285,00	$755 725,00	$832 413,00	$798 184,00	$342 277,00	$1 046 310,00	$2 057 111,00
+ Proceeds from New Shares	$0,00	$0,00	$0,00	$0,00	$0,00	-$1 447 180,00	-$1 853 460,00
= Financing Cash Flow	**$326 480,00**	**$944 242,00**	**-$116 961,00**	**-$778 656,00**	**$1 127 347,00**	**-$4 062 547,00**	**-$4 293 968,00**
Change in Cash and Cash Equivalents	**$2 183 247,00**	**-$265 708,00**	**-$1 404,00**	**$1 001 386,00**	**$669 957,00**	**-$1 550 241,00**	**$3 044 576,00**

Table 4: Grizzly Cash Flow Statement

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

	2024				2025				2026				2027			
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
Share Price	$398,21	$407,91	$405,07	$396,17	$389,41	$370,74	$329,93	$269,91	$258,52	$236,74	$256,03	$297,31	$303,31	$317,31	$329,66	$340,56
DPS				$15,85				$10,80				$11,89				$11,40

	2028				2029				2030			
	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
Share Price	$304,05	$276,36	$272,20	$295,26	$326,83	$350,39	$413,48	$444,14	$529,56	$646,95	$749,72	$831,69
DPS				$4,89				$15,70				$32,65

Table 5: Grizzly Shareholders Return

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

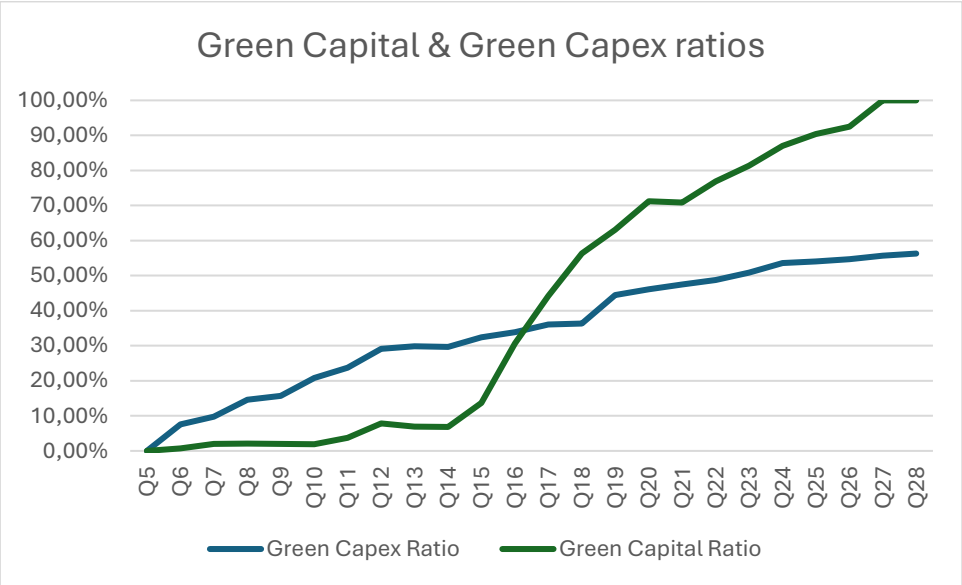


Figure 11: Grizzly Green Capital and Green Capex ratios

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

($ in millions)	2025				2026				2027				2028				2029				2030			
Technology	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
AI Implementation		$500,00																						
Sodium-ion Batteries		$250,00																						
Cyber Security									$400,00															
Cloud Connection												$300,00												
V2V Communication														$200,00										
Next Generation E-Drive Modules														$300,00										
Personalized Services (IoT)																	$250,00							

Table 6: Grizzly R&D Investments

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

($ in millions)	2025				2026				2027				2028				2029				2030			
Product	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
Grizzly Turbo-H	$851																							
Grizzly Baby-E		$673																						
Grizzly Corporate-E					$801																			
Grizzly Mini Baby-E								$641																
Grizzly Shiny-E											$1 030													
Grizzly UPM-E													$832											
Grizzly McQueen-E													$901											
Grizzly Jesus-E																$1 136								

Table 7: Grizzly Product Developments

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

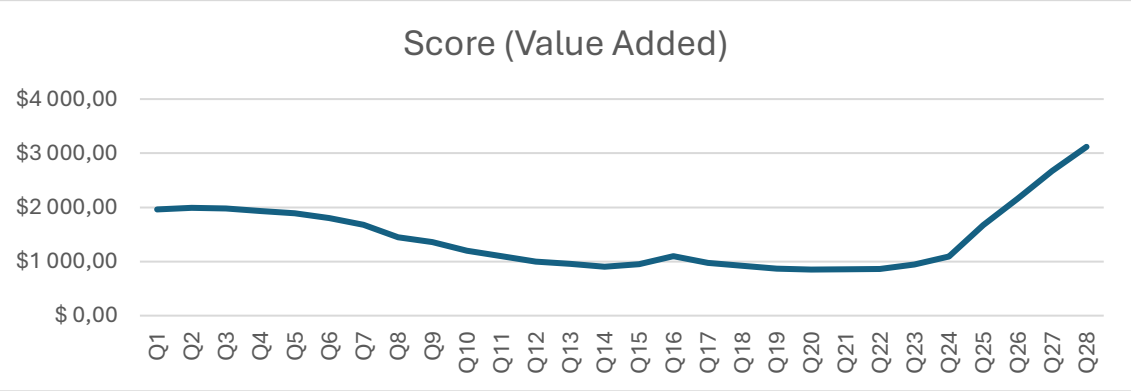


Figure 12: Grizzly Value Added ($ in millions)

Source: Own Illustration. Data from BiP Industry Masters' Simulation. 2024

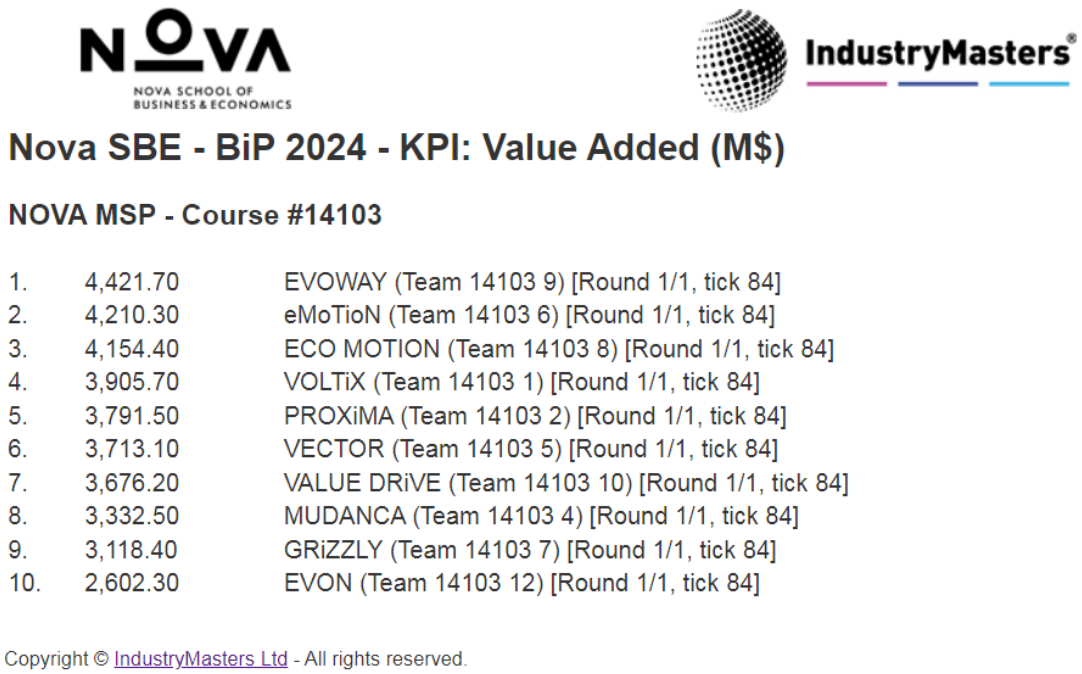


Figure 13: Score Dashboard in terms of Value Added

Source: BiP Industry Masters' Simulation. 2024

Nova SBE - BiP 2024 - KPI: Sustainability Rating (%)

NOVA MSP - Course #14103

1.	85.63	EVOWAY (Team 14103 9) [Round 1/1, tick 84]
2.	85.13	MUDANCA (Team 14103 4) [Round 1/1, tick 84]
3.	84.23	VALUE DRiVE (Team 14103 10) [Round 1/1, tick 84]
4.	84.07	VOLTiX (Team 14103 1) [Round 1/1, tick 84]
5.	83.60	GRiZZLY (Team 14103 7) [Round 1/1, tick 84]
6.	83.47	VECTOR (Team 14103 5) [Round 1/1, tick 84]
7.	81.77	eMoTioN (Team 14103 6) [Round 1/1, tick 84]
8.	81.70	NOVA (Team 14103 3) [Round 1/1, tick 84]
9.	77.83	ECO MOTION (Team 14103 8) [Round 1/1, tick 84]
10.	77.83	BEEP (Team 14103 13) [Round 1/1, tick 84]

Figure 14: Score Dashboard in terms of Sustainability Rating

Source: BiP Industry Masters' Simulation. 2024

Figure 15: Marketing Prize Winner

Source: BiP Industry Master's Simulation. Final Awards Ceremony. 2024

Figure 16: Characteristics of Dominant Colors on Good Days and Bad Days

Source: MudaMasters. 2024. "Insights Discovery Part 1: The 4 Colors"

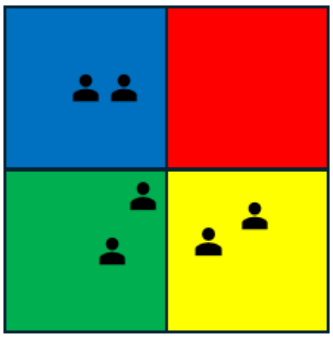


Figure 17: Distribution, by the colors personalities traits, of Grizzly Team

Source: Own Illustration. Based on Insights Discovery® personality test. 2024

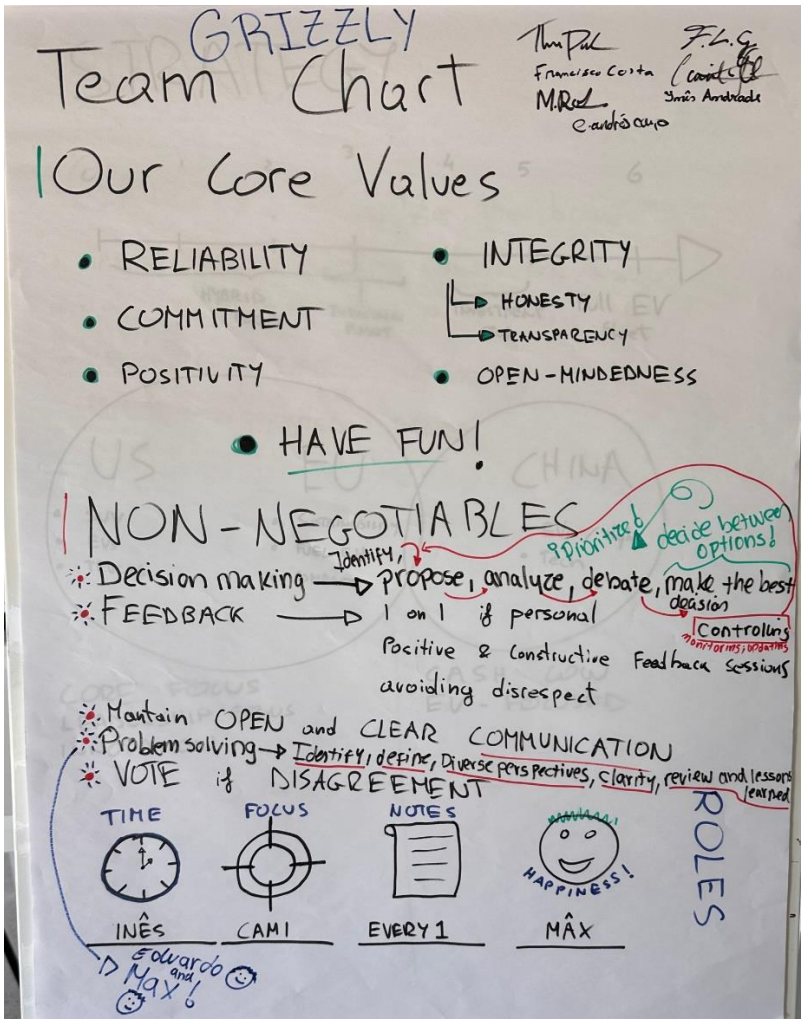
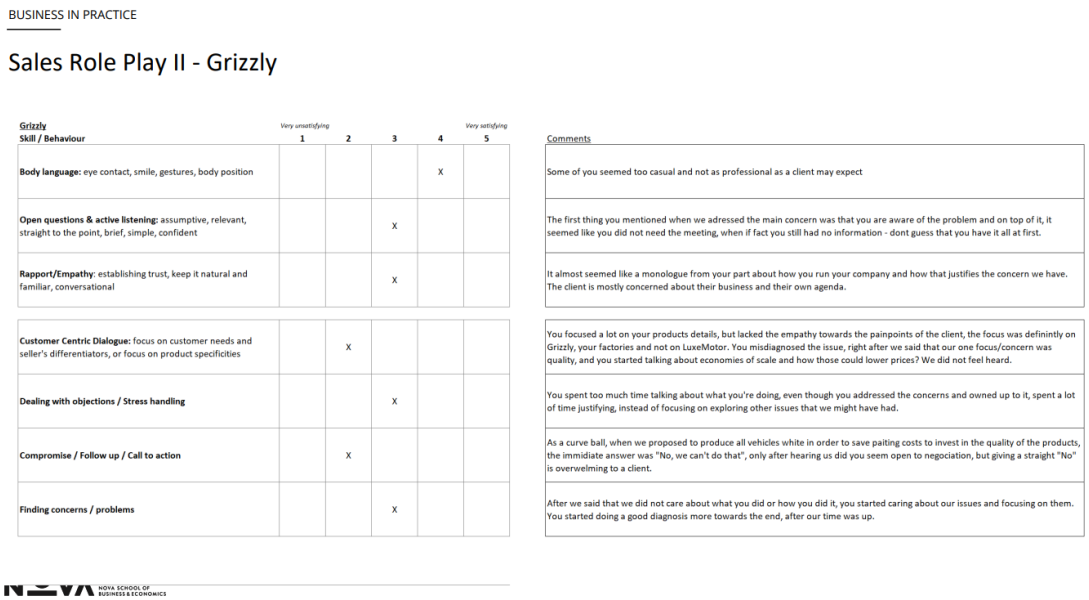


Figure 18: Grizzly Team Charter

Source: Grizzly Team own illustration



BUSINESS IN PRACTICE

Sales Role Play II - Grizzly

Grizzly Skill / Behaviour	Very unsatisfying 1	2	3	4	Very satisfying 5	Comments
Body language: eye contact, smile, gestures, body position				X		Some of you seemed too casual and not as professional as a client may expect
Open questions & active listening: assumptive, relevant, straight to the point, brief, simple, confident			X			The first thing you mentioned when we adressed the main concern was that you are aware of the problem and on top of it, it seemed like you did not need the meeting, when if fact you still had no information - dont guess that you have it all at first.
Rapport/Empathy: establishing trust, keep it natural and familiar, conversational			X			It almost seemed like a monologue from your part about how you run your company and how that justifies the concern we have. The client is mostly concerned about their business and their own agenda.
Customer Centric Dialogue: focus on customer needs and seller's differentiators, or focus on product specificities		X				You focused a lot on your products details, but lacked the empathy towards the painpoints of the client, the focus was definintly on Grizzly, your factories and not on LuxeMotor. You misdiagnosed the issue, right after we said that our one focus/concern was quality, and you started talking about economies of scale and how those could lower prices? We did not feel heard.
Dealing with objections / Stress handling			X			You spent too much time talking about what you're doing, even though you addressed the concerns and owned up to it, spent a lot of time justifying, instead of focusing on exploring other issues that we might have had.
Compromise / Follow up / Call to action		X				As a curve ball, when we proposed to produce all vehicles white in order to save paiting costs to invest in the quality of the products, the immidiate answer was "No, we can't do that", only after hearing us did you seem open to negociation, but giving a straight "No" is overwelming to a client.
Finding concerns / problems			X			After we said that we did not care about what you did or how you did it, you started caring about our issues and focusing on them. You started doing a good diagnosis more towards the end, after our time was up.

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Figure 19: Grizzly Results of Client Role Play

Source: BiP Industry Master's Simulation. Client Role play. 2024

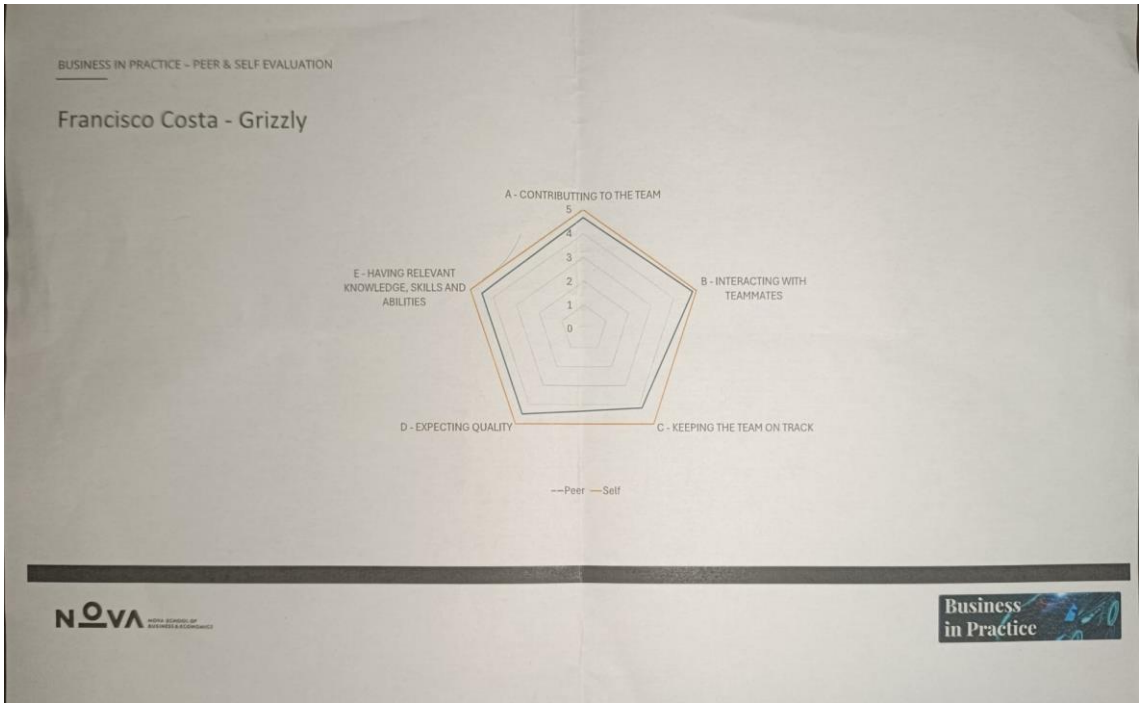

Figure 20: Peer & Self Evaluation

Source: BiP Industry Master's Simulation – Peer Feedback. 2024