

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

BUSINESS IN PRACTICE: PERSONAL REFLECTIONS AND ANALYSIS OF  
MANAGING A CAR MANUFACTURER OVER SIX YEARS

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## **ABSTRACT**

The thesis provides an analysis of Vector Motors during a six-year simulation period. The report consists of an analytical part and reflective part. The analytical part focuses on the strategic, operational and financial aspects of the business with emphasis on sustainability, innovation and the transformation from a traditional car manufacturer to a fully electric vehicle (EV) producer. The reflective part follows two critical incidents where team performance, personal reflection and key learning points are highlighted. The report aligns with global trends, industry leaders and relevant frameworks.

### **Keywords:**

Business in Practice, Operations in Manufacturing, Finance, Strategy, EV, Sustainability, Applied Management

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## **1. - Section one: Firm Analysis**

### **1.1 – Introduction to Company Analysis**

Over a six-year period, Vector Motors underwent a transformation from a traditional car manufacturer to become 100% electric vehicle manufacturer. The transformation was driven by our strategic vision to align with global trends towards sustainability, innovation and electric vehicles. Our core strategy emphasized phasing out combustion vehicles to focus exclusively on electric vehicles, positioning Vector Motors as an innovative, environmentally responsible brand.

The analysis is structured to provide an in-depth review of Vector Motors performance over the six-year simulation period across three key areas: strategy, operations and finance. The strategic analysis looks at what strategies were applied and explores Vector Motors' decisions to embrace innovations and sustainability as core focus areas, comparing these to industry leaders like Tesla and BMW. The strategy analysis explores how Vector Motors' strategy aligns with industry trends and conceptual models like Porter's (1996) concept of strategic positioning and Barney's (1991) resource-based view of competitive advantage. The operational analysis explores how Vector Motors adjusted production, factory utilization, and inventory control and the strategies behind the decisions. It details how the operations, marketing, and innovation departments worked together to ensure that the level of production was aligned with market demand and the strategic plan. The financial analysis reviews the company's revenue growth, cost management, liquidity, and asset management during the simulation period. It examines important financial ratios and compares Vector Motors' performance against industry benchmarks to evaluate its financial health and competitive position. This analysis provides insights in how Vector Motors has managed the complexities of changing a business model while maintaining high operational and financial efficiency in a very competitive industry.

## **1.2 - Strategy Analysis**

### **1.2.1 - Strategic positioning**

The core of our strategy was to go fully electric by innovating and launching new electric vehicles while phasing out our exciting combustion vehicles without losing market shares. This strategy aligns with Porter's (1996) notion of strategic positioning; a company has to choose a unique combination of value that will be delivered to the customers. By shifting into an all-electric vehicle manufacturer, we strategically positioned the company to emerge as a futuristic, forward-thinking and environment-responsible brand, which helped us to differentiate Vector Motors from the competition, still reliant on combustion engines. This strategic move is also supported by the resource-based view (RBV) of competitive advantage, positing that firms can achieve a sustained competitive advantage with unique resources and capabilities (Barney 1991). Our investment in cutting-edge technology and high-end vehicle features exemplifies that. Innovation was an integral part of our corporate strategy. According to our annual reports (Appendix 1), we gradually increased our revenues, due to premium pricing of high-feature electric vehicles and increased production capacity during the simulation period. Our emphasis on innovation also finds support in the propositions of Teece (2010), who argues that dynamic capabilities, more particularly the capability of integrating and building reconfiguring internal and external competencies, are essential for firms operating in environments that are dynamic. Our continuous investment in innovation and improved products continuously allowed us to stay competitive in the market characterised by intense competition and huge technological changes.

### **1.2.2 - Strategic Differentiation, Factory Utilization and Cost Management**

Consistent revenue growth marked Vector Motors' financial performance over the six-year simulated period. This resulted from a strategic focus on maximising factory utilisation and

marketing efforts. We emphasised efficient manufacturing processes and the maximisation of factory output, allowing us to retain control over production costs while consequently remain profitable. This approach aligns with the principles outlined in the value chain analysis, where Porter (1985) suggests that firms can achieve cost advantages by optimising their internal processes.

Focusing on premium features and innovation came with rising costs, particularly in the areas of research and development (R&D), HR, and marketing. Gross profits were clearly increasing, but some of the margin gains were compromised by marketing and general and administrative (G&A) expenses. This trend emphasises the importance of striking a balance between innovation and cost management (Christensen 1997). While our innovation-based differentiation strategy was crucial for maintaining our market position, we had to be very cautious regarding control costs in order not to destroy profit margins. The fine line between the cost/benefit of our investments challenged our strategy.

### **1.2.3 - Comparative Analysis with Industry Leaders**

We can find many similarities in Vector Motor's strategic approach with both Tesla and Ford. Tesla, like Vector Motors, has built its brand around innovation and a commitment to electric vehicles. Early entry into the EV market and building production toward high-end vehicle features has allowed Tesla to dominate the premium segment of the EV market for years. Our strategy has some obvious overlap with Tesla's, especially in terms of being technology-focused, sustainable, and innovative. Nevertheless, Tesla's established brand in the EV market and its first-mover advantage would have been challenging to overcome if they were a real competitor. Ford's approach has been more conservative, shifting only gradually toward electric vehicles while maintaining a good variety in other segments, including hybrids and

non-electric internal combustion engine cars. This allows Ford to have some guard against market volatility: the firm can rely on a far wider base of customers and can tailor its product mix depending on consumer proclivities and regulatory adjustments (“ANNUAL REPORT” 2018). Vector Motors' all-in and forward-looking strategy for electric vehicles exposes the company to higher risks than Ford if the EV market does not grow as expected or if competitors introduce other disruptive technologies.

#### **1.2.4 - Sustainability and Long-Term Vision**

Sustainability has emerged as an integral part of business strategy. As global mobility is steadily moving towards zero-emission and electrification, Vector Motor’s strategy is signalling a commitment to sustainability. This strategy is not only ethically comprehensive but also advantageous because it allows the company to take advantage of various government incentives for electric vehicle production, which have been increasing, along with consumer demand for sustainable cars. This long-term perspective, espousing continuous improvement and impact beyond the myopic drive for short-term gains, is further underpinned by Simon Sinek's "The Infinite Game" (2019).

However, to achieve long-term success, more is needed than just a pledge toward sustainability. There is continuous innovation, adapting to market changes, and understanding customer needs. Vector Motor’s long-term strategy is to continue to invest in R&D while remaining nimble and responsive to technological advancements and shifts in consumer preferences. The success of our company in sustaining a competitive advantage will depend on our ability to anticipate and react to these changes while staying true to our core values and strategic vision.

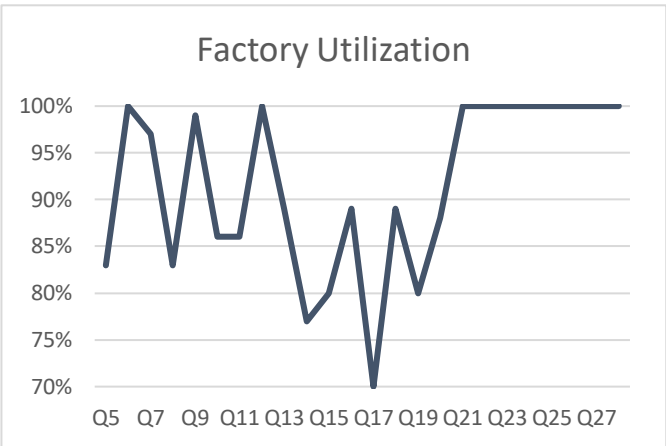
#### **1.3 - Operational Analysis**

**1.3.1 - Factory Utilization and Production Management**

One of the operational department’s responsibilities was to maximise the utilisation of our production capacity. Unused capacity at our manufacturing facilities was viewed as opportunity cost. The department therefore focused on avoiding situations where potential production capacity was unutilized. During the simulation, we were able to maintain an average factory utilisation rate of about 92% throughout the six-year simulation period. In contrast, the industry average ranges between 70% and 75% (Board of Governors of the Federal Reserve System (US) 2024). The high factory utilisation rate resulted from good coordination and communication with the marketing department, a conservative factory expansion strategy (only one built factory in addition to the two being built when the simulation started) and our data-driven approach to production management. Vector Motor was also able to reduce per-unit production costs as a result of economies

of scale for some of the cars when the vehicles were produced at multiple factories (Slack & Brandon-Jones 2018).

The operations department at Vector Motor approach to production



management was data-driven. In addition, methods such as strategic foresight and scenario planning were also frequently used to plan factory allocation. We monitored the demand in the market closely and frequently adjusted our output in anticipation of stock requirements and sales volumes. For example, in situations where inventory levels were getting above our preferred benchmark level of 30-50 days, the department worked closely with marketing to change pricing and promotional strategies to stimulate more sales in order not to cut back on

production. Throughout the simulation, the operations department reacted dynamically to market changes without losing operational efficiency (Hausman, Montgomery, & Roth 2002).

### **1.3.2 - Operational Coordination with Sales and Innovation**

The effectiveness of the operational department was dependent on the coordination between other business units, especially marketing and innovation. Operation management is not an isolated function operating on its own. It has to work closely with other departments in the company to meet the strategic objectives and goals (Krajewski & Malhotra 2021). The operations department of Vector Motors ensured that the level of production was synchronised with the expected sales level established by the marketing department, which was influenced by market demand. We wanted to avoid overproduction to keep the factory set-up stable and reduce the number of changes. The consequence of changing one production line was one month of production downtime.

The operations department also played a major role in the introduction of new products. Whenever a new car was due to be launched, or an existing vehicle was relaunched to the market, the department had to set up the factories accordingly. The factory setup had to be carefully planned to have as little production downtime as possible and smooth changeover in production. For instance, when a factory needed to be converted to produce a new model, the operations team made sure that the changeover was done smoothly in addition to planning for expected future demand, considering the product lifecycle. For instance, when a high-volume car was put into production, we wanted to produce it at one factory in the first 2-3 quarters before scaling the production up to meet demand. The scale-up of production had to be carefully planned multiple quarters in advance because it meant that production of other vehicles had to

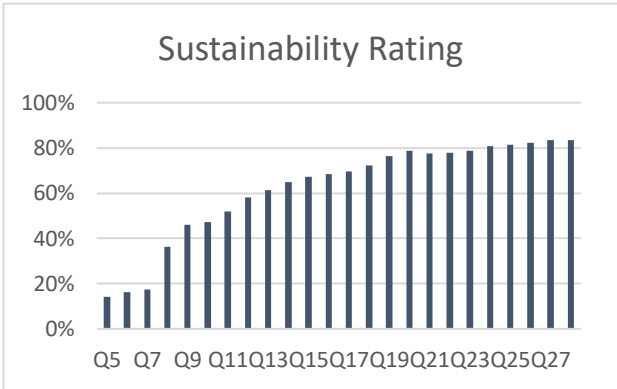
be scaled down, and the scale-down had to be in line with the product life-cycle and expected future sales of that vehicle.

### 1.3.3 - Guiding Principles and Inventory Management

Vector Motors utilised lean manufacturing as its guiding principle. Lean Manufacturing, an idea first conceptualised by Toyota, assumes the critical view of eliminating waste and creating value for the customer (Womack, Jones, and Roos 1991). We also implemented just-in-time (JIT) inventory management. We aimed to keep inventory levels low to avoid the risk of scaling down production due to full inventories. To follow this strategy, vehicles were produced according to the market demand. Our success was measured by days-of-inventory (DOI), and throughout the whole simulation, we were able to maintain an average of 47 days of inventory, while the industry average is in a range of 55-65 days (“Sharing Insights Elevates Their Impact” 2024). The low inventory levels ensured that the production process could stay flexible in response to changes in market demand (Womack, Jones, and Roos 1991).

### 1.3.4 - Sustainable Manufacturing as a Competitive Advantage

The operation department invested in different sustainability measures in line with lean manufacturing principles, sustainability goals and potential emission penalties. In order to minimise waste in our manufacturing process, we invested in



"scope 1", where we implemented water consumption reduction measures, waste reduction measures and became ISO14001 / EMAS certified, which are recognised standards for environmental management (El-Khalil & Mezher 2020). In addition, investments to "scope 2"

were made to reduce the consumption of energy in production by deploying solar panels and using energy management systems. These investments led to a decrease in operational costs and increased demand. It has placed Vector Motors as a green car manufacturing company among several other firms in the auto industry. By incorporating sustainability into the processes, the operations department significantly contributed to improving the company's reputation and future compliance with environmental regulations.

## **1.4 – Financial Analysis**

### **1.4.1 - Vector Motor's Revenue Growth, COGS and EBIT**

Vector Motors revenues increased from \$8.9 billion in 2024 to \$15.7 billion in 2030, an overall positive change of 76.4%. The revenue growth rate of Vector Motors significantly outpaces the predicted market growth rate in the automotive industry during the same period which is about 18,06% (Business Research Insights 2022). The key drivers of the revenue increase were the launch of new technologically advanced electrical vehicle models in combination with increased production output. The vehicles developed aligned with global trends in sustainable mobility and intelligent transport solutions. The higher-featured models we launched were priced high, which boosted the top line.

However, the cost of goods sold (COGS) also increased during the same period, from \$5.7 billion in 2024 to \$10.3 billion by 2030. The 80.7% increase resulted from high production costs related to new technologies embedded in the vehicles, including advanced battery technologies and autonomous driving features. Despite the rapid upsurge in cost, Vector Motors maintained a gross profit margin between 35-37%, which is commendable considering the scale of technological investments (Liu and Wen 2020). In comparison, Tesla's gross profit margins

have been between 20-25% in recent years (“TSLA: Tesla Inc” 2023). This supports good cost management and pricing strategies by Vector Motors.

Earnings Before Interest and Taxes (EBIT) grew from \$1.2 billion in 2024 to \$1.9 billion in 2030, though the EBIT margin decreased slightly from 13.5% in 2028 to 12.1% in 2030; this decline reflects increasing operational costs, in addition to depreciation which almost doubled from 2024 to 2030. The net profit margin of Vector Motors peaked at 9.6% in 2028 and then decreased to 7.4% in 2030. The decline can be connected with increased interest expenses from higher debt levels and rising operational costs, particularly at the end of the simulation period.

#### **1.4.2 - Equity and Debt Balance at Vector Motor**

Vector Motor’s liquidity was robust during the simulation period, with the current ratio fluctuating within the range of 1.5 and 1.6, slightly above the industry average of 1.48 (“Current Ratio by Industry - FullRatio,” 2024). This indicates Vector Motors had sufficient short-term assets to offset the short-term liabilities, thereby having a buffer against a potential liquidity crisis. The quick ratio, which excludes inventory from current assets, is about 1.2, indicating that a significant portion of the company's current assets were allocated to inventory and the subscription offering. To put it in perspective, Tesla's quick ratio stands at approximately 1.25 (“TESLA Inc.” 2024), while BMW’s quick ratio is around 0.82 (“Bayerische Motoren Werke AG” 2024). On a general note, a large accumulation of inventory will pose a threat if market conditions change or if demand for specific models falls.

Vector Motors relied on debt to finance our production expansion and R&D, reflecting a rise in debt-to-equity from 0.6 in 2024 to 0.75 in 2030. The ratio remains within acceptable limits. However, the rise signals increased financial leverage, which will affect the future financial

flexibility of Vector Motor. In addition, the interest coverage ratio dropped from 7.8 in 2026 to 6.5 in 2030, which is the ability of Vector Motors to pay our obligations. Though it is still robust, the decrease indicates that there is a reduced margin of safety because Vector Motor's interest obligations have grown faster than the operating income.

The Return on Equity improved from 15% in 2024 to 18.5% in 2030, showcasing the effective use of shareholders' equity and showing that Vector Motors are capable of generating profit from invested capital (Ross, Westerfield, & Jaffe 2019). Vector Motors performance is notably higher than the industry average ROE of 12%, BMW is approximately 19.18% (BMW ROE 2024), Mercedes-Benz in the range of 8.5% to 9.5% (Mercedes-Benz ROE 2024), while Tesla's Return on Equity (ROE) is reported at approximately 23.63% (Tesla ROE 2024). Our ROE highlights Vector Motors successful strategic initiatives. It's important to note that the increasing debt levels may moderate ROE in the future if the cost of debt continues to increase or if Vector Motors are not able to sustain profitability at a level equal to our growing financial obligations.

### **1.4.3 - Asset Management and Effectiveness**

The effectiveness of our financial department in managing assets, measured by inventory turnover, showed a decreasing trend from 4.8 in 2024 to 3.9 in 2030. During the same period, we launched a subscription model that influenced inventory turnover. The inventory turnover ties up capital in inventory, possibly limiting our ability to invest in other areas (Hillier 2020). The accounts receivable turnover ratio also slightly decreased from 7.2 in 2024 to 6.8 in 2030, indicating an increase in the average collection period (Gitman and Zutter 2015). The increase is directly connected with the financing offering launched.

Vector Motor's capital expenditure on new technologies and facilities has increased significantly, reflected in the rise in depreciation costs. The investments were made in accordance with our strategy and were critical for both the growth of Vector Motors and to maintain competitiveness in an evolving automotive industry. However, the capital expenditure strained our short-term profitability. Vector Motors fixed asset turnover ratio tells us how effectively we use our fixed assets to generate revenue, declined slightly from 2.5 in 2024 to 2.3 in 2030 (Parrino 2022). This indicates that the fixed asset growth is faster than the revenue growth, which is not unusual during periods of aggressive capital investments. However, it is critical that the investments lead to future revenue growth (Ross, Westerfield, & Jaffe 2019).

### **1.5 - Integrated View Across Functions at Vector Motors**

The strategy of going fully electric at Vector Motors required close coordination and integration between all of company's departments, including operations and finance department. The strategy prompted Vector Motor to transition to electric vehicles (EVs) and discontinue the production of combustion-engine vehicles. This strategic shift resulted in the reconfiguration of production lines and phasing out older models. This strategic move also called for an increase in production, which led to building a new factory that required huge capital investment. In order to make the investment, the finance department had to approve it and were responsible for securing the capital required, through issuance of bonds.

Other operational investments concerning minimising waste, optimising energy consumption, reducing water consumption, and implementing sustainable practices were aligned with Vector Motor's differentiation strategy, emphasising environmental responsibility. These projects required further investments, which were facilitated by our finance department through strategic funding decisions. Our finance department issued green bonds to provide the necessary

funds. The issuance of green bonds not only provided the necessary capital but also supported the company's sustainability goals, thereby enhancing its market reputation and attracting eco-conscious consumers.

Effective communication and collaboration between the departments was crucial:

the strategy set the direction, operations carried out the changes in production, and finance ensured that the necessary monetary resources were available. This allowed Vector Motors to effectively transition to EVs while maintaining operational efficiency and ensuring financial stability. The interrelationship of these functions allowed Vector Motor to achieve our strategic objectives while optimising production and financial performance.

## **1.6 - Conclusion, Key Ideas and Learnings of Firm Analysis**

The transformation of Vector Motors from a conventional car manufacturing company into a completely electric vehicle manufacturer was realised within a period of six years. The simulation gave clear insights into how strategy, operations, and finance are all interlinked to achieve organisational objectives. This transition was not only about changing product offerings but involved a fundamental reorientation of the company's strategic goals, operational processes, and financial management. The experience has brought insights into the importance of how these business functions must work together to achieve success.

The strategic decision to focus solely on electric vehicles was driven by the necessity to position the company in line with global trends towards sustainability and innovation. This strategic decision is in alignment with Porter's (1996) concept of strategic positioning whereby the objective of Vector Motors was to become a leader in sustainability within the automotive industry. The shift required operational changes, including reorganising production lines,

discontinuance of models, and building a new factory to increase production capacity. The operational challenges of the changes highlighted the need for flexibility and responsiveness in executing Vector Motor strategic initiatives. This reinforced the understanding that although strategy sets direction, it is the operational department that is responsible for the practical implementation.

The finance department supported these strategic and operational changes by raising the needed capital through bond issuance in most cases. This experience gave me insights into financial management as the enabler of strategic goals. Effective financial management assured that the strategic objectives set by Vector Motor could be met without jeopardizing the financial stability of the company. This underlines how strategic ambition and financial health is interdependent, demonstrating that even the most well-conceived strategies require solid financial backing to be successfully implemented.

Sustainability was a core part of Vector Motor's strategy that required additional operational investments in waste reduction, energy measures, and water consumption improvements. The finance department supported these investments by issuing green bonds, which, in addition to raising the required capital, also enhanced our market reputation among environmentally conscious consumers. This highlighted how financial strategies can reinforce and enhance a company's strategic positioning, particularly in areas like sustainability.

Vector Motors' revenue growth during the simulation was largely due to revenues from new vehicle launches and increased production capacity. This increase also led to rising costs in areas such as research and development. The finance department's ability to manage these costs while continuing to fund innovation was crucial for maintaining financial stability. This

experience gave an important lesson in the delicate balance of financial management: fostering growth and innovation while controlling costs to sustain profitability.

In conclusion, the integration of strategy, operations, finance and strategic planning throughout the simulation period was essential for successfully transforming Vector Motor. The experience has made me realise the importance of cross-functional collaboration in meeting strategic objectives. Strategy gives the vision and direction, operations execute the plan, and finance makes sure that resources are available to achieve the desired results. This holistic understanding in the inter-relationship between those functions gives valuable insight into managing and leading business transformations and the importance of an approach where all business functions are well coordinated for sustainable success.

## **2. Section Two: Personal Reflection**

### **2.1 - Introduction and Overview of the Two Incidents**

This reflective essay will focus on two critical incidents that occurred during the six-year business simulation. These incidents had critical impact on performance of my team and my personal learning experience. The two critical experiences that I will analyse are: loss of a potential investment of almost \$2 billion and a serious operational error causing a financial loss of \$1.34 billion due to discontinuation of a model. These incidents are strongly relevant since they bring up challenges faced by many teams and leaders in a real business setting.

The first incident occurred in Quarter 8, when the team had a chance to secure a \$2 billion investment from an investor. This event brought a number of key learning points concerning team preparedness, leadership, and communication. As much as I was responsible for important elements of the presentation and pitch, the unpreparedness of the team led to missing out on the

major investment opportunity. The analysis examines the incident through the lens of various leadership theories, focusing on the theories of emotional intelligence and assertiveness.

The second critical experience was the discontinuation by mistake of one of the most important car models in our portfolio, Business 135H. This occurred due to a misunderstanding by one of the operations managers that led to the discontinuation of a crucial hybrid business car. The mistake cost the company about \$1.34 billion. The critical event is analysed and gives insights into aspects like decision-making, accountability, and leadership and how individual behaviour could affect the performance of an entire team. This event is relevant because it illustrates the importance of clear communication and strategic alignment in operations.

The structure of the critical experience reflection is built on Kolb's experimental learning cycle (1984) that consists of four parts: concrete experience, reflective observation, abstract conceptualization and active experimentation (Appendix 3). Active experimentation which is acting on what was learnt is not included in the reflection due to time limitations, but is changed with a section similar section; application to a real working environment

## **2.2 – Critical Experience: Potential Investor Lost**

### **2.2.1 – What Happened**

In the first year, our team had a chance to secure a potential investment of almost \$2 billion by an investor. This potential investment would have led to a considerable rise in our cash flow, giving us monetary funds for future investments in new vehicles. As a member of the team, I was one of the people to take charge of facilitating the sales pitch. After a sales lecture that was meant to equip us with tactical advice, I collaborated with my team members in strategizing how we would organise the pitch. I volunteered to take charge of the pitch with two other team members. My role in the pitch was to back up the main presenter and answer any question the

investor would have. The day before the investor meeting, during our brainstorming session, I was responsible for shaping content, identifying major selling points, and creating a compelling value proposition. But as the day wore on, I realised that an ever-growing tension had developed within our team between that indispensable thoroughness of preparation and our team trying to get the pitch finished to go home early that day. Despite my reservations about our level of preparation, I hesitated to voice my concerns, influenced by fatigue and the assumption that we could address any shortcomings the following morning.

On the day of the pitch, my role as a supporting member required me to assist the main presenter when practising for the pitch and help with final adjustments. It became apparent during our rehearsal that my co-worker was having some trouble with the script. He depended on the script in order to remember what he was going to say. The moment I realised this, it brought out a sense of urgency for me to take action by helping out more actively. However, there was not enough time, and little I could do other than hope for the best. When it was our turn to meet the investor, the presentation was undermined by my colleague's unpreparedness, and our poor response to the investor's questions underscored the weaknesses of our strategy. We ended up not securing the investment. The group was very disappointed, and I felt responsible for the failure. On a personal level, I self-affirmed that I did not perceive or manage confrontations about issues regarding team preparedness well at all. According to Goleman (1995), self-awareness and emotional regulation are two primary elements of emotional intelligence, which I lacked during this experience. My inner conflict of whether or not to express my thoughts, which could lead to an argument or remain silent to avoid team discord, stopped me from acting vehemently at a time when it had been required.

### **2.2.2 - Reflective Observation**

In retrospect, I realised that I missed one of the qualities of good leadership, which is assertiveness. I avoided the issue by not expressing myself about what had to be said because of our preparation. I considered team harmony to be important, but in so doing, it compromised the quality of what was delivered during the sales pitch. My assumption that last-minute tweaks would be sufficient was flawed because of complacency and our overdependence on AI when making the pitch. In addition, some of the challenges and questions from the investor that could have been expected in advance were not anticipated, and no advance preparations were put in place. Besides, in the discourse, there was an emphasis on the fact that effective communication must be transparent and involve active listening. My responses during the Q&A session were too technical and had no direct relationship to the strategic objectives of the investor at the session. This was an alignment issue calling for better integration of technical information with strategic insight to achieve clarity and brevity in communication. As Tuckman (1965) would have it, our team was at the "storming stage" where role confusion and misalignment hampered group performance. My struggle to find a balance between task completion and open communication resembled the broader team dynamics. For the team to move on to the "norming" and "performing" stages (Tuckman 1965), I needed to develop a more balanced approach incorporating strategic foresight and effective communication.

### **2.2.3 - Abstract Conceptualization**

This experience has given me multiple lessons. First, I understood how important it is to be well-prepared and voice my concerns when needed. It is critical to ensure that everyone involved, including the presenter, is prepared to an acceptable level. I learned during this experience not to take for granted that team members have the same level of understanding or

comprehension as myself without verifying it (A Guide to the Project Management Body of Knowledge (PMBOK Guide) 2017). Moving forward, I must be more proactive in clarifying team roles and expectations to avoid oversights and mistakes. Second, I learned that a pitch should be aligned according to the needs and interests of investors. This means crafting a tailored presentation that voices their concerns adequately through research (Kotler and Keller 2016). The experience also made me realise that empathy and taking their (investor) perspective into consideration would have helped me understand the audience better; this corresponds with Goleman's (1995) resounding emphasis on emotional intelligence. The incident also made me understand the power of verbal and non-verbal communication in building trust and rapport with stakeholders (Mehrabian 1971). After the incident I have realised that my non-verbal expression and body language could either further fortify my communication or be significantly counterproductive to it. In the future, I will need to focus on developing these skills for stronger engagement with diverse audiences. From a broader perspective, it made me realize that continuous learning and adaptability are required in any high-pressure situation where being able to respond flexibly and confidently is necessary. Finally, I now understand that leadership is not just about task orientation but also about creating an environment where team members are able to raise their views and issues. This is supported by Bass and Riggio (2006) that suggests a leader always needs to inspire and motivate members by involving them through empathy and collaboration.

#### **2.2.4 - Application into a Real Working Environment**

These experiences are applicable and relevant to the real business world. In the future, I will improve my preparation and planning skills by spending more time on preparation, including in-depth research and rehearsals, ensuring that all teammates are aligned and informed. I will also be attentive to the needs of the receiving audience and create solutions tailor-made to

alleviate the particular worries that they might have. I would also enhance my ability to develop verbal and nonverbal communication skills by seeking further feedback from colleagues and advisors regarding key areas that need improvement. In an actual work scenario, there might be much more on the line than fictional money, and the consequence of not securing a potential investment might be fatal. In conclusion, the knowledge gained during the sales pitch is very important. Applying the acquired knowledge can improve my performance and enable me to contribute more effectively to team success, supporting a stronger, more resilient, and adaptive work climate.

## **2.3 - Critical Experience: Discontinuation of Business 135H**

### **2.3.1 - Concrete Experience**

Our team finally started to feel more comfortable with the simulation even though our score was declining. We had a clear strategy and were both confident and optimistic about the upcoming quarters and years. In operations, we were struggling with large inventory levels that caused low factory utilization. Yet, we were developing new car models, and we had anticipated these new cars with our current vehicle portfolio would address the factory utilization problem. Our plan had been to launch a new electric business car and keep the existing hybrid business car to increase our production flexibility in different continents when needed. We had built up inventory of the Business 135H, to have it on standby in case we had to scale down production of other models. When the development of our new fully electric business vehicle was finished, I was ready to place it in production as one of the operations managers. However, my co-operations manager, who was relatively inactive and inexperienced in the simulation up to this point took initiative to change the production set-up. Mistakenly, she discontinued the Business 135H instead of taking it out of production as planned. That decision was not made deliberately, but rather based on a misunderstanding of our strategy. This mistake resulted in a financial loss

of \$1.34 billion USD and put us right on the line of crisis. I was very frustrated and disappointed after realising the mistake the other operations manager had made. I also felt responsibility since the department I was a part of made the mistake. I tried to hide the disappointment and switched on a sensitive and supportive attitude toward my co-operation manager since nothing good derives from blame. This approach was based on my belief that maintaining a good and supportive team environment was critical in responding effectively to the crisis.

### **2.3.2 - Reflective Observation**

Reflecting on the incident have made me understand that there were various ways my actions and response could have been improved. My empathetic approach helped to stabilise the team's emotional condition; however, in this process, I missed some opportunities for proactive engagement and assertive communication. The initial team reaction was disappointment and confusion. The experience illustrated to me how crucial it is to balance emotional intelligence with the ability to act. According to Goleman (1995), effective leadership takes into consideration the management of emotions while remaining assertive and empathetic in high-stress environments. Indeed, the problem brought out how individual behaviour under stress tends to affect the teams. It was clear that some members of the team had a tendency towards pessimism and crisis maximisation, thus calling for ways of expecting and managing those people's behaviours. Proactive decision-making and communication came forth in light of my responsibilities because I needed to strike a balance between emotional intelligence on one hand and proactive engagement on the other. What I learnt from this situation is that empathy is important, but it has to be balanced with an effort to bring forward and engage in open discussion of potential risks or concerns with the team before they happen. For example, I could have observed my co-operational manager when she wanted to do the change in the production set-up to make sure it was done according to plan. Moreover, the experience underscored the

importance of setting up clear communication channels and developing a culture of transparency and accountability within the organization. The crisis was built by our individual assumptions and overall lack of proper verification. This is in line with the group development model of Tuckman (1965), stating the importance of moving from "storming," where there are conflicts and misalignments, to an element of collaboration and performance.

### **2.3.3 - Abstract Conceptualization**

Various key learnings evolved from this critical experience. It underlines how preparation and clear communication within the team and myself are important. The manager's mistake demonstrated that all members should know everything; everybody should be in full engagement with ongoing plans and strategies. I learned the importance of being proactive about clarifying roles, expectations, and objectives within the team. Aligning team actions to the strategic goals of the project is a key learning. The incident showed how individual behaviours can be very influential in the dynamics of a team, especially under stress (Goleman 1995). Anticipating such behaviours in advance can help to mitigate their responses to critical incidents. This corresponds with the idea of emotional intelligence and the management of teams in which the appropriate understanding and management of emotions can result in enhanced team performance (Salovey and Mayer 1990). I discovered that my body language, as well as how I delivered the message, would be as important as the words themselves in showing confidence and engagement in our strategy. These skills will help me communicate better with team members and other potential stakeholders, developing a culture of cooperation and understanding. Additionally, I realized the need to develop my leadership skills, particularly in establishing an environment where my team members would feel free to voice out their concerns and share their insights. This is in line with the transformational theories of leadership, which emphasize the inspiration and motivation required for teams to come and

work cohesively (Yukl 2013). Open dialogue and good communication would prevent such misunderstandings and contribute to trust and alignment of decision making (Edmondson 1999). As a manager, I would have to challenge assumptions about team members understanding to make sure any decision made is according to the strategy.

### **2.3.4 - Application to a Real Working Environment**

The learning from the critical incident is applicable in any real working environment. The incident has shown me that there is a great need for effective communication of a business's overall strategy within a team which is also supported by V. Robbins (2018). This is particularly important in fast-moving industries, where changes can happen every second and where each member of a team holds a critical piece of the puzzle (Schein 2010). In addition, knowing individual behaviours in order to manage them proactively is critical to sustaining a productive work environment (Goleman 1995). For example, when high-pressure situations arise, the knowledge of which team members might act out as pessimists or exacerbate crises can help in planning proper interventions so the team can remain focused and motivated. The experience gave me some insights regarding leadership that needs to be interspersed with empathy and support. People are bound to make mistakes while working in any organization; how a leader or a team member responds to it often sets the organisational culture. A non-blaming, supportive environment helps breed trust and resilience so teams can bounce back stronger after an episode and continue moving forward toward their goals (Edmondson 1999). In essence, the critical incident within the simulation exposed key learning areas as far as team dynamics, communication, and leadership are concerned. It is from these learnings that better performance in a team is seen, better relationships crafted, and the working environment made to be adaptive and resilient for the team.

In conclusion, this critical incident has given me insight into my role as a team member and leader. These learnings will help me improve my performance as an individual which will enable me to contribute more effectively to team success, fostering a stronger and more resilient adaptive working environment. It reinforces the importance of preparation, communication, and leadership for continued learning and adaptation within the framework of a highly dynamic and fast business landscape. I am committed to using this knowledge to create positive change and drive personal and professional success as I develop my skills.

#### **2.4 – Conclusion, Review of Key Learning Points and Peer Feedback**

The two critical experiences encountered during the simulation have provided me with insights in leadership, communication, and team dynamics. Reflecting on these incidents has allowed me to evaluate both my performance and the peer feedback I received in a more comprehensive way. The importance of assertiveness and communications were recurring themes during two critical events. In the loss of potential investor incident, I realized that although I was valuing team unity, my failure to express dissatisfaction with our preparedness contributed to my team losing the investment. This links back to emotional intelligence, specifically self-awareness and self-regulation (Goleman 1995). Reflecting back, I now understand that effective leadership is a mix between keeping the team together and being assertive at times to accomplish strategic goals.

Looking back on the peer feedback where I scored close to the maximum in most sections, which seems positive, however, upon self-reflection, I believe that this feedback did not accurately reflect my efforts or meet the criteria for a maximum score. The positive feedback may have been flattering, but in reality, it was lacking in the critical factor of pointing out ways in which I could improve. This highlights a key problem associated with peer feedback—being

overly concerned with avoiding conflict or maintaining team spirit can lead to missed learning opportunities. Constructive and honest criticism, when delivered respectfully, is an essential tool for personal and professional growth. The consequence of my team members being too nice is a missed learning opportunity that could have given me valuable insights that could have helped me improve. The experience taught me that honesty and constructive criticism is more important than just keeping an ostensibly positive team atmosphere in place. The lesson here is that feedback should be a tool for growth rather than being a tool to maintain harmony.

In conclusion, the critical incidents in addition to learnings from my peer evaluation have underscored the importance of assertiveness, clear communication, and constructive feedback for both personal development and team success. If I apply these lessons in the future, I'm convinced that I will be able to contribute more effectively to future teams, foster a more resilient working environment, and drive both personal and professional growth.

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# Appendix

## Appendix 1: Annual Report Vector Motor

	Before Simulation						
	Y0	Y1	Y2	Y3	Y4	Y5	Y6
<b>Income Statement</b>							
Revenues	\$ 18 235 096	\$ 19 102 247	\$ 19 209 071	\$ 24 386 453	\$ 25 744 435	\$ 30 276 928	\$ 32 026 660
COGS	\$ 11 312 976	\$ 12 624 697	\$ 12 109 110	\$ 14 917 025	\$ 15 678 669	\$ 18 994 894	\$ 19 361 828
% of Revenues	62%	66%	63%	61%	61%	63%	60%
<b>Gross Profits</b>	<b>\$ 6 922 120</b>	<b>\$ 6 477 550</b>	<b>\$ 7 099 961</b>	<b>\$ 9 469 428</b>	<b>\$ 10 065 766</b>	<b>\$ 11 282 034</b>	<b>\$ 12 664 832</b>
Marketing Expenses	\$ 207 021	\$ 426 072	\$ 668 057	\$ 918 847	\$ 1 148 775	\$ 950 363	\$ 1 026 996
G&A Expenses	\$ 618 022	\$ 772 236	\$ 1 342 785	\$ 1 747 814	\$ 1 694 643	\$ 1 555 446	\$ 1 612 472
Bonus	\$ 190 409	\$ (245 286)	\$ (252 222)	\$ -	\$ -	\$ -	\$ -
Subscription Sales					\$ 482 904	\$ 1 288 369	\$ 1 398 253
Depreciation	\$ 1 806 439	\$ 2 038 921	\$ 2 529 803	\$ 3 250 184	\$ 3 440 724	\$ 3 303 281	\$ 3 540 473
<b>EBIT</b>	<b>\$ 4 481 047</b>	<b>\$ 2 995 035</b>	<b>\$ 2 307 094</b>	<b>\$ 3 552 583</b>	<b>\$ 3 781 624</b>	<b>\$ 6 761 313</b>	<b>\$ 7 883 144</b>
EBIT Margin	25%	16%	12%	15%	15%	22%	25%
Other Items	\$ 247	\$ 51	\$ 470 121	\$ 387 858	\$ 1 315 182	\$ 151 119	\$ 84 677
Financial Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expenses	\$ 519 315	\$ 460 727	\$ 557 650	\$ 566 899	\$ 505 217	\$ 435 937	\$ 332 469
Profits Before Taxes	\$ 3 961 485	\$ 2 534 257	\$ 1 279 323	\$ 2 597 826	\$ 1 961 225	\$ 6 174 257	\$ 7 465 998
Taxes	\$ 1 188 445	\$ 760 277	\$ 383 797	\$ 779 348	\$ 733 239	\$ 1 852 277	\$ 2 239 799
Taxes Rate	30%	30%	30%	30%	37%	30%	30%
<b>Net Income</b>	<b>\$ 2 773 040</b>	<b>\$ 1 773 980</b>	<b>\$ 895 526</b>	<b>\$ 1 818 478</b>	<b>\$ 1 227 986</b>	<b>\$ 4 321 980</b>	<b>\$ 5 226 199</b>
<b>Balance Sheet</b>							
<b>Assets</b>							
<b>Long term assets</b>	<b>\$ 15 632 477</b>	<b>\$ 17 983 715</b>	<b>\$ 21 033 831</b>	<b>\$ 22 578 672</b>	<b>\$ 19 673 590</b>	<b>\$ 18 280 424</b>	<b>\$ 16 852 100</b>
PPE	\$ 10 932 477	\$ 13 383 715	\$ 16 533 831	\$ 18 178 672	\$ 15 373 590	\$ 14 080 424	\$ 12 752 100
Land & Buildings	\$ 4 700 000	\$ 4 600 000	\$ 4 500 000	\$ 4 400 000	\$ 4 300 000	\$ 4 200 000	\$ 4 100 000
<b>Current Assets</b>	<b>\$ 9 080 082</b>	<b>\$ 9 512 098</b>	<b>\$ 9 651 454</b>	<b>\$ 10 464 247</b>	<b>\$ 8 966 121</b>	<b>\$ 6 884 438</b>	<b>\$ 5 899 170</b>
Cash and Cash Equivalents	\$ 3 564 996	\$ 4 073 309	\$ 3 799 657	\$ 3 159 548	\$ 1 433 305	\$ 959 686	\$ 959 686
Accounts Receivable	\$ 3 035 286	\$ 3 203 526	\$ 3 496 878	\$ 4 304 129	\$ 4 330 272	\$ 3 281 682	\$ 3 284 742
Inventory	\$ 2 479 800	\$ 2 235 263	\$ 2 354 919	\$ 3 000 570	\$ 3 202 544	\$ 2 643 070	\$ 1 654 742
Equipment on Lease	\$ -	\$ -	\$ -	\$ -	\$ 2 595 744	\$ 3 667 459	\$ 4 531 241
Receivables from financial investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables from financial services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 24 712 559</b>	<b>\$ 27 495 813</b>	<b>\$ 30 685 285</b>	<b>\$ 33 042 919</b>	<b>\$ 31 235 455</b>	<b>\$ 28 832 321</b>	<b>\$ 27 282 511</b>
<b>Liabilities</b>							
LT debt	\$ 10 547 902	\$ 12 372 523	\$ 15 270 067	\$ 15 681 086	\$ 14 007 565	\$ 12 370 326	\$ 7 428 630
ST debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625 154	\$ 359 837
Accounts Payable	\$ 1 009 442	\$ 904 687	\$ 658 338	\$ 1 504 866	\$ 1 674 673	\$ 1 064 777	\$ 1 973 196
<b>Total Liabilities</b>	<b>\$ 11 557 344</b>	<b>\$ 13 277 210</b>	<b>\$ 15 928 405</b>	<b>\$ 17 185 952</b>	<b>\$ 15 682 238</b>	<b>\$ 14 060 257</b>	<b>\$ 9 761 663</b>
<b>Equity</b>							
Share capital	\$ 10 350 000	\$ 10 350 000	\$ 10 350 000	\$ 10 350 000	\$ 10 000 000	\$ 9 300 000	\$ 9 300 000
Capital Reserve	\$ 970 550	\$ 970 550	\$ 970 550	\$ 970 550	\$ (700)	\$ (3 061 975)	\$ (3 061 975)
Retained Earnings	\$ 1 834 665	\$ 2 899 053	\$ 3 436 330	\$ 4 527 416	\$ 5 553 916	\$ 8 147 105	\$ 11 282 824
<b>Shareholder Equity</b>	<b>\$ 13 155 215</b>	<b>\$ 14 219 603</b>	<b>\$ 14 756 880</b>	<b>\$ 15 847 966</b>	<b>\$ 15 553 216</b>	<b>\$ 14 385 130</b>	<b>\$ 17 520 849</b>
<b>Total Liabilities and Equity</b>	<b>\$ 24 712 559</b>	<b>\$ 27 496 813</b>	<b>\$ 30 685 285</b>	<b>\$ 33 033 918</b>	<b>\$ 31 235 454</b>	<b>\$ 28 445 387</b>	<b>\$ 27 282 512</b>
<b>Cash flow statement</b>							
<b>Net Income</b>	<b>\$ 2 773 040</b>	<b>\$ 1 773 980</b>	<b>\$ 895 526</b>	<b>\$ 1 818 478</b>	<b>\$ 1 227 986</b>	<b>\$ 4 321 980</b>	<b>\$ 5 226 199</b>
Depreciation	\$ 1 806 439	\$ 2 038 921	\$ 2 422 347	\$ 3 250 184	\$ 3 440 724	\$ 3 303 281	\$ 3 540 473
Change in Inventory	\$ 1 006 058	\$ (244 538)	\$ 204 348	\$ 662 941	\$ 253 066	\$ (559 475)	\$ (988 328)
Change in Acc. Rec.	\$ (85 581)	\$ 168 240	\$ 293 352	\$ 807 251	\$ 26 143	\$ (1 048 590)	\$ 3 060
Change in Uncollectible Accounts	\$ 182 082	\$ 188 837	\$ 188 667	\$ 236 670	\$ 256 648	\$ 201 134	\$ 199 050
Change in Acc. Payable	\$ (74 014)	\$ (104 756)	\$ (246 348)	\$ 846 528	\$ 169 807	\$ 390 103	\$ (91 581)
Profit/Loss from asset disposal	\$ -	\$ -	\$ (469 865)	\$ (387 428)	\$ (1 314 489)	\$ -	\$ -
Change in Equipment on Subscription	\$ -	\$ -	\$ -	\$ -	\$ 2 595 743	\$ 1 071 716	\$ 863 783
Change in Receivables from Fin. Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Operating Cash Flow</b>	<b>\$ 3 402 904</b>	<b>\$ 3 595 607</b>	<b>\$ 2 962 475</b>	<b>\$ 4 595 755</b>	<b>\$ 3 504 276</b>	<b>\$ 8 350 579</b>	<b>\$ 8 597 529</b>
<b>Investing Cash Flow</b>	<b>\$ (1 546 074)</b>	<b>\$ (4 202 323)</b>	<b>\$ (5 775 423)</b>	<b>\$ (4 928 493)</b>	<b>\$ (1 542 390)</b>	<b>\$ (1 875 380)</b>	<b>\$ (1 746 700)</b>
Change in Debt	\$ 914 966	\$ 1 824 621	\$ 2 897 545	\$ 411 019	\$ (1 673 522)	\$ (1 099 839)	\$ (5 119 259)
Change in Bank Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends Paid	\$ 1 109 285	\$ 709 592	\$ 358 248	\$ 727 391	\$ 684 356	\$ 1 728 792	\$ 2 090 480
Proceeds from New Shares	\$ 1 320 550	\$ -	\$ -	\$ -	\$ (1 321 250)	\$ (3 761 275)	\$ -
<b>Financing Cash Flow</b>	<b>\$ 1 126 231</b>	<b>\$ 1 115 028</b>	<b>\$ 2 539 297</b>	<b>\$ (316 372)</b>	<b>\$ (3 679 128)</b>	<b>\$ (6 589 906)</b>	<b>\$ (7 209 738)</b>
<b>Change in Cash and Cash Equivalents</b>	<b>\$ 2 983 061</b>	<b>\$ 508 312</b>	<b>\$ (273 651)</b>	<b>\$ (649 110)</b>	<b>\$ (1 717 242)</b>	<b>\$ (114 707)</b>	<b>\$ (358 909)</b>

## Appendix 2: Peer Evaluation Criteria's

<b>Q1. CONTRIBUTING TO THE TEAM</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Does not do a fair share of the team's work, delivers sloppy work		Completes a fair share of the team's work with acceptable quality		Does more or higher-quality work than expected
Misses deadlines, is late, unprepared, or absent for meetings		Keeps commitments and completes assignments on time		Makes important contributions that improve the team's work
Does not assist teammates, quits if the work becomes difficult		Fills in for teammates when it is easy or important		Helps to complete the work of the teammates who are having difficulty

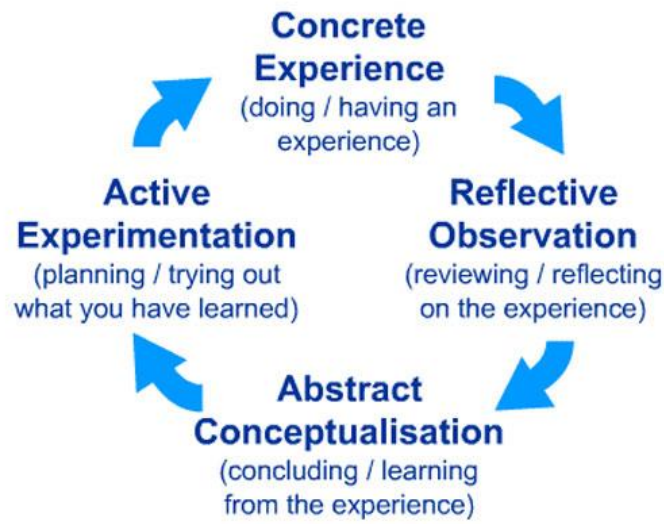
<b>Q2. INTERACTING WITH TEAMMATES</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Interrupt, ignores, bosses, or makes fun of teammates		Listens to teammates and respects their contributions		Asks for and shows an interest in teammates' ideas and contributions
Act without teammates input, does not share information		Communicates clearly, shares information with teammates, participates fully in activities		Improves communication among teammates, provides encouragement to the team
Complains, makes excuses, or does not interact with teammates, accepts no help or advice		Respects and respond to feedback from teammates		Asks teammates for feedback and uses their suggestions to improve

<b>Q3. KEEPING THE TEAM ON TRACK</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Is unaware of whether the team is meeting its goals		Notices changes that influence the team's success		Watches conditions affecting the team and monitors the team's progress
Does not pay attention to teammate's progress		Knows what everyone on the team should be doing and notices problems		Makes sure that teammates are making appropriate progress
Avoids discussing team problems, even when they are obvious		Alerts teammates or suggests solutions when the success is at risk		Gives teammates specific, timely and constructive feedback

<b>Q4. EXPECTING QUALITY</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Satisfied even if the team does not meet assigned standards		Encourages the team to do good work that meets all requirements		Motivates the team to do excellent work
Wants the team to avoid work, even if it hurts the team		Wants the team to perform well enough to earn all available rewards		Cares that the team does outstanding work, even if there is no additional reward
Doubts that the team can meet its requirements		Believes that the team can fully meet its responsibilities		Believes that the team can do excellent work

<b>Q5. HAVING RELEVANT KNOWLEDGE, SKILLS AND ABILITIES</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>5</b>
Missing basic qualifications needed to be a member of the team		Has sufficient knowledge, skills and abilities to contribute to the team		Demonstrate the knowledge, skills and abilities to do excellent work
Unable or unwilling to develop knowledge or skills to contribute to the team		Acquires knowledge or skills needed to meet requirements		Acquires new knowledge or skills to improve the teams' performance
Unable to perform any of the duties of other team members		Able to perform some of the tasks normally done by other team members		Able to perform the role of any team member if necessary

Appendix 3: Kolb's learning cycle



Appendix 4: Operational Emission Scopes

