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BUSINESS IN PRACTICE: ANALYSIS OF PROXIMA MOTORS' ELECTRIFICATION PROCESS AND PERSONAL REFLECTION ON TEAM DYNAMICS

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Abstract

This work examines the transformation of a fictional automotive company, focusing on its strategic shift towards a fully electric fleet in a rapidly evolving industry with core values of innovation and sustainability. Through the use of a business simulation developed by IndustryMasters®, the study explores key aspects such as strategy development, innovation management, and financial performance. It also reflects on personal leadership growth and team dynamics, highlighting the importance of decision-making, emotional intelligence, and adaptability in high-pressure environments.

Keywords

Business simulation, Develop a business strategy, Team dynamics, Automotive Industry, Electric Vehicles, Sustainability and ESG, Personal reflection, Decision-making, Innovation

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1. Firm Analysis

Global electrification of road transport represents a critical opportunity for reducing emissions, driven by growing policy efforts and investments from industry leaders (International Energy Agency, 2024). With governments introducing regulations and offering incentives to encourage sustainable mobility, consumer behavior is shifting toward alternative, eco-friendly transportation options (McKinsey Insights, 2021). Electrification marks a transformative moment in the mobility industry, comparable to the early 20th-century shift from horse-drawn carriages to automobiles (Tschiesner A., 2020).

Figure 1 *– Proxima Motors's Logo.*

In this context, Proxima Motors *(see Fig. 1)*, a fictional automotive manufacturing company developed in the context of Business in Practice (BiP) simulation, was created to face the challenges involved in transitioning from an internal combustion engine (ICE) manufacturer to a fully electric vehicle (EV) fleet. This transition reflects real-world trends, where major Original Equipment Manufacturers (OEMs) are stopping investments in new ICE platforms or defining date to end the production of ICE vehicles in response to policies aimed at decarbonizing road transport (McKinsey Insights, 2021). The company aimed to represent the next generation of vehicles, with the name 'Proxima,' derived from the Portuguese word for 'next,' underscoring the company's forward-looking approach to the future of transportation, particularly the advancement of vehicle electrification, and investments in autonomous vehicles (AVs) (McKinsey&Company, 2016).

This section evaluates Proxima Motors' strategy, innovation and financial management over six simulated years, assessing the effectiveness of decision-making and its impact on the company's overall performance. An integrated view across functions is provided, followed by comparisons to real-life companies. The analysis is based on data from the IndustryMasters simulation.

1.1 Proxima's Strategy: The Shift to Electrification

Proxima's strategy centers on leading the automotive industry's transformation towards electrification, driven by the need to adapt to evolving regulatory requirements and increasing consumer demand for more sustainable solutions. The company has strategically aligned its innovation and sustainability goals to secure a competitive advantage (David & David, 2013). This section explores Proxima's strategic journey during the simulation, focusing on key decisions, challenges, and outcomes that strengthened the company's competitive position in the electric vehicle market. The analysis follows the AFI (Analyze-Formulate-Implement) framework (Rothaermel, 2013) *(see Fig. 2)*, with the strategy evaluated through the Triple Bottom Line (TBL) framework, (Elkington, 1999) *(see Fig. 3)*.

1.1.1 Strategic Development – AFI Framework

Analyze: The company conducted a thorough SWOT analysis *(see Fig. 4)*, which revealed critical internal strengths and weaknesses, as well as external opportunities and threats (David & David, 2013). At the beginning, Proxima held a dominant market share and was financially stable, but it faced critical challenges due to its reliance on ICE. These challenges were compounded by growing regulatory pressures, such as the potential for higher CO2 fines, and shifting consumer preferences toward EVs. While the company had introduced hybrid models, the analysis revealed that these were insufficient to meet upcoming regulatory demands. The increasing demand for fully electric vehicles, driven by both government policies and costumer preferences, highlighted the need for Proxima's complete

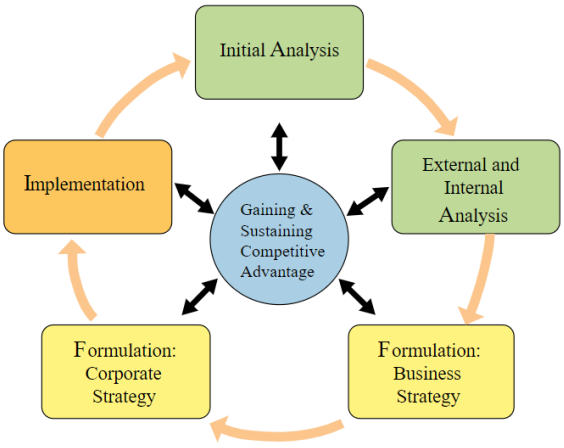

***Figure 2** - Rothaermel's the AFI Strategy Framework.*

Source: Strategic Management Insight, 2024.

electrification.

Opportunities for Proxima Motors lay in expanding its EV offerings and developing autonomous vehicle technologies. The global shift toward sustainability and technological advancements in the automotive industry presented clear avenues for growth (Kuhnert, 2018). Regulatory risks, changing customer preferences, and geopolitical tensions were identified as key threats that could potentially disrupt the company's trajectory. By strategically focusing on EV development, autonomous technology, and sustainability initiatives, Proxima could mitigate risks and capitalize on market growth.

Formulate: Proxima's strategy focused on leveraging its strengths in market leadership and financial stability to capitalize on the emerging opportunities identified during the Analyze phase. The company aligns closely with the Resource-Based View (RBV) framework by utilizing its internal resources—such as sodium-ion battery technology, autonomous vehicle systems, and sustainability initiatives—that meet the VRIN (valuable, rare, inimitable, and non-substitutable) criteria (Barney, 1991). By harnessing these unique resources, Proxima can maintain a competitive advantage in the electric vehicle market and strengthen its position as a growing industry leader. The strategic investments in new battery technologies and autonomous driving allowed Proxima to differentiate its EV offerings, providing the company with a distinct competitive advantage in the market (Porter, 1996).

By focusing on these cutting-edge technologies and its transition to an EV fleet, Proxima sought to proactively address regulatory pressures and rising customer demand, positioning itself as a leader in the rapidly evolving EV landscape.

Implement: The successful implementation of strategy requires aligning company initiatives with its core mission and vision (Porter's 1996). Proxima Motors' mission – "Be a company that creates great EVs to the highest degree of quality and modern battery technology. As a sustainable company we are committed to creating modern cars that our customers love to

drive. Our customers feature happiness and unique driving experience is of the utmost importance while we offer a diversified portfolio we remain as cost efficient as possible and sensitive to their demand and preferences." Proxima's vision — "shaping sustainable mobility" — and its core values of sustainability, innovation, and quality were at the center of its strategic decisions. By focusing on reducing material costs through sodium-ion batteries and driving technological advancements in autonomous vehicles, Proxima strategically aligned its product offerings with both customer expectations and sustainability trends. Furthermore, Needs-Based Positioning allowed Proxima to cater to a specific group of eco-conscious and technology-driven customers. The company's diversified EV portfolio, combined with its emphasis on sustainability and innovation, provided a clear value proposition that set it apart from competitors.

1.1.2 Strategic Evaluation – TBL Framework

People: The company achieved an employee satisfaction score of 99.7%, indicating that the company successfully prioritized its employees' well-being and engagement throughout the simulation. This score surpasses the industry benchmark, reflecting Proxima's strong internal culture and commitment to employee development *(see Fig. 5)*. High satisfaction levels are critical to fostering innovation and productivity, further supporting the company's strategic goals.

Planet: The environmental aspect of Proxima Motors' strategy was focused on reducing CO2 emissions and advancing clean technologies. The company successfully reduced emissions to 0g/mile by the end of the simulation, well below the industry benchmark *(see Fig. 6)*. This outcome reflects Proxima's investment in EVs, demonstrating its strong alignment with environmental goals. However, despite this success, Proxima's sustainability score (9.8 out of 10 in the TBL triangle) *(see Fig. 7)* highlights room for improvement.

Profit: Proxima's financial performance, represented by its EBIT Margin, improved steadily

over the six-year simulation, growing from 17.7% to 32.3% *(see Fig. 8)*. This improvement is largely attributable to Proxima's investments in new battery technologies, which reduced production costs and enhanced profitability. However, the profit component of the TBL triangle (8.6 out of 10) *(see Fig. 7)* suggests that there is room for improvements in financial management.

1.2 Innovation Management

Innovation has been central to Proxima's strategy to differentiate itself in the competitive EV market. Through strategic investments in battery technology, autonomous driving, and a fully electric fleet, Proxima aimed to lead industry transformations and secure a competitive edge (Porter, 1985).

In the beginning of simulation (Q5), Proxima made a strategic decision to invest in new battery technology, which led to a significant reduction in production costs and increased demand for EVs (IndustryMaster, 2024). The company also invested in artificial intelligence (AI) and vehicle-to-vehicle (V2V) communication to incorporate autonomous driving capabilities, representing a significant disruptive innovation within the automotive industry (Christensen, Raynor, & McDonald, 2016; Larson, 2016).

Proxima Motors pursued both incremental and discontinuous innovation (Ocampo & Kaminski, 2023). Its advanced battery technology and autonomous driving features were disruptive, while launching improved versions of existing EV models showcased incremental innovation (Carleton, 2019). These strategies allowed Proxima to enhance its offerings and remain competitive by balancing breakthrough advancements with product refinements.

Measuring innovation performance is crucial for promoting continuous improvement and sustaining innovation (Nappi, 2022). Proxima invested $12.5 billion in research and development (R&D), with 90% allocated to EV product development and 10% toward competitive technologies like AI and battery systems *(see Fig. 9 - 10)*. However, this investment was slightly below the industry average. Despite this, Proxima dedicated 57% of its time to product development and launched seven new EV models, just under the industry average of eight. *(see Fig. 11 - 12)*. While these results showed steady progress, the underperformance in product launches suggested that Proxima could have optimized its development pipeline. The long-term impact of its R&D efforts was reflected in a sharp increase in Return on Net Assets (RONA), which surged to 30% by Q28 *(see Fig. 13)*, significantly outperforming competitors. However, earlier and more aggressive investments in R&D could have accelerated this payoff, positioning Proxima for stronger market leadership (Falk, 2012).

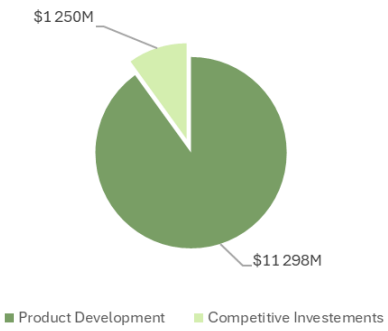

***Figure 9** - R&D Investment Allocation.*

Source: Own illustration.

Proxima faced uncertainties in both technology and market adoption, particularly around new battery technologies and autonomous systems. The timing of these innovations also

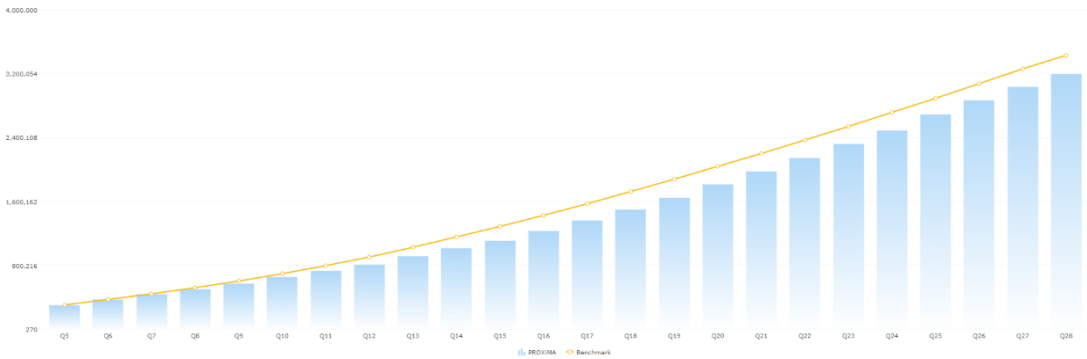

Figure 15 – Cumulative E-car Sales, Proxima vs. Industry Benchmark (Q5-Q28).

Source: IndustryMasters 2024

presented challenges, with the risk of either leading the market too early or missing consumer demand (Jalonen, 2011).

Although Proxima successfully implemented its fleet electrification strategy, cumulative e-car sales remained below the industry benchmark. *(see Fig. 14 - 15)*. This highlights that earlier and more substantial R&D investments could have enhanced Proxima's competitive advantage through faster market entry and product development (Falk, 2012). While Proxima's RONA eventually showed the benefits of innovation, the delayed impact suggests that a more proactive investment strategy could have accelerated these gains, positioning the company for stronger market leadership. Aligning investment intensity and timing with innovation goals is essential for maximizing returns in the fast-evolving EV sector.

1.3 Financial Management

1.3.1 Capital Structure and Financing Decisions

A crucial aspect of Proxima Motors' financial management was its approach to financing its transformation from an ICE to an EV manufacturer. The capital structure decisions, including the issuance of green bonds and management of debt, played a pivotal role in sustaining the company's operational needs and investment in innovation.

Throughout the simulation, Proxima issued cumulative green bonds amounting to over $18 billion, with major issuances in Q8, Q23, Q26 *(see Fig. 16)*. This green financing aligned with the company's long-term goal of sustainability and environmental responsibility, supporting investments in R&D for sodium-ion batteries and autonomous vehicles. Proxima Motors issued green bonds throughout the simulation, which provided essential liquidity for its large-scale projects. This also reinforced the company's commitment to sustainability and environmentally friendly investments. (Maltais, 2021)

The debt ratio fluctuated between 42% and 52%, reflecting a balanced approach to leveraging. Proxima maintained a relatively stable capital structure, which helped manage its

cost of capital *(See Fig.17)*. The cost of equity remained between 7.56% and 8.79%, while the weighted average cost of capital (WACC) ranged from 5.27% to 6.13%. This suggests that Proxima successfully kept its financing costs low, ensuring efficient access to capital markets while balancing the debt-equity ratio. The periods of increased leverage coincided with significant green bond issuances, showcasing how the company used debt to finance its growth.

1.3.2 Profitability and Cost Management

Proxima Motors' profitability was a key performance metric throughout the simulation. The company demonstrated a strong upward trajectory in revenue, starting at $4.5 billion in Q1 and reaching a peak of $8.4 billion by Q27. However, gross profit margins fluctuated, reflecting varying operational costs and external pressures. In the earlier quarters (Q5 to Q9) *(see Fig. 18)*, Proxima experienced a dip in gross profit due to increased material costs and initial investments in EV.

Despite these challenges, Proxima's earnings before interest and taxes (EBIT) improved significantly over time. The EBIT grew from $1.1 billion in Q1 to over $2.6 billion by Q27. This improvement was largely due to reduced production costs driven by investments in sodium-ion battery technology. These batteries lowered manufacturing costs by 15%, which directly increased the company's profitability. These investments helped lower production costs, contributing to a more favorable EBIT in later periods.

Proxima faced some periods of financial volatility, particularly in free cash flow (FCF) (*see Fig. 19)*. The company experienced negative FCF during the middle of the simulation, with a major drop to -$764 million in Q4, followed by deeper losses in Q5 (-$727 million) and Q6 (-$836 million). These deficits were largely due to high capital expenditure (CAPEX) as the company scaled up its EV production and invested in R&D. However, the situation improved dramatically in the later quarters, with FCF recovering to positive territory and peaking at

$11.3 billion in Q24. The company's ability to restore FCF after initial setbacks demonstrates effective long-term financial planning, where early investments paid off over time.

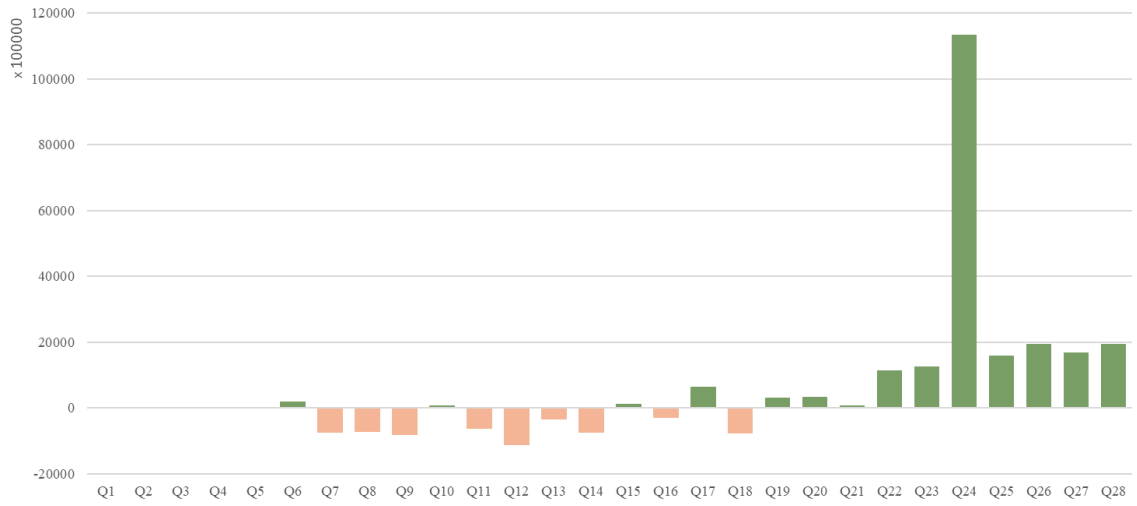

Figure 19 *– Free Cash Flow [$], Proxima (Q1-Q28).*

Source: Own Illustration, data from IndustryMasters 2024.

1.3.3 Investment in Innovation

The financial management of Proxima was closely tied to its investment in innovation. The company committed significant capital to the development of sodium-ion batteries, which played a central role in reducing production costs and differentiating its EV offerings in a highly competitive market. The strategic decision to invest in this technology reflected Proxima's RBV strategy, which aimed to create a competitive edge by leveraging internal strengths.

Investment commitments fluctuated throughout the simulation, reflecting the company's adaptive approach to managing cash flow and prioritizing projects. Early investment was substantial, with over $1.2 billion committed in Q1, and this increased in later quarters (e.g., Q11 with $2.1 billion). By prioritizing high-value R&D and production improvements, Proxima was able to enhance its product portfolio and align with future market demands for cleaner technologies.

In addition to battery technology, Proxima also invested in AV technologies. This forward-

looking investment strategy was crucial in positioning the company as a leader in the EV and AV space, aligning with industry trends of technological innovation and sustainability. The capital allocated to AV technology, although substantial, was necessary for Proxima to remain competitive in a market increasingly driven by innovation.

1.3.4 Financial Risk Management and Performance

One of the critical financial challenges Proxima Motors faced was maintaining a healthy credit rating amidst periods of heavy capital investment. The company's credit rating fluctuated, dropping from an "A" to "BBB" during periods of high leverage (Q8-Q15). This decline was due to the company's reliance on debt to fund its rapid expansion and technological investments. However, the credit rating eventually recovered to A- by Q17, indicating that the company had successfully managed its financial obligations and restored investor confidence.

Another key challenge was managing cash flow during periods of negative FCF. Proxima's management of operational cash needs, which peaked at over $1.7 billion in Q12, demonstrated a careful balance between investing in future growth and maintaining liquidity for ongoing operations. By gradually reducing its operational cash needs in later quarters, Proxima improved its liquidity and operational efficiency.

Moreover, Proxima's share price exhibited significant volatility, reflecting the company's financial performance and market sentiment toward its EV and AV investments. The share price dropped to a low of $258 in Q15 but recovered sharply as the company's investments began to yield results, peaking at $961 in Q28. This recovery coincided with improved profitability and successful market penetration of Proxima's EV models.

1.4 Comparison with real world companies

Proxima Motors' strategy to transition from internal combustion engines (ICE) to electric vehicles (EVs) mirrors real-world shifts seen in companies like Tesla and General Motors (GM). Tesla's early investment in battery technology and a clear focus on sustainability (Tschiesner A., 2020), align closely with Proxima's strategy to differentiate through sodium-ion batteries and autonomous driving systems. Like Proxima, Tesla aimed to leverage innovation to maintain a competitive edge in a rapidly evolving market. Both companies highlight the importance of strategic investment in R&D to stay ahead of environmental and regulatory demands.

In contrast, General Motors took a more gradual approach to electrification. GM's pivot towards EVs, initiated through significant investments in electric battery technology, also mirrors Proxima's emphasis on sustainability and innovation. However, GM's focus has been on scaling production efficiently, utilizing its established infrastructure to drive market penetration—a strategy that Proxima could benefit from to improve its sustainability score and market expansion.

Comparing financial strategies, Tesla's strong focus on capital efficiency and innovation-driven growth has led to significant market success, despite early periods of cash flow volatility similar to Proxima Motors' mid-simulation struggles. This demonstrates that high upfront investments in R&D and innovation, though financially straining, are essential for long-term success (IEA, 2024). Proxima's R&D-to-sales ratio of 7% is in line with industry benchmarks, as top automotive players like Tesla and GM typically spend 5-10% of revenue on R&D to drive competitiveness.

By strategically investing in emerging battery technologies and autonomous driving, Proxima is positioning itself in line with industry leaders, but can learn from Tesla's ability to rapidly scale production and market penetration.

1.5 Conclusion

In conclusion, Proxima Motors' journey highlights the critical importance of integrating strategy, innovation, and financial management to achieve long-term success in a competitive and rapidly evolving market. The company's strategic approach, driven by the AFI framework, provided a clear roadmap for transitioning from ICE to EVs. By leveraging the TBL framework, Proxima successfully balanced its goals of sustainability (People and Planet) and profitability, aligning its corporate mission with environmental and financial objectives.

The cross-functional integration of strategy, innovation, and financial management was pivotal in this transformation. Strategically, the shift to EVs and investments in battery technology were essential to future-proof the company, much like Tesla's early focus on sustainable energy and GM's gradual shift to electrification. Innovation played a central role in differentiating Proxima Motors in the crowded EV market, as the company invested heavily in sodium-ion batteries and autonomous driving systems. These innovations not only addressed regulatory and consumer demands but also aligned with the broader trend of sustainability in the automotive industry.

Financial management was equally crucial in ensuring the successful execution of these strategic and innovative goals. Proxima's investment in R&D, including $11.298 billion in product development, allowed the company to maintain competitiveness, although it lagged behind competitors in converting R&D investments into marketable products. The company's financial management of capital structure—through the issuance of green bonds—illustrated how aligning financial decisions with sustainability can ensure liquidity for high-value projects while reducing long-term costs. Managing periods of negative free cash flow and leveraging debt responsibly during heavy capital expenditures were important learning points, demonstrating the fine balance between aggressive growth and financial

stability.

One of the key lessons learned from this integrated analysis is the importance of aligning all business functions toward common strategic goals. Proxima Motors was able to enhance its innovation capacity through a strong culture of employee engagement and satisfaction, which, in turn, supported productivity and creative problem-solving. The 99.7% employee satisfaction score not only contributed to operational efficiency but also reflected how a well-managed workforce can drive innovation and sustain competitive advantage, as seen in Toyota's success.

Furthermore, the simulation underscored that innovation cannot thrive in isolation. Proxima's success depended on robust financial planning to manage the risks associated with heavy R&D investments and the evolving demands of the EV market. Integrating innovative strategies like sodium-ion batteries with financial performance management enabled the company to reduce production costs and enhance profitability, as reflected in the growth of EBIT margin from 22% to 32.3% over six years.

In conclusion, this case study of Proxima Motors highlights that a holistic, cross-functional approach—where strategy, innovation, and financial management are deeply intertwined—is essential to navigating complex transitions in today's dynamic industries. Proxima's experience reinforces the importance of ensuring that all business functions not only support each other but are aligned with the long-term strategic vision of the company.

2. Personal Reflection

Reflective learning is critical in transforming practical experiences into deeper understanding, as it encourages continuous assessment of actions and decisions. This process fosters the ability to learn from mistakes and enhance future performance (Boyd, E., 1983). In the context of the BiP simulation, I encountered two significant incidents that serve as the foundation for my personal reflection. These incidents will be analyzed using reflective frameworks and academic concepts to extract meaningful learning outcomes that can shape my future approach to leadership and decision-making. It is important to note that during the Insights Profiling Questionnaire, I was identified as having a "Cool Blue" energy *(see Fig. 30)*. This profile describes me as introverted, analytical, and detail oriented (Discovery Insights). While these traits often work to my advantage in structured environments, they also highlight certain challenges I face, particularly under pressure. When overwhelmed or facing stress, I tend to withdraw, which can impact my communication and performance. This tendency to avoid confrontation or the fear of embarrassment is reflected in the two incidents I will discuss in this reflection.

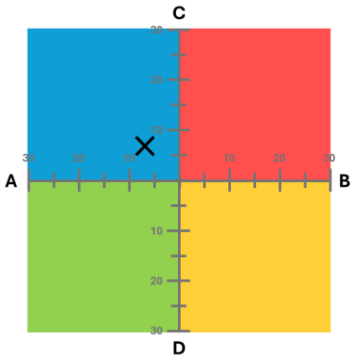

Figure 21 *– Cool Blue Energy. The Insights Discovery methodology color model.*

Source: Own illustration.

The first incident occurred during a sales pitch within the simulation for a client retention, where I experienced lack of self-management. The second incident focuses on a key decision around sustainability investments, where I struggled to reconcile my values with the team's shift toward prioritizing short-term profitability. In the analyse of the incidents, the reflective models of Gibbs' Reflective Cycle *(see Fig.22)* and Schön's Reflective Practice, alongside Daniel Goleman's Emotional Intelligence Framework and Bill George's Authentic Leadership model, provide valuable insights into my reactions and the areas where I can

grow.

2.1 Incident 1 - Sales Pitch Challenge

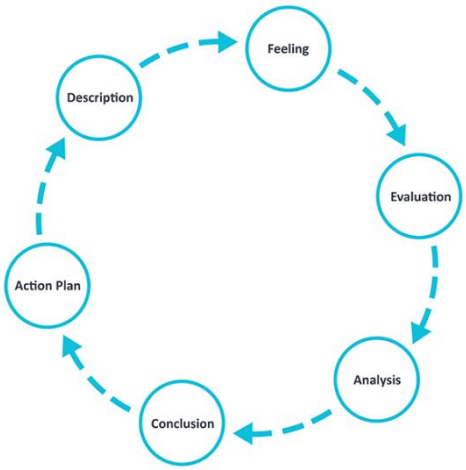

Figure 22 *- Gibbs' Reflective Cycle.*

Source: The University of Edinburgh.

Description: The task at hand was to deliver a sales pitch to retain a client, a crucial moment for our team during the simulation. I was chosen to be part of the second half of the group responsible for the pitch, following a successful first pitch by the other team members. However, due to my self-perceived weakness in communication and public speaking, I felt significant pressure leading up to the pitch. And under extreme stress, my Cool Blue energy may "explode" and suddenly withdraws -- becoming cold and uncharacteristically pessimistic.

As a "Cool Blue," I tend to be logical, detail-oriented, and cautious in communication. However, under extreme stress, individuals with Cool Blue energy are prone to "exploding" internally, becoming withdrawn, cold, and even uncharacteristically pessimistic. This was precisely what happened during the pitch. I was overwhelmed with nerves and fear of underperforming, which caused me to withdraw emotionally and become pessimistic about the outcome

During the pitch, I was overwhelmed with nerves and fear of underperforming, which caused me to lose confidence. The pressure of representing the team well and my self-doubt negatively affected my presentation. As a result, we lost the client, and I became demotivated, attributing much of the failure to my own performance. The aftermath of the pitch saw the team handling the loss constructively, with no one assigning blame. This was a testament to our strong team dynamics, but my internal frustration and disappointment lingered.

Feelings: My emotions during this incident ranged from nervousness to frustration and,

eventually, demotivation. At the time, I was aware that my communication skills were not my strongest asset, and the added pressure only worsened my ability to perform. During the pitch, I felt increasingly anxious as I feared letting my team down. This anxiety affected my ability to think clearly and articulate my ideas, leaving me feeling inadequate in my role.

After the pitch, although the team did not blame anyone individually, I felt personally responsible for our loss. My thoughts revolved around my lack of confidence and how my inability to control my emotions under pressure had a direct impact on my performance.

Evaluation: valuating this incident, I recognize that the team's collaborative and supportive environment was a positive aspect. Despite the failed pitch, we worked together to reflect on the situation and took collective responsibility for improving in the future. However, on a personal level, I found myself unable to manage my emotions effectively, which hindered my performance. This highlighted a gap in my emotional intelligence, particularly in self-awareness and self-management, which Daniel Goleman argues are essential for success in both personal and professional settings.

The negative aspect of this experience was my overwhelming nervousness and lack of confidence, which prevented me from contributing meaningfully during the pitch. Despite thorough preparation and practice, I allowed the pressure of the situation to take control of my emotions. This incident revealed the importance of emotional regulation, particularly in high-pressure environments.

Analysis: According to Goleman (1998), emotional intelligence in the workplace is crucial for professional success, particularly in areas of leadership and collaboration. Using Goleman's Emotional Intelligence Framework *(see Fig. 23)*, I can identify areas where I need improvement, specifically in self-awareness and self-management. Self-awareness refers to the ability to recognize and understand one's emotions and how they impact performance. I failed to fully acknowledge the extent of my anxiety before the pitch, which led to a lack of

preparation for managing these feelings during the presentation.

Goleman suggests that emotional intelligence can be developed over time, and one key aspect of this is understanding how emotions influence thoughts and actions. During the pitch, my self-doubt led to a cascade of negative emotions that hindered my ability to communicate effectively. By recognizing these emotions earlier, I could have taken steps to manage them, such as using cognitive restructuring techniques to challenge and change my negative thought patterns.

Self-management is the ability to regulate one's emotions, particularly in stressful situations. Goleman argues that emotional self-control is crucial when facing challenges or impulsive urges. My inability to manage my nervousness resulted in a poor performance, and I felt frustrated by my lack of emotional regulation. In future situations, I plan to use self-management techniques, such as deep breathing exercises, progressive muscle relaxation, and meditation, to maintain emotional control and prevent my nerves from getting the better of me.

Conclusion: Reflecting on this experience, I have learned valuable lessons about the role of emotional intelligence in high-pressure situations. My lack of confidence and inability to regulate my emotions were key factors in the failed pitch. Going forward, I will focus on improving my emotional intelligence by working on self-management. By implementing strategies to regulate my emotions, I will be better equipped to handle stressful situations.

Action Plan: Moving forward, I plan to implement several strategies to improve my emotional intelligence and performance under pressure. Starting with challenging negative thought patterns and reframing them in a more positive light is an effective way to prevent anxiety from escalating and impacting performance. Cognitive reappraisal, a key emotion regulation strategy, helps individuals reinterpret situations in a way that reduces the intensity of negative emotions, promoting better emotional and mental outcomes (Gross & Thompson,

2007). Improving my self-management will help me perform better in high-pressure situations because it will allow me to regulate my emotions and stay focused. With better emotional self-control, I can remain calm and make thoughtful decisions, even when faced with stress or uncertainty (Goleman, 1998). This ability to manage my emotions will help me prevent reactions that could negatively affect my performance. It will also make me more adaptable and resilient, helping me maintain focus and direction during challenging moments, which will lead to better decision-making under pressure. As a Cool Blue, I am now more aware of how stress can lead to emotional withdrawal and pessimism, and I recognize the importance of managing these tendencies.

2.2 Incident 2 - Sustainability Investment Dilemma

The situation at hand occurred during the business simulation when our team faced a critical decision about the company's direction. Initially, we developed a strategy centred on sustainability, fully aligning with both the company's values and my personal conviction as a future leader. Sustainability has always been a core value for me, and it was something I was enthusiastic to integrate into our team strategy. However, as the simulation progressed, the pressure to win and focus on short-term profitability began to shift our decisions away from sustainability. Ultimately, the team decided to halt further investments in sustainability, a decision I struggled with deeply.

Schön's Reflective Practice model *(see Fig. 24)* involves two critical stages: *reflection-in-action* (reflecting on events as they happen) and *reflection-on-action* (retrospective reflection). Both are essential for developing a deeper understanding of leadership moments like this.

Reflection-In-Action: As the pressure to prioritize profitability over sustainability grew, I had moments where I questioned the direction we were heading. During discussions with my team, I was aware of the tension between our original sustainability-focused strategy and the

new focus on profitability. However, rather than voicing my concerns assertively, I prioritized team cohesion. I feared that challenging the majority opinion might create conflict, which led to a hesitancy to communicate my vision for sustainability more effectively. This hesitation is consistent with *reflection-in-action*, where I recognized the need for intervention but struggled to act on it.

Reflection-On-Action: Looking back on the incident, I realize that I could have taken a more proactive approach. I should have emphasized the long-term value of sustainability, not only as a strategic advantage but as a core part of the company's identity and my own leadership philosophy. According to Schön, reflection-on-action allows leaders to examine past experiences critically and identify areas for improvement. In this case, my communication could have been stronger, more assertive, and aligned with the company's core values. I missed an opportunity to remind the team of our commitment to sustainability and explain how it could coexist with profitability in the long run.

During this reflective process, I questioned how future leaders, myself included, can uphold core values like sustainability in the face of business pressures. This experience demonstrated the difficulty of balancing ethical leadership with short-term business demands, reinforcing the importance of developing resilience and conviction as a leader.

Bill George's Authentic Leadership model *(see Fig. 24)* provides further insights into how I could have maintained my authenticity during this critical moment. Authentic leaders stay true to their values while navigating complex challenges. One key principle of authentic leadership is maintaining consistency with core values, even when under pressure. In this situation, I struggled to assert my values when the team shifted focus. Authentic leaders make decisions based on their long-term purpose and ethical beliefs, regardless of short-term

Figure 24 *– The Dimensions of an Authentic Leader.*

Source: Sewchurran, K.

challenges. I now recognize that I should have been more consistent in advocating for sustainability, as it was a principle I believed in deeply. By compromising my stance to avoid conflict, I betrayed not only my values but also the long-term vision of the company.

In future leadership roles, I aim to stay grounded in my values and ensure that my decisions reflect both the company's mission and my personal beliefs. This requires the courage to speak up, even when it may not be the popular choice, and to find ways to balance profitability with ethical considerations.

Avoiding uncomfortable conversations or direct confrontation can erode trust within teams (Lencioni, 2002) *(see Fig. 25).* He emphasizes that transparent communication, even when difficult, is essential for overcoming dysfunctions such as fear of conflict. I must addressed disagreements directly to foster healthy team dynamics and effective decision-making (Lencioni, 2002). This incident taught me that in future scenarios, I need to be more transparent and open about my feelings, especially when they conflict with the direction the team is moving in.

Michael West's insights into effective teamwork offer valuable lessons for this incident. West emphasizes the importance of inclusive decision-making processes, which allow all team members to contribute their perspectives. If I had been more vocal in expressing my concerns about sustainability, the team might have been more open to considering alternatives. Better communication and a shared understanding of our strategic priorities could have prevented the shift away from sustainability.

2.1 Conclusion

Reflecting on the two critical incidents has provided me with valuable insights into my emotional responses, and the impact of my personality traits in high-pressure situations. These reflections highlight key takeaways that are instrumental in shaping my growth both as an individual and as a leader.

One of the most significant learnings from the Sales Pitch Incident is the role that emotional regulation plays in performance. During the sales pitch, I experienced a crisis of confidence, which caused me to withdraw emotionally and become pessimistic about the outcome. As someone with a Cool Blue personality, I am naturally inclined to be analytical, cautious, and detail-oriented. While these traits help me excel in tasks requiring planning and structure, they also make me vulnerable to overthinking and self-doubt, especially in unpredictable or high-stress environments. The pressure of the sales pitch triggered these tendencies, leading me to retreat inwardly, which negatively impacted my ability to contribute effectively to the team's success.

This experience has made me aware of how Cool Blue personalities, including myself, may react to stress by withdrawing rather than confronting the situation head-on. The fear of failure and embarrassment can lead to a counterproductive response, where instead of actively participating, I become more reserved, which ultimately hinders performance. To overcome this, To stay calm under pressure, employing mindfulness techniques has been shown to be highly effective.

In the Sustainability Investment Dilemma, I learned an important lesson about assertiveness and authenticity in leadership. My reluctance to challenge the team’s shift away from sustainability investments stemmed from my tendency to avoid confrontation and prioritize team harmony. However, this approach came at the cost of my personal values and the long-term vision of the company. As a Cool Blue, my caution meant that I hesitated to express my concerns more assertively. This incident highlighted the need for me to gain courage to stand up for what I believe in, even if it means facing potential conflict.

Through Schön’s Reflective Practice model, I can see how I could have handled the situation differently. During the reflection-in-action phase, I recognized the discomfort of the team moving away from sustainability, but I did not act on it. In the reflection-on-action phase, I

now understand that being more transparent and assertive about my values would have allowed me to lead more authentically, aligning both with the company's vision and my personal convictions. This takeaway underscore the importance of integrating authentic leadership into my future roles by staying true to my values and fostering open, honest communication within teams.

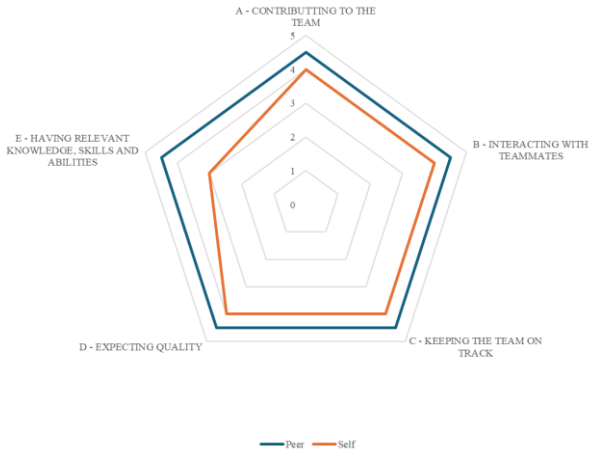

Figure 26 *– Peer & Self Evaluation.*

Source: Own Illustration, data from Business in Practice 2024.

The peer evaluation *(see Fig. 26)* further amplified the importance of self-awareness in my personal growth. The feedback revealed that my teammates rated me consistently well across all categories, with an average score of 4.5. Despite my own harsh self-criticism, it became evident that my team did not perceive my performance as negatively as I did. This disparity between my self-perception and the peer feedback points to a lack of self-awareness, particularly in understanding how others view my contributions. My tendency to be highly self-critical is closely linked to my Cool Blue personality, which gravitates toward meticulousness and high standards. However, this can also lead to undervaluing my contributions.

The peer evaluation serves as a powerful reminder that I need to moderate my self-criticism and develop a more balanced perspective. Being overly critical of myself not only affects my confidence but can also lead to unnecessary emotional strain, as demonstrated in the sales pitch incident. By focusing on building self-compassion and trusting the feedback from my peers, I can develop a more realistic and positive view of my abilities. This, in turn, will help me cultivate the self-confidence necessary to perform better under pressure and contribute

more effectively to team dynamics.

Overall, these reflections have revealed several key areas for improvement. Moving forward, I plan to focus on the following actions:

1. **Emotional regulation**: Developing techniques to manage stress and anxiety, particularly in high-pressure situations, by challenging negative thoughts and using mindfulness to stay present.
2. **Assertiveness and authenticity**: Learning to express my values and concerns more openly and confidently, even when they conflict with the team's direction.
3. **Self-awareness and self-compassion**: Aligning my self-perception more closely with peer feedback to reduce unnecessary self-criticism and build confidence in my abilities.

By addressing these areas, I aim to become a more balanced and emotionally intelligent leader, one who can navigate both internal and external challenges with greater confidence and authenticity. The combination of these personal learnings, coupled with the insights from my Cool Blue profile and peer evaluation, will serve as a strong foundation for my future growth as an effective and resilient leader.

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Appendices

Appendix A: Strategy Figures

Figure 3 *- Elkington's TPL Framework.*

Source: IndustryMaster 2024.

Strengths	Weaknesses
• **Diverse Product Portfolio:** Broad range of product lines, provides stability across multiple market segments. • **Market Leadership:** Strong market presence in key regions — Asia (33.51%), America (32.07%) and Europe (33.22%) — provides a competitive edge. • **Financial Strength:** Robust financial health, with a low WACC (6.1%), strong debt ratio (47%) and an A+ rating, allows for significant investments in growth areas like EVs and digitalization.	• **Dependence on Combustion Engines:** High reliance on traditional combustion engines increases exposure to regulatory risks and potential CO2 emission fines. • **Geographic Inefficiencies:** Misplaced factories result in higher tariffs and increased costs, impacting overall efficiency. • **Aging Product Lines:** Key models such as Sport E (100% maturity) and City E (80% maturity) are nearing the end of their product life cycles, risking revenue declines without timely innovation.
Opportunities	**Threats**
• **EV and Autonomous Vehicle Market Expansion:** Growing demand for electric vehicles (EVs) and autonomous driving presents significant opportunities. • **Sustainability Initiatives:** Leveraging the ability to issue green bonds and investing in sustainability can enhance the company's brand and ensure compliance with evolving regulations.	• **Regulatory Risks:** Increasingly stringent regulations on CO2 emissions pose a significant threat to profitability if the company does not transition away from combustion engines. • **Market Saturation:** High product maturity in key segments like Sport E could lead to revenue declines. • **Tariffs and Geopolitical Tensions:** Increasing tariffs and geopolitical tensions may further strain profitability and market access. • **Consumer Preferences:** Shifting consumer preferences toward digital and sustainable products risk market share loss if the company doesn't adapt swiftly.

Figure 4 *– Proxima Motors' SWOT analysis at the beginning of the simulation.*

Source: Own Illustration, data from IndustryMasters 2024.

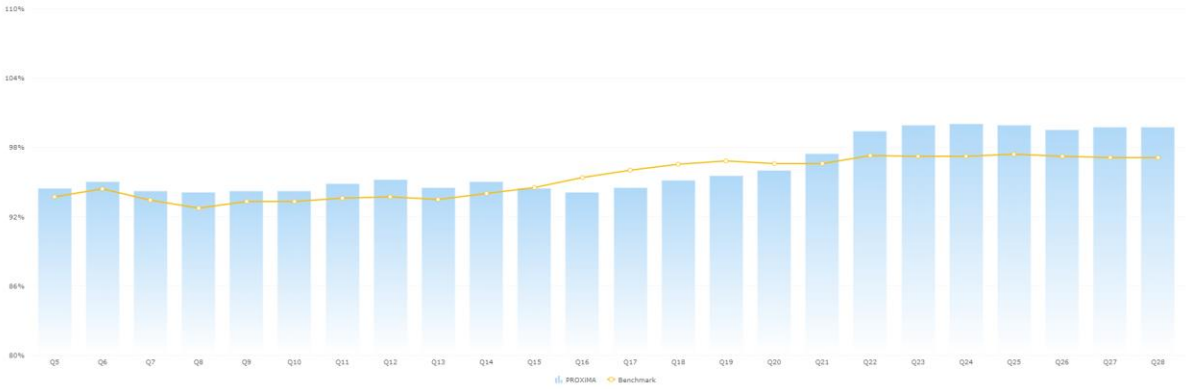

Figure 5 *– Employee Satisfaction, Proxima vs. Industry Benchmark (Q5-Q28).*

Source: IndustryMasters 2024.

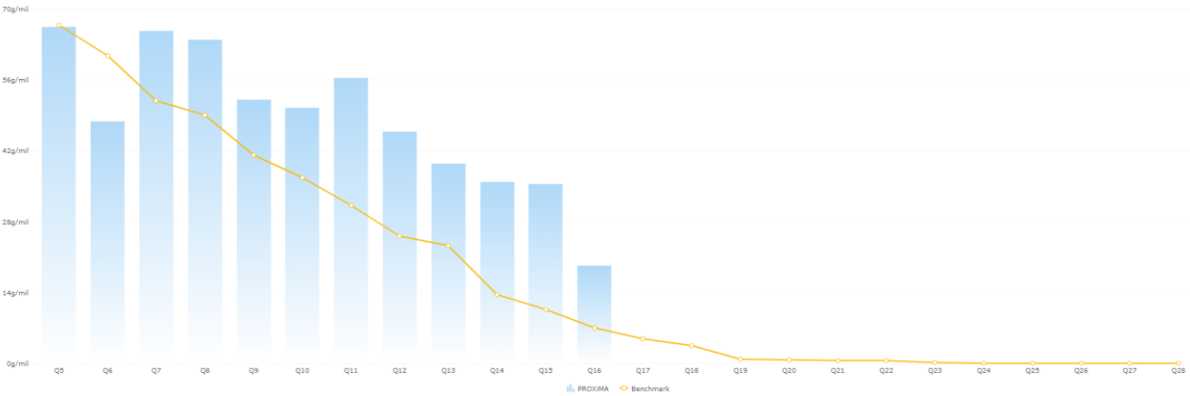

Figure 6 *– CO2 Fleet Emissions, Proxima vs. Industry Benchmark (Q5-Q28).*

Source: IndustryMasters 2024.

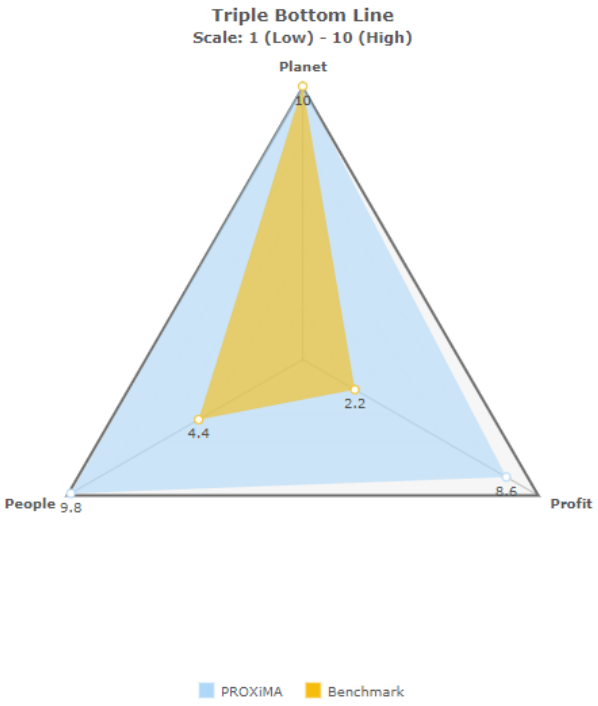

Figura 7 *- Triple Bottom Line (TBL) Evaluation, Proxima vs. Industry Benchmark.*

Source: IndustryMaster 2024.

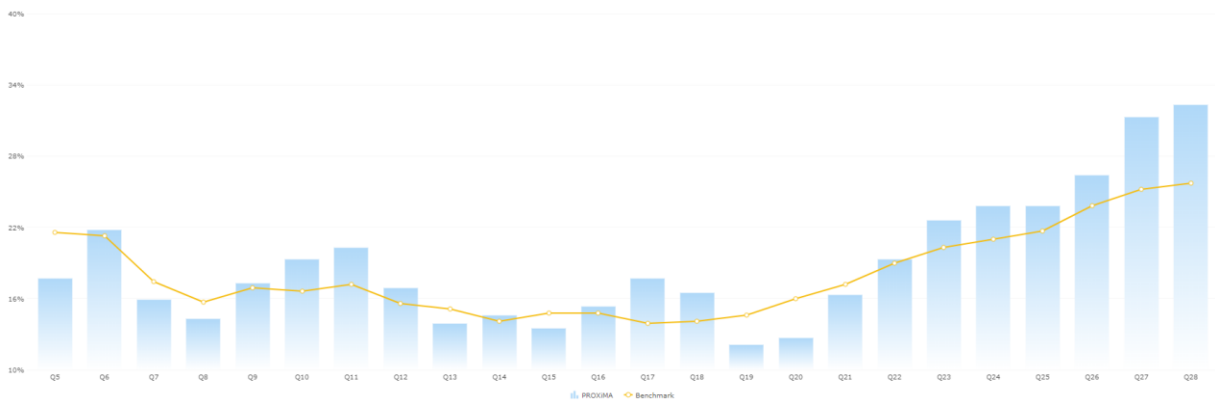

Figure 8 *– EBIT Margin, Proxima vs. Industry Benchmark (Q5-Q28).*

Source: IndustryMasters 2024.

Appendix B: Innovation Figures

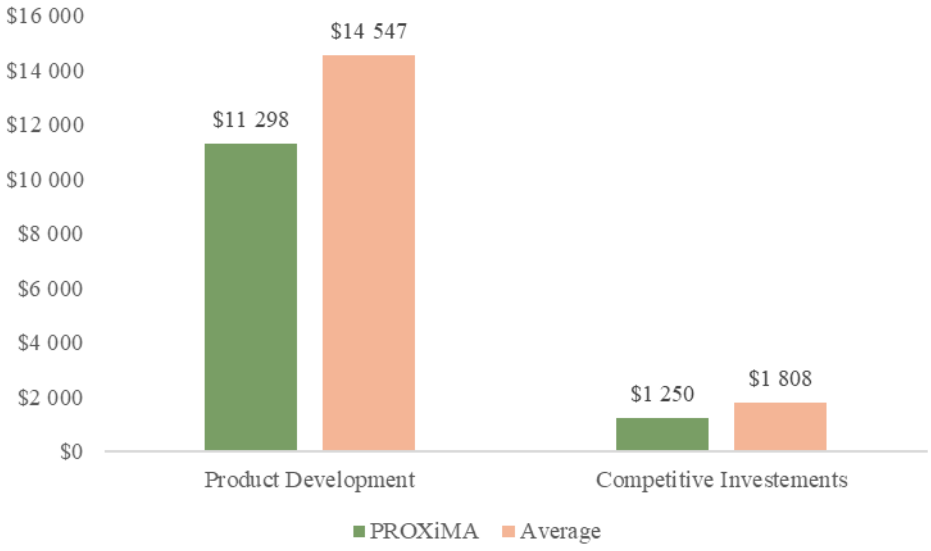

Figure 10 *- R&D Spending Comparison, Proxima vs Average.*

Source: Own Illustration, data from IndustryMasters 2024.

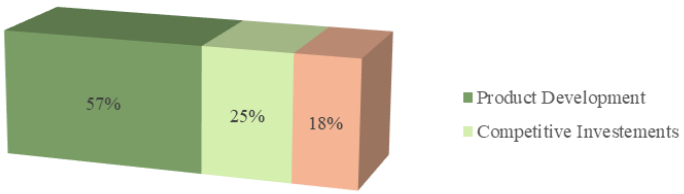

Figure 11 *- R&D Time Allocation Breakdown.*

Source: Own Illustration, data from IndustryMasters 2024.

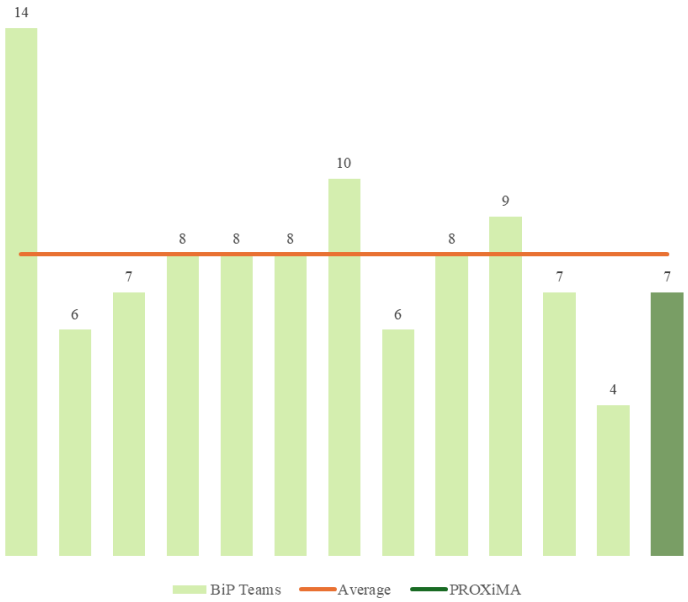

Figure 12 *- Number of Launched Cars.*

Source: Own Illustration, data from IndustryMasters 2024.

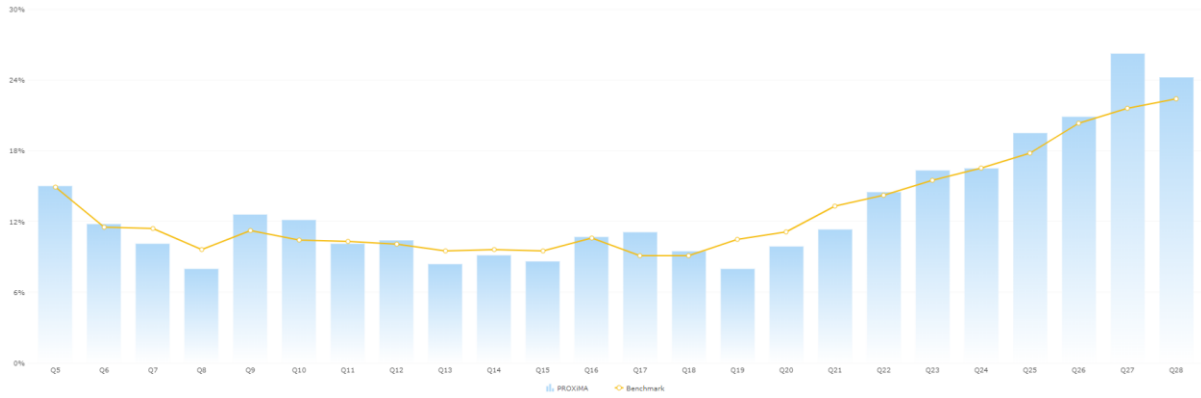

Figure 13 *– Return on Net Assets (RONA), Proxima vs. Industry Benchmark (Q5-Q28).*

Source: IndustryMasters 2024.

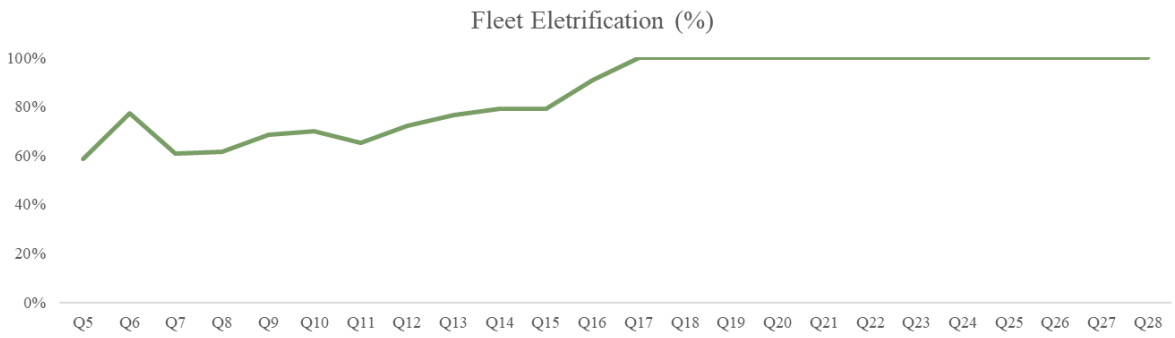

Figure 14 *– Fleet Electrification, Proxima (Q5-Q28).*

Source: Own Illustration, data from IndustryMasters 2024.

Appendix C: Finance Figures

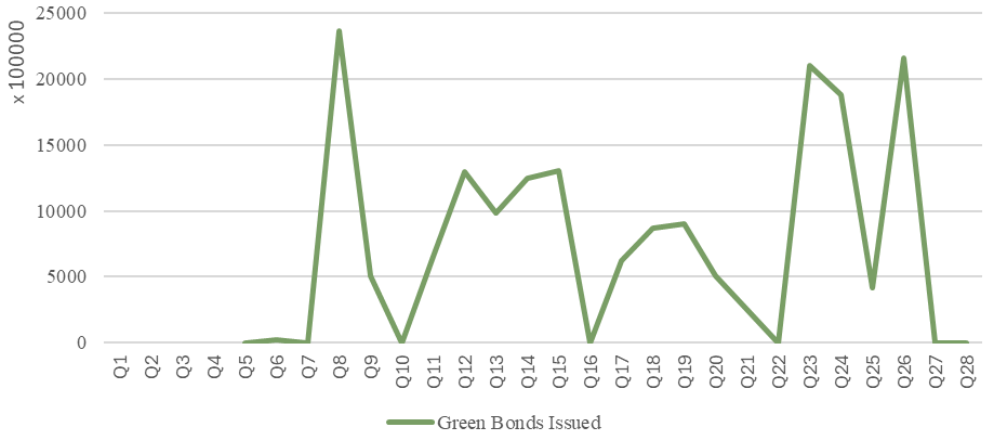

Figure 16*– Green Bonds Issued [$], Proxima (Q1-Q28).*

Source: Own Illustration, data from IndustryMasters 2024.

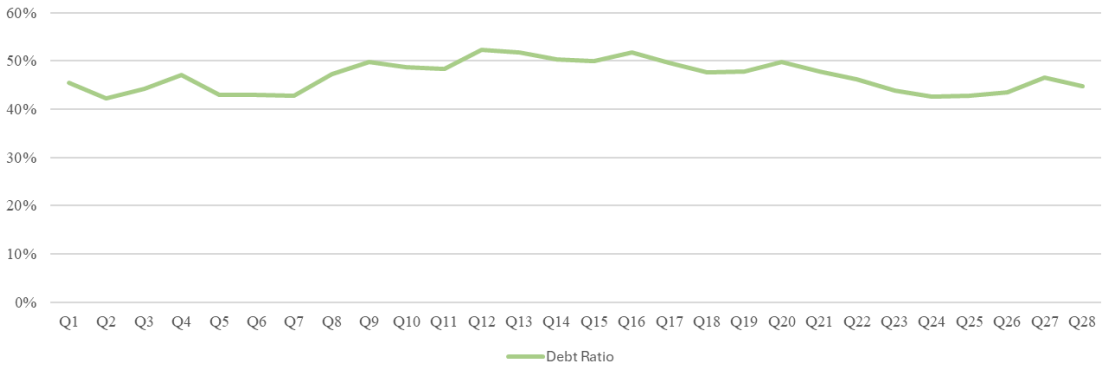

Figura 17 *– Debt Ratio [%], Proxima. (Q1-Q28).*

Source: Own Illustration, data from IndustryMasters 2024.

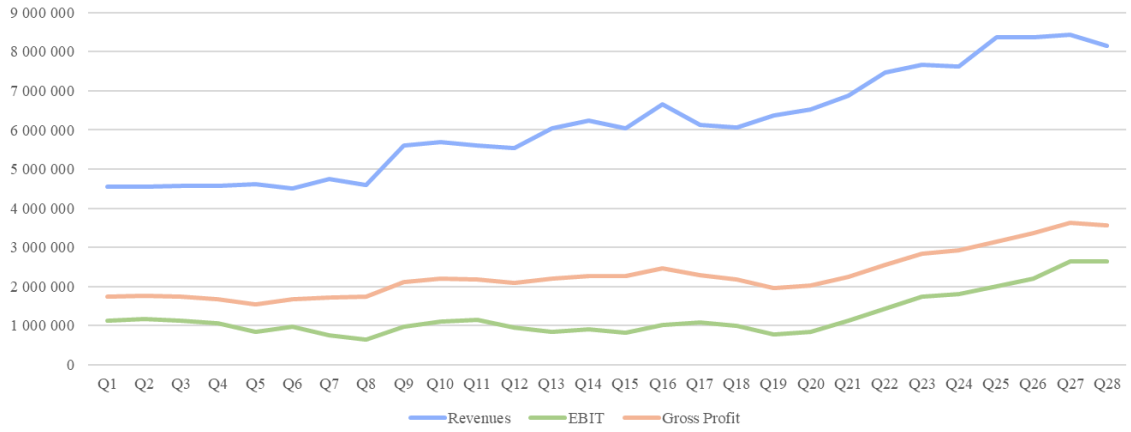

Figure 18 *– Revenues and Gross Profit [$], Proxima (Q1-Q28).*

Source: Own Illustration, data from IndustryMasters 2024.

Appendix D: Personal Reflection Figures

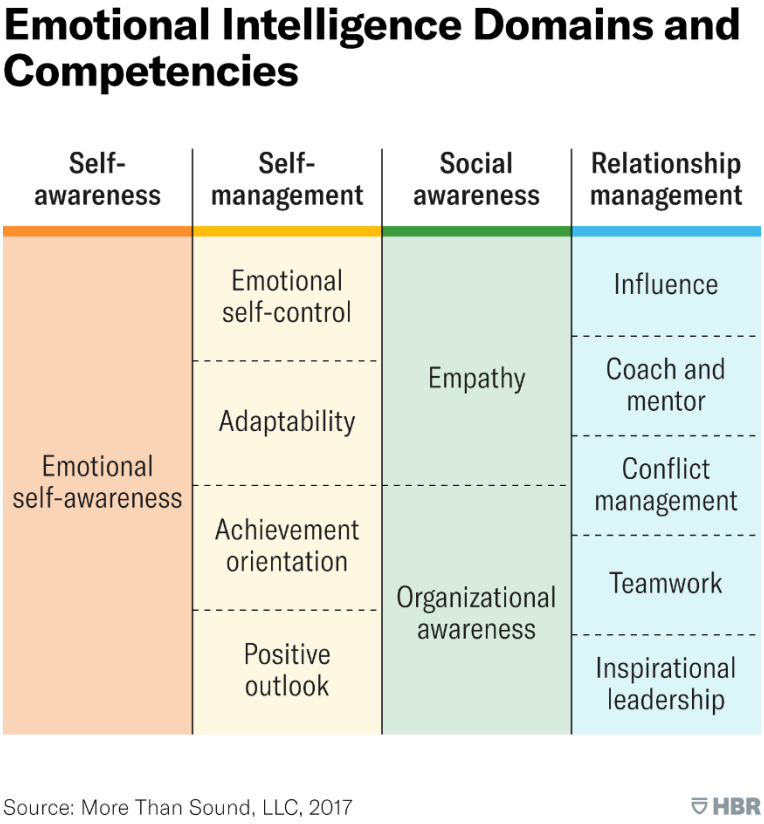

Figure 23 *– Emotional Intelligence Domains and Competences.*

Source: Harvard Business Review.

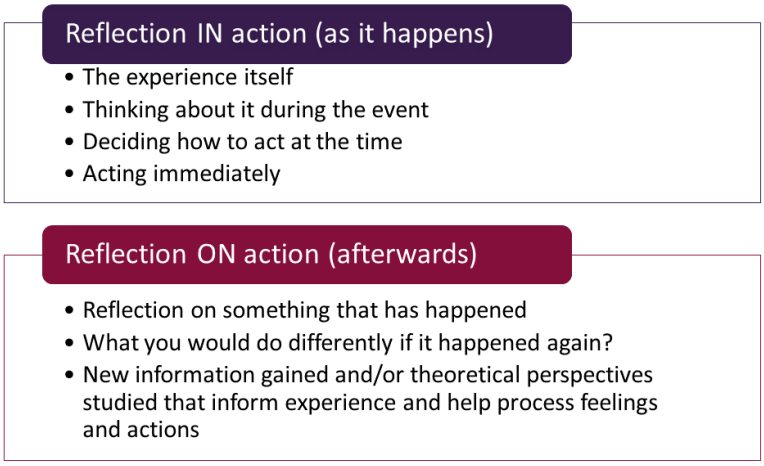

Figure 24 *- Schön Reflective Model.*

Source: Library University of Hull.

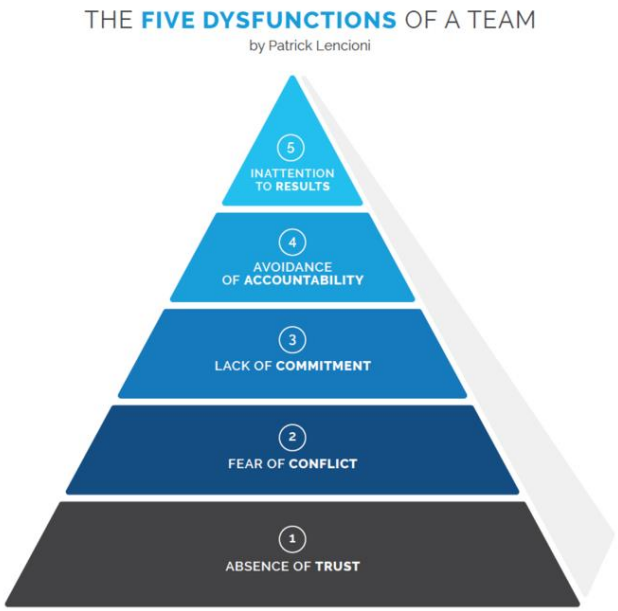

Figure 25 – The Five Dysfunctions of a Team by Patrick Lencioni

Source: Executive Agenda