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**Navigating a Better Future: Gama's Eventful Journey Through
the Automotive industry**

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Abstract

The automotive sector is undergoing structural changes that have only been seen before during the Industrial Revolution. *Business in Practice* simulates this fierce industry, and challenges students to compete in a fast-paced environment in which collaboration and communication are key. This paper is a testimonial of that experience, and a discussion on how it develops an incredibly diversified set of skills. Simultaneously, it looks at the technical side of the Strategy, Marketing, and Innovation areas of a fictional automotive manufacturing business on its path towards the cars of the future.

Keywords: Strategy; Marketing; Innovation; Team Dynamics; Teamwork; Business Simulation; Sustainability; Automotive Industry; ESG; Self-Reflection

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Firm Analysis

Introduction

Business in Practice is a simulation developed to provide a deeper understanding of the complexities and challenges of operating a successful automobile manufacturer. During this experience, students were grouped into teams of seven members and managed a global car manufacturer through six simulated years. Throughout this period, *Gama* went through a very intense set of challenges, that required fast-thinking and collaboration from all members of the management team. The fluctuations that can be seen in the company's value-added chart (Appendix 1) during the simulation period indicate how inconsistent its performance was. With that being said, our goal now is to reflect on what caused this inconsistency and, at times, poor performance, and to note what we could have done to improve.

The following sections of the dissertation will dissect into actions, mistakes, learnings, and intentions for the future through the lens of *Gama's* Strategy, Marketing, and Innovation areas. By looking at data from the simulation, using frameworks provided by academic experts and industry professionals, and looking at real companies' examples, a thorough analysis of *Gama*, as a relevant player in the automotive industry, will be conducted.

The Strategy Overview will consist of the description of *Gama's* vision and mission, the reasoning behind the company's identity, and both an external analysis of the automotive industry and a SWOT analysis of *Gama*. Additionally, it includes a review of the role that sustainability has in the company's activities and a plan for the future, paired with examples of major players in the sector. As for the Marketing Overview, two major frameworks were applied: the STP and the Marketing Mix. These tools facilitated the discussion on *Gama's* positioning in the market and the overall Marketing strategy. Finally, the Innovation Overview

comprises of a reflection on how the Product Life Cycle guided *Gama*'s product development journey as well as how a better use of the Three Horizons framework could have improved the company's performance.

Lastly, the conclusion summarises our performance in the simulation and highlights how the *Business in Practice* experience has provided valuable lessons in teamwork and business strategy which my colleagues and I will carry into our personal and professional ventures.

Strategy Overview

After weeks of anticipation regarding the simulation, starting to make business decisions was what we were most looking for. However, before embarking on this journey, one of the most important steps of the process was to establish a robust strategy. A well-crafted strategy guides a company through the unpredictability of the business world. It provides clarity, aligns efforts, and ensures that every decision contributes to long-term goals. Without a strategic basis, we risk drifting with no purpose, doing whatever we consider to be right in one specific moment, and being inconsistent in our actions.

With that being said, we resisted the urges of starting with the simulation right away and aligned our ideas regarding what we wanted to achieve as a company, and how we planned to do so. This section of the dissertation will focus on our overall strategy and will cover a few frameworks that guided us throughout the *Business in Practice* experience.

As we were discussing our strategy, one thing was very clear to the whole team, we wanted innovation and sustainability to be at the core of the company. Taking into consideration the consumer preferences and the automotive industry's trends for the future, these two values would serve as a north star, guiding all directors' decisions and activities.

Having established the core values, our next priority was to come up with a name that would perfectly reflect the identity of our corporation. With this in mind, we agreed on the word *Gama*. Just like Vasco da Gama did during the fifteenth century, we aimed to go beyond what is currently known. By not settling with the status quo, we expected to give the best possible automotive experience to the consumer. Putting into words our ambition was undoubtedly a challenge. However, by pairing the willingness to be pioneers in such a conventional industry, with the identity that we were developing, we created the following vision statement:

Navigating a Better Future

The Portuguese influence in our company was not only present on its name, but also on its products. All new cars introduced by *Gama* since the beginning of the simulation were named after a famous Portuguese writer or poet, for example (José) *Saramago* and (Miguel) *Torga*, except for our most luxurious model, the *Dante*, that connected us to the iconic Italian craftsmanship in luxury car making. Nevertheless, it is important to note that the name we chose for our company could very easily be associated with negative connotations, given the person and time of human history in question. This association would increase the chances of facing public scrutiny in a real-world setting and could become very detrimental to a company's brand image.

When thinking about the future of the automotive industry, the most top of mind trend is clearly the electrification of cars. Despite this being a major tendency, research shows that many other changes are to come. In fact, PwC describes the car of the future as “eascy”, i.e. electrified, autonomous, shared, connected and yearly updated (PwC, n.d.). Thus, to be at the forefront of innovation and achieve a relevant status in the industry, *Gama* had to deliver cars that met these characteristics. That is why all the newly developed cars were powered by electric batteries,

and why we always chose to include features of autonomous driving and increased connectivity in them.

Practically ever since the first automobile was introduced, the industry has been controlled by the same large groups of car manufacturers like Ford Motor Company, Volkswagen Group, and General Motors, among others. Today this is not the case, new EV players, namely from Asia, are entering the global market and threatening the established companies' position in the consumers' preferences. With very different strategies to the ones of European and American players, Asian EV manufacturers are storming the automotive industry (McKinsey & Company 2022). With that being said, it was imperative that *Gama* kept up with this shift in the market, not only by paying attention to the new players' actions, but also by investing in the up-and-coming Asian markets.

Moreover, the threat of new entrants does not only come from new car manufacturers, but also from companies originally positioned in other industries, trying to tap into the automotive sector. This risk comes mainly from tech companies, such as Google, which in 2009 started a self-driving car project (now operating under an independent company called Waymo) (Waymo, n.d.), and Apple, which for a decade attempted to build a fully autonomous electric vehicle but has recently given up (Gurman 2024). With greater knowledge and expertise on consumers' technological demands, these corporations have the resources to deliver autonomous vehicles earlier than the conventional automotive manufacturers.

After this analysis of the current outlook of the industry and the path that it is taking, a SWOT analysis was conducted to gain a deeper understanding of *Gama's* promising capabilities and eventual challenges (Figure 1). Several points of this analysis have been retrieved from various studies about the future of the automotive sector (PwC, n.d.; McKinsey & Company 2016; KPMG 2023; Deloitte 2023).

Strengths	Weaknesses
<ul style="list-style-type: none"> • Established and renowned brand image • Diverse portfolio of ICE, hybrid and electric vehicles • Quick development and short time-to-market of new products • Good credit rating • Global presence 	<ul style="list-style-type: none"> • CO2 fleet emissions exceeding allowance • Heavy investment needed to remain relevant • Value added in decline • Low sustainability rating • Great part of product portfolio in/reaching maturity • Limited charging infrastructure
Opportunities	Threats
<ul style="list-style-type: none"> • “EASCY” vehicles (PwC, n.d.) • “New business models could expand automotive revenue pools by ~30%, adding up to ~USD 1.5 trillion.” (McKinsey 2016) • Vehicle unit sales growth of ~2% annually (McKinsey 2016) • As-a-service models (KPMG 2023) 	<ul style="list-style-type: none"> • “50%-60% of future profits may be at stake if mobility providers continue their business as usual.” (Deloitte 2023) • CO2 fleet emissions penalty • China-USA trade war • New (Asian) EV manufacturers • Tech companies’ self-driving cars • Supply chain disruption

Figure 1 - SWOT Analysis

The automotive industry is highly competitive, and the foreseeable future bears a wide range of risks. Nevertheless, the possibilities for this sector are endless. The end of automotive mobility is far from reality (at least for now), but it is clear that it will suffer structural changes that will make companies failing to adapt irrelevant. This is precisely why in *Gama’s* strategy we made use of its favourable credit rating to fund investments to support technological progress and give the customers a different experience from what is offered by our competition.

According to Michael E. Porter, “competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value” (Porter 1996).

With this in mind, *Gama’s* strategy aimed to be the first in the market to adopt new product developments and business model innovations, whenever the management felt like the company had the capabilities to do so.

Having discussed the role that innovation played in *Gama’s* journey, now it is the moment to analyse the other pillar of its activities, sustainability. From the very beginning, it was the team’s goal to implement sustainable practices and to pursue green investments. In fact, one of our

initial goals was to have a fully electric fleet by the end of the simulation period. Eventually, we managed to accomplish this before the end of Year 3. In *Gama*, we always believed that the “better future” that we mentioned in our vision was a green one, and this is reflected in everything that we did, regardless of the company’s department, from large-scale investments to day-to-day activities (Appendix 2 contains a list of *Gama*’s green investments).

We started with the replacement of lithium batteries on our electric vehicles for sodium ones. Sodium is five hundred times more abundant than lithium, and it can also be extracted from sea water at a low cost. Also, sodium is more environmentally friendly, and it uses aluminium, which is three times cheaper than the copper used in lithium batteries. All new products in *Gama*’s portfolio included this technology. Additionally, we implemented water-saving techniques, installed solar panels, carried out sustainability policy and sustainability awareness training, and acquired the ISO 14001 and EMAS certifications. These efforts were part of a never-ending journey to contribute to a better world and allowed us to reach results that set *Gama* apart from its competition, like a carbon-free fleet (emissions-wise) and a substantial reduction of CO₂ in production (Appendix 3 and Appendix 4).

In the future, we expect *Gama* to remain a pioneer and to be one of the first companies in the sector to achieve overall carbon neutrality. Additionally, we aim to establish strategic partnerships with companies from other sectors, namely the technology industry, following the examples of big names like Honda, which partnered with Sony to build and sell EVs (Greimel 2022), or the Volkswagen Group, which teamed up with Microsoft to accelerate the development of autonomous driving (Microsoft News Center 2021). Furthermore, as we recognise the potential of new business models, like the mobility-as-a-service system or subscription-based plans, the company is looking forward to acquiring expertise in these areas and eventually make them a vital part of its business. Aware of the challenges that threaten *Gama*’s position in the market, our team firmly believes that pursuing this strategy will

accelerate the company's growth and make it a leader in one of the most competitive industries in the world. The future of the automotive industry never looked so bright, and it is our intention to make it even brighter.

Marketing Overview

Having already examined *Gama's* strategy within the internal and external environments in which it is located, it is now time to take a look at the role of marketing, how the team approached this function, its impact on the simulation and team's dynamics, and how we used it as a tool to adapt to the challenges that arose.

After the group's first interaction with the simulation, it was clear that Marketing was probably the most important role. Not necessarily because it had the most important decisions, but because it was the centre of information. Every department needed some piece of data that only the director of this role had access to, which made communication between this person and the rest of the group crucial for the company's success.

So that we would allocate our limited resources efficiently, we started by applying the STP model to what we intended to accomplish. The STP Marketing model is divided into three main stages: Segmenting, i.e. grouping customers on similar needs and profiling each segment, Targeting, i.e. assessing attractiveness of each segment and selecting, and Positioning, i.e. defining the value proposition for the target segment and developing an action plan (Lages and Martins 2024). Probably for simplicity reasons, the simulation standardised the customer segments into the three geographical regions (Asia, America and Europe), therefore there was not enough information to conduct a thorough segmentation process. Nevertheless, it was up to the team to decide which type of customer to target based on the consumer preferences that were given (Appendix 5). Taking into account the data provided and *Gama's* strategy, we decided to focus on middle to high-income consumers, who are enthusiastic about new

technologies and care about their ecological footprint. Eventually, when faced with several demanding challenges, we were obliged to adapt this strategy for some time, but I will further develop this later in this section.

According to Ries and Trout, the aim of positioning is to occupy “a particular piece of real estate for a brand in the consumer’s mind” (Ries and Trout 1969), which is achievable by tailoring the company’s offer and image to what we want the customer perception to be (Keller 2009). After doing research on the positioning of various companies in the automotive industry, I came across a map that fairly illustrated how brands positioned themselves, being the criteria of analysis the products’ price and quality (Bellanger, n.d.). On top of that map, I added *Gama* (Figure 2).

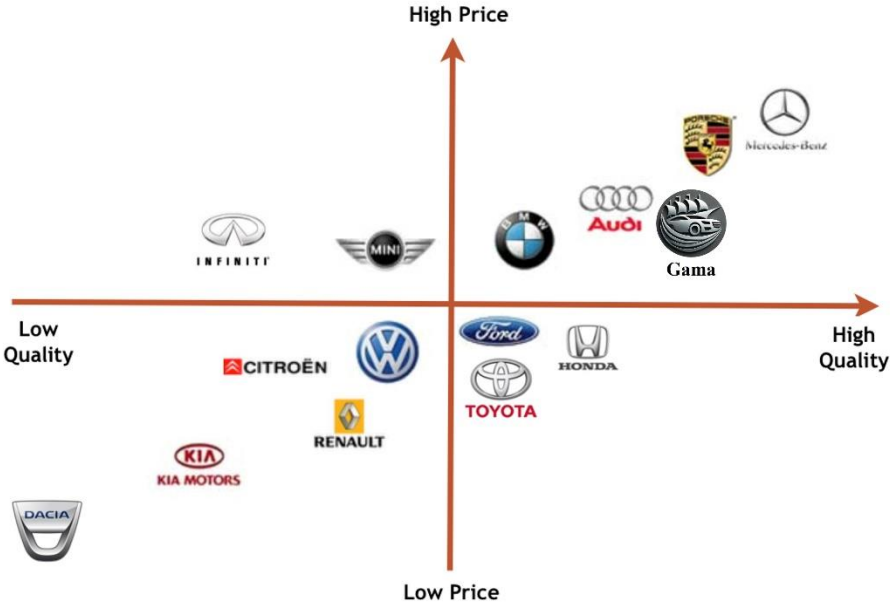


Figure 2 - Positioning Map

We aimed to be positioned in the high price/high quality sector, close to the premium German powerhouses, BMW, Audi, Porsche, and Mercedes-Benz. Brands that, despite offering attractive products to a wide range of consumers, are seen as a symbol of excellence and status. *Gama* expected to have the same level of recognition when it came to delivering exceptional products. Yet, what set us apart from the aforementioned companies was our substantial focus

on electric vehicles and new technologies, as well as the quickness with which we delivered them to the market. Having the shortest time-to-market in the sector, *Gama* was able to adapt to changes in consumer preferences better than anyone, without compromising the quality, performance, and reliability of the vehicles.

Followingly, it was important for the Marketing director to stay consistent with what was established originally and apply the according strategies to the Marketing Mix. The four Ps of the Marketing Mix are Product, Price, Place, and Promotion; however, Place will not be covered in this dissertation since the simulation did not allow to add or change placement channels.

Starting with Product, *Gama*'s initial centre of attention was portfolio breadth rather than depth. In this case, portfolio breadth "refers to the number of different product categories" that *Gama* targeted, whereas portfolio depth would be the "extent to which resource allocation varies across different product categories", which could then translate into having a larger product variety within a product category (Kirca et al. 2020). With that being said, we first intended to build a considerably large portfolio of cars, mainly EVs, that would suit the needs of a large pool of customers, before conceiving cars from the same product category.

Nevertheless, despite wanting to achieve strong portfolio breadth, the resources to our disposal forced the team to be wise about the way investments were made. Halfway through the simulation, and after careful consideration, we decided to pursue a more conservative approach to product development, prioritizing the relaunch of well-performing products that were in a decline stage of the Product Life Cycle (Dibb et al. 2000). In hindsight, I believe that we should have been more aggressive and invest more in newly developed vehicles in order to capture new market share. Since this part of the Marketing Mix is so closely related to the role of Innovation, I will further develop it in the Innovation Overview section.

Price, the next element of the Marketing Mix that I will be covering, was subject to changes very often and was probably one of the biggest contributors to our initial struggle and later recovery. Initially, our pricing strategy matched our positioning as a high quality/high price brand. Due to the lack of information on consumer preferences regarding product categories and price elasticity of demand, we followed a premium pricing strategy almost strictly because that was our initial view when developing the company's strategy.

In Q11 and Q12, our Days of Inventory reached concerning levels (Appendix 6), thus we saw pricing as a tool to tackle this issue that was costing *Gama* millions of dollars each year. By lowering prices, we expected sales to overcome production, therefore decreasing the amount of stock in the factories. In Q12 we decided to try this, but with fear that our profits would decrease too much, we only applied marginal decreases to a few models (Figure 3): *Dante* was the one with the steepest decrease, 5%, while the other models that suffered a price cut were products that we were already intending to discontinue (*Sport E* and *Business 135H*). In fact, this had a positive, yet very short-term impact on Days of Inventory. Meanwhile the Net Operating Profit was reaching all-time low levels, since we had sacrificed margins hoping to sell more units. In Q17, we reached the highest number of Days of Inventory (129). This was the turning point of our journey. The team realized that in order to see relevant results we had to be more aggressive, especially when it came to the pricing strategy. With that being said, we applied the same strategy previously mentioned, decreasing prices to boost sales and decrease stock, but in a much larger scale (Figure 3). Not only did we decrease prices in all products, but also the average price drop was much steeper than what we had previously attempted (10%). Predictably, our profits fell again, but after a few quarters this move proved to be the right one. After assessing the results of what we did, we decided to restore margins by steadily increasing prices. The result was a sustainable increase in Net Operating Profit, while Days of Inventory kept decreasing. Finally, we had figured out what we had to do to overcome the issues that were

haunting *Gama's* financial performance the most and by Q24 we had doubled the Net Operating Profit when compared to Q20 (Appendix 7).

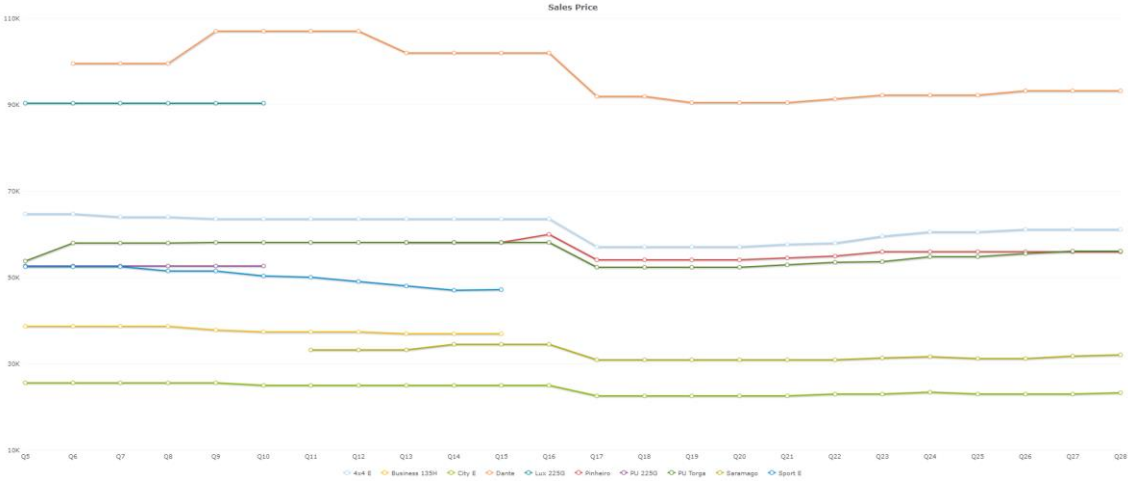


Figure 3 - Sales Price

Lastly, Promotion, which could be manipulated in the simulation in two different ways. The Marketing director could either increase the percentage of revenue spent in Marketing for each car or invest in promotion channels such as customer promotions and point of sale marketing, training and service, online campaigns, and TV campaigns.

Here, we took a similar approach to the one described in Price. In order to keep our margins healthy, we tried to keep Marketing expenses relatively low in practically all fields, which undermined our ability to boost sales. Additionally, whenever we decided to increase Marketing expenses for sales to ramp up, we only did it marginally. Eventually, as we decided to be more aggressive, sales improved, which then allowed us to slowly cut Marketing costs and widen profit margins.

Innovation Overview

According to Charles Darwin, “it is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change” (Megginson 1963). In the business world, a company can only be ready to respond to change if it allocates a good portion of its resources

to Innovation. In a constantly evolving environment, those which fail to keep up with the new trends and technologies, will cease to be relevant to the consumer. And this is why Innovation was so important to *Gama*. Also, because it was the projection of what the company will look like in the future, Innovation was closely related to the company's strategy.

Before progressing to the analysis of *Gama*'s Innovation journey, it is important to distinguish an innovation from an invention. An invention is "the creation of novel services, products and production techniques" (Maital and Seshadri 2012), but it only becomes an innovation once it is adapted in a way that can be taken to the market and actually bring value. When they are implemented in a way that delivers and maintains substantial value added for customers, innovations are valuable sources of sustained competitive advantage (Maital and Seshadri 2012). However, it is important to note that competitive advantage does not only come from innovations, but also from the way resources are allocated among every department of a company and from its practices. Appendix 8 illustrates how inventions, innovations, and sustained competitive advantage are related. At *Gama*, every investment we made aimed to ultimately create sustained competitive advantage, by complementing the entirety of the company's resources and capabilities, as well as delivering value that no other competitor offered.

In the "Marketing Overview" section, I briefly described the distinction between portfolio breadth and portfolio depth, and why we prioritised the first one in the initial stages of the simulation. Now, a deeper analysis of what we could have done better is due, since our conservative strategy regarding the Innovation role was one of the reasons why *Gama* was not as successful as some of the other groups.

The Product Life Cycle is one of the most important concepts for the Innovation leader (and all other team members) to understand. It is divided into four stages (Appendix 9): Market

Development, when a new product is first brought to market; Market Growth, when demand begins to accelerate and the size of the total market expands rapidly; Market Maturity, when demand reaches its peak; and Market Decline, the product begins to lose consumer appeal and sales drift downward (Levitt 1965). Having this framework in mind, *Gama's* Innovation and Marketing strategies focused on developing a small number of new products (four), which meant incurring on very high investment costs, and then relaunch the vehicles that performed well once they hit the decline stage. Presumably, this would allow us to invest in other major investments like building out charging stations and, later, expanding such network, but at the expense of our portfolio's breadth and depth. It is important to note that prioritising investments over product development did not align with the focus on innovation that our initial strategy determined. In fact, considering that portfolio breadth, portfolio depth, and product portfolio innovativeness are positively related to a brand's sales and its market performance (Kirca et al. 2020), it is possible to conclude that *Gama's* conservative approach to innovation was undoubtably not the most correct one. Even though we believed we were making substantial efforts, especially financially wise, we only realised that there was room and opportunity to do much more when it was too late.

One framework that guided us throughout *Gama's* innovation journey was the Three Horizons model (Baghai, Coley, and White 2000). The first horizon represents the continuous innovation to a company's existing business model and capabilities. The second horizon is about the company extending its existing business model and capabilities to new customers, markets, or targets. Finally, the third horizon is about the creation of new capabilities and new business, either to take advantage of disruptive opportunities or to respond to internal and external changes. Even though a company's major focus should be on the first horizon, it is important to allocate resources to the development of the other two, since what one company is currently doing will most likely become less relevant, or even obsolete, afterwards. Despite the fact that

in an increasingly fast-paced world the applicability of the Three Horizons framework can be questioned (Blank 2019), a short analysis of the model has allowed me to identify one key mistake in *Gama*'s performance. As mentioned in several instances of this dissertation, the team always envisioned a zero-emissions car fleet, and therefore all newly introduced vehicles were electric. However, I believe that if we had taken into consideration the possibility of developing internal combustion engine (ICE) or hybrid vehicles in the initial stages of the simulation, we would have been able to capture value that these markets still offered. It is true that most organizations fail when they do not adjust to changes, and it was important to be one of the first players in the electric vehicles' market, but we also made the mistake of adjusting too quickly. We jumped right away to the EV market when there was still potential to be captured among the other markets. Looking at the results of some of the other *Business in Practice* groups, the most successful teams went for a smoother transition by introducing a few models in the ICE and hybrid markets. In a way, one can say that we invested a lot in the development of the second and third horizons, at the expense of the first one.

In the future, *Gama*'s intention is to heavily invest in its vehicles' autonomy and connectivity, through the "AI Implementation" and "Cloud Connection" investments available in the simulation, while building an extensive network of charging stations to tackle range anxiety and exploring new business models such as subscription-based ones and mobility-as-a-service. Regarding product strategy, *Gama* will maintain its identity of premium-priced cars that offer the best feature packages but will keep providing a wide range of product categories to satisfy consumers from all demographics and income levels. For a greener world, we have already started moving towards a circular economy for EV batteries through a partnership model. Now, our aim is to acquire enough expertise before moving to the next stage, which is building and maintaining a sustainable, circular economy by ourselves. One of *Gama*'s main priorities is to reach carbon neutrality, and we expect these efforts to prove effective in doing so.

Conclusion

All in all, *Gama's* journey perfectly illustrates how challenging it can be to run a corporation, especially in one of the most competitive industries there is. The *Business in Practice* simulation tested the management team, composed by seven students who had never met before, in ways that no other academic experience had.

After all, the main takeaways that we retrieve from this journey are that a company cannot be managed without constant effort and collaboration from all functions, and that in the business world there is no such thing as a perfect forecast, thus, at times, one must collect as much data as possible to minimize error and make the best decisions. Fortunately, I believe that our team collaborated really well, but should have done best at data collection and interpretation. This would probably help solving the two major mistakes that undermined *Gama's* performance: an unsuitable pricing strategy given the market's conditions and a conservative product development strategy.

Despite that, it is important to note that *Gama* achieved its most relevant and ambitious goal: a carbon-free fleet. The company's commitment to sustainability was always present in every member's decisions, and this example shows it.

Personal Reflection

Introduction

Having taken part in a wide set of intensive academic lectures, business skills workshops, and simulation sessions, it is very difficult to perfectly describe all learnings that the three-week *Business in Practice* experience has brought me. Throughout these weeks, I was a member of an incredibly diverse team, both culturally and personality-wise, as well as engaged in various exchanges of ideas and beliefs. Unsurprisingly, some less-positive situations took place. These misfortunes have made me reflect on a very powerful quote from Steve Jobs, the founder and former CEO of Apple: “You cannot connect the dots looking forward, you can only connect them looking backwards” (Jobs 2005). Since, at that time, I did not understand why certain challenges were arising, I would often get frustrated about not having a quick solution. Looking back on those moments, I now realise how they helped me grow and contributed to a more enjoyable *Business in Practice* experience. In the next sections, I will be describing and reflecting on two examples, but many more have marked this journey.

Nevertheless, before diving into such analyses, it is of paramount importance to cover a point that was very important in the team’s dynamics and will prove to be very useful in understanding how the group interacted. Before starting the actual simulation, we were asked to try the *Insights Group*’s product, “Insights Discovery”, which “uses a simple and memorable four colour model to help people understand their style, their strengths and the value they bring to the team” (Insights, n.d.). In fact, it was beneficial to assess our personalities and, especially, to predict potential conflicts. The results reflected a strong tendency from several members (including me) to have results-oriented mindsets and pragmatic approaches, which could

eventually translate into very direct styles of discussion. It is important to know this beforehand, since it illustrates the likelihood of dispute among team members.

Most likely, if we did not get together and opened ourselves, pointing out the different perspectives and ways of working/living among each other right from the beginning, we would not have been such a well-coordinated and cheerful group. According to Toegel and Barsoux, “through the nonjudgemental exchange of ideas and feedback, teams establish a foundation of trust and understanding and are able to set ground rules for effective collaboration” (Toegel and Barsoux 2016).

Critical Incident 1

Throughout the majority of the simulation, one of our biggest problems was the overwhelming number of days of inventory (DOI) in stock. Not only was this costing us a lot of money, but it also seemed like it had no possible solution. Our struggle in overcoming this issue ended up being the root of some tensions among the group. After trying a wide range of alternatives, we were all tired, especially the directors of the department mainly responsible for this metric, Operations. Eventually, the whole group agreed on setting a definitive structure for the supply chain since we were incurring a lot of relocation costs between manufacturing plants, in search for the perfect distribution of products. Someone proposed a structure, and everyone was satisfied with it, except for one of the directors of Operations. This director considered that the proposition was too expensive and would increase even further DOI. Despite knowing that it would come with some initial investment, the team believed that this was the best way to finally solve the problem that had undermined us for so long.

Fortunately, clear communication was something fairly constant in our team’s activities, therefore, everyone participated in a discussion about the pros and cons of the suggested structure. Yet, this director of Operations was not convinced. Instead of coming up with an

alternative he would only show discontentment. Nevertheless, it is important to keep in mind that no one, including the person that did not agree with the decision, was disrespectful in the way that they presented their opinions. Eventually, we stuck with the structure and progressed with the simulation. The changes done did not produce immediate results, which was actually what we had anticipated, but this Operations director had adopted a very pessimistic posture towards the team's decisions and results. Unsurprisingly, this situation caused a lot of discomfort to all members. During the time when this person's morale was so low, maintaining motivation levels high was a tough challenge.

Looking back, I would say there are some constraints that made this person so reluctant to express his opinion, and having reflected on those, I believe that the whole team, including me, could have done a better job at making him feel heard.

One point that was very noticeable from the start was his struggle with the English language. Despite having fairly decent English-speaking skills, this member of the team would have difficulties in finding the right words to express his thoughts quite often. According to Tenzer et al., professionals consider "low lexical and syntactical proficiency in the team's working language as a substantial communication hurdle to multinational teams' members" (Tenzer, Pudelko, and Zellmer-Bruhn 2021). Additionally, when people are faced with a complex task, group discussion is crucial. The presentation of hypotheses and arguments can be extremely ambiguous, and reducing this ambiguity is the only way that team members can remain coordinated. However, not only does sharing information through a non-native language make reducing ambiguity increasingly difficult, but it is also seen as a main contributor to ambiguity in knowledge sharing (Ahmad 2018).

Consequently, the team could neither understand his point nor would his ideas be pursued, not because we totally disagreed with them, but because we could not understand the reasoning.

Moreover, it also became very difficult to assess his knowledge about the simulation, as we did not understand whether his questions would arise because he was not comfortable with the simulation itself, or solely due to the fact that the group discussions would be carried out in English.

Presumably, these language barriers were most frustrating to the director himself. Not feeling heard is frustrating enough, but to see that people are not even understanding his ideas and reasoning must have been very hard. In fact, the need to communicate “in a foreign language is associated with ‘insecurity’, ‘embarrassment’ (...) and ‘having no self-confidence’” (Tenzer and Pudelko 2015).

Reflecting on how me and the rest of the team dealt with the situation, I believe that we could have done better at supporting him. Particularly me, since I was the only person who spoke the same language as him. At the time, I thought that my efforts in translating his ideas were enough, but in hindsight, I am certain that I could have provided extra assistance. Especially considering that team social support, i.e. “the provision of assistance or comfort to others” (APA Dictionary of Psychology, n.d.) among team members, can have an active role in decreasing job insecurity (Lee, Sim, and Tuckey 2024).

Furthermore, after doing research on the topic of pessimistic team members and how to boost their morale, I came across insights that would have helped our team in supporting the unmotivated director. According to Galo, the first thing that we must keep in mind is that ignoring or even countering negative comments will only contribute to further negativity. This is to say that taking an active approach is the most effective solution. In fact, creating awareness to the issue by reaching out to the person in question and explaining them how it affects the rest of the team, repositioning negative statements so that they explain their reasoning and think of

solutions, and, finally, involving the whole team in improving the person's posture (Gallo 2009).

Moving back to the discussion about disagreements among our team, despite the fact that it is of the utmost importance to be mindful about everyone's opinions, people can be wrong, and it is counterproductive for a team to be constantly arguing about a topic or action that has clearly proven not to be the best alternative possible. With that being said, when facing this kind of situation, like we did during the simulation, literature suggests that avoiding conflict is, once again, not the correct approach. Seeing feedback as a tool and making it part of the process, challenging the binary thinking, and anticipating eventualities are some of the actions that can help in delivering tough, yet constructive feedback (Wilding 2023). Generally, I believe that, just like the team, I managed to apply these principles, but when it comes to giving feedback, one can always find areas of improvement when looking from an outside perspective. In hindsight, I can think of a few moments in which I refrained from discussions because I was afraid of sparking conflict.

All things considered, I can see why the director of Operations was frustrated. No member of a team should feel uncomfortable of voicing their opinions, and especially in such a friendly and casual environment. Collectively, we should have put more effort into helping him break those language barriers and making him see the brighter side of things. This would have most likely improved the team's dynamics, consequently having a positive impact on the simulation's results. Nevertheless, this was just a not-so-positive moment among many cheerful ones that the team had. Eventually, as time went by and the results were finally visible, everyone was happy about the decisions made, and no one held resentment.

Critical Incident 2

As part of the first business skills session, the “Leading Yourself” workshop, the team discussed the points that should be included in our team charter. Among other things, we talked about our mission, objectives and values, we also established a set of rules and guidelines on how we aimed to achieve our goals. After aligning a compelling direction and having a supportive context, the only item missing was a strong structure (Hackman 2002). One of the most relevant topics of conversation was the meeting structure, that is the order of contributions within the team discussion, so that our meetings were as productive and efficient as possible. After a brief exchange of ideas, everyone agreed on an order that would start in Finance, go through all other departments, and return to Finance before moving to the next round of the simulation (Figure 4). During the first few rounds of the simulation this was our way of working, and despite the actual simulation results not being ideal, we were fairly happy with the way our meetings were organized.

Halfway through the simulation, one director came with a meeting structure proposal based on what the leading team was doing. Essentially, this suggestion focused on the departments of Operations, Marketing, and Finance to make all decisions, completely excluding HR and Innovation, and ignoring the strategic importance of these areas that had been mentioned countless times during academic sessions. Despite some scepticism, especially from me, the director of Innovation, and the HR leader, we implemented this arrangement for one round.

Presumably, me and my colleague felt excluded from the team. As a person that really aims to provide as much input to the group as possible and likes social interaction, it was very hard to see that my teammates were disregarding my role. Consequently, my motivation was severely damaged. Not only was my team not interested in what I had to say, but also, I was no longer keen on helping them back. This is a practical example of a study conducted to evaluate the

consequences of unsatisfactory workplace relationships, which has proven that workplace loneliness has a negative impact on both in-role performance and citizenship behaviour. The same study showed that lonely employees were “less willing to engage in social exchanges because they worry that their extra efforts will not be reciprocated in the future” (Lam and Lau 2012).

With that being said, despite recognizing that my colleagues could have had a different attitude, I now see that I should have voiced my opinions and “fought” against this new model. Just like I mentioned in the reflection of the previous critical incident, staying silent is not an effective approach to problem-solving.

Another key learning that this instance has taught me is that there is no such thing as a “one size fits all” strategy. The main reason why we decided to change the meeting structure was because the most successful team of students so far was using that method, thus we assumed it was the best system possible. We had forgotten that no team or company is the same as another. Our strategy, the corporation’s current state, and the composition of each team were all distinctly different. Even though we were all part of the same simulation, there were little to no points of similarity between us and the other group, so it did not make sense to assume that their method would perfectly suit us.

Fortunately, after one trial round, everyone came to the conclusion that this was not the optimal way of managing meetings. Nevertheless, we did not go back to the original structure. We realised that we could further improve efficiency and productivity, so we established a structure divided in two different moments of each meeting: discussion, when we would talk about the pros and cons of each decision and agree on what to pursue, and actions, the moment in which we would actually apply the changes to the simulation platform (Figure 5).

At the end of the day, this critical incident was clearly not the optimal change, but it highlighted a problem that we did not even know existed, and ultimately had a very positive impact on the team's dynamics and results. After this, we felt more united and engaged, which translated into a much better performance in the simulation.

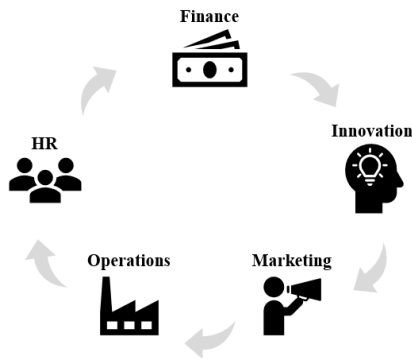


Figure 4 - Initial Meeting Structure

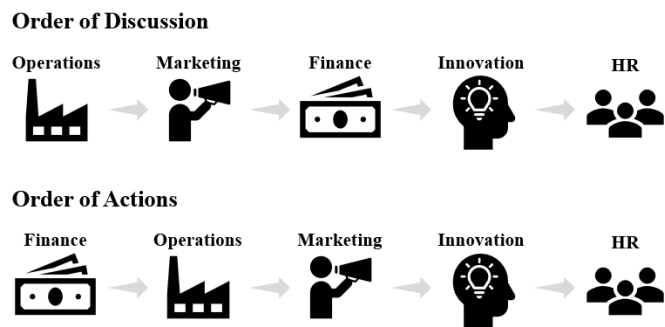


Figure 5 - Final Meeting Structure

Conclusion

Setbacks are part of success, and even though our performance in the simulation was far from the best, we completed the *Business in Practice* experience with the feeling that we gave our best efforts. I can proudly say that I met amazing people, with whom I created quite special bonds. To strongly disagree with peers, hesitating to give feedback, and feeling unheard was part of the process of becoming a team, rather than a set of individuals.

Reflecting on what breaks the performance of a team according to Patrick Lencioni, and despite recognising that we occasionally avoided conflict, I believe it was the fifth dysfunction of a team, inattention to results, that affected us the most (Lencioni 2002). Not that we were not focused on getting results, but each member's perception of success was very different. While some people were concerned about the issues of their own departments, others were solely focused on the value-added score. In my opinion, the lack of a common goal was very detrimental to our performance.

Furthermore, one of the skills that was most emphasized in sessions and that I tried to practice was active listening. To go further than just listening to the words of others is extremely important. With that in mind, and after doing research on the topic, I came to the conclusion that I am a critical listener, i.e. someone who “aims to judge both the content of the conversation and the reliability of the speaker themselves” (Minehart, Symon, and Rock 2022). I tend to not only pay attention to the message the other person is trying to convey, but to the messenger himself and his behaviours.

Regarding the results of the peer assessment (Appendix 10), it is extremely gratifying to see that my self-evaluation was aligned with what others thought of me. I always tried to excel in all areas, however, I believe I still have a lot of room for improvement, especially when it comes to interacting with teammates and having the skills to perform well in all sorts of tasks. This constant interaction with others was also great to develop my emotional intelligence. I now feel more capable of understanding what me and the people I interact with are feeling, how to control and regulate my emotions, and how to make use of them.

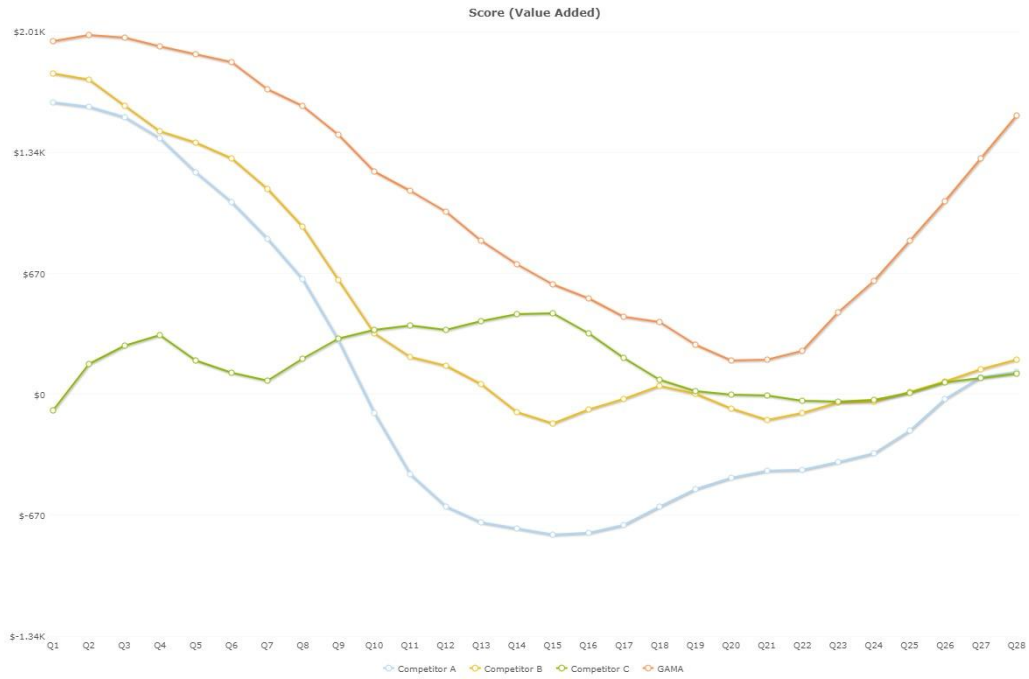
Even though team *Gama* finished the simulation period outside the top 10, we are certain that the learnings that this experience has provided will prove to be extremely useful to our future, both professional and personal-wise. Now preparing to integrate the job market, I am deeply grateful to everyone who made *Business in Practice* possible and to my teammates, who have helped me endure this challenge.

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Appendix



Appendix 1 - Score (Value Added)

Green Investments

Scope 1

- Water Consumption Reduction
- Waste Reduction
- ISO14001 / EMAS Certificates

Scope 2

- Energy Efficiency Investment
- Install Solar Panels

Scope 3

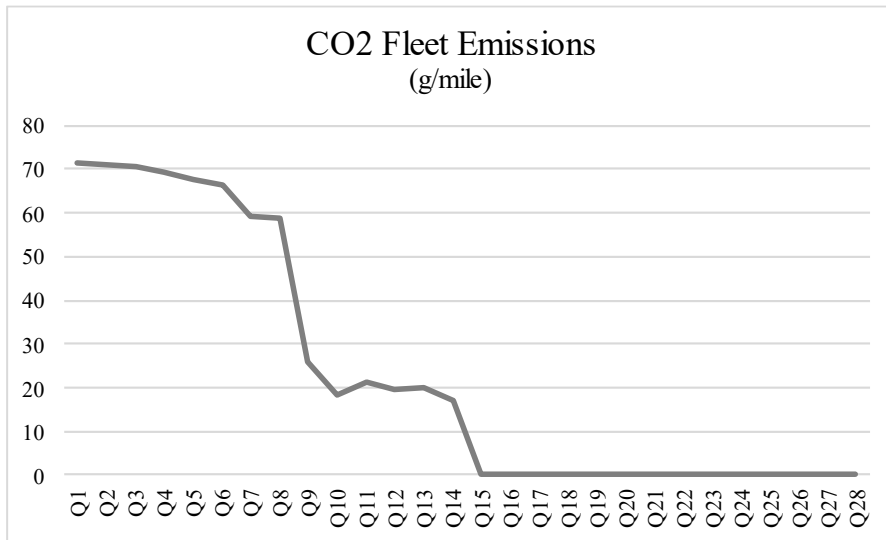
HR

- Create Sustainability Policy
- Sustainability Policy Training
- Sustainability Awareness Training

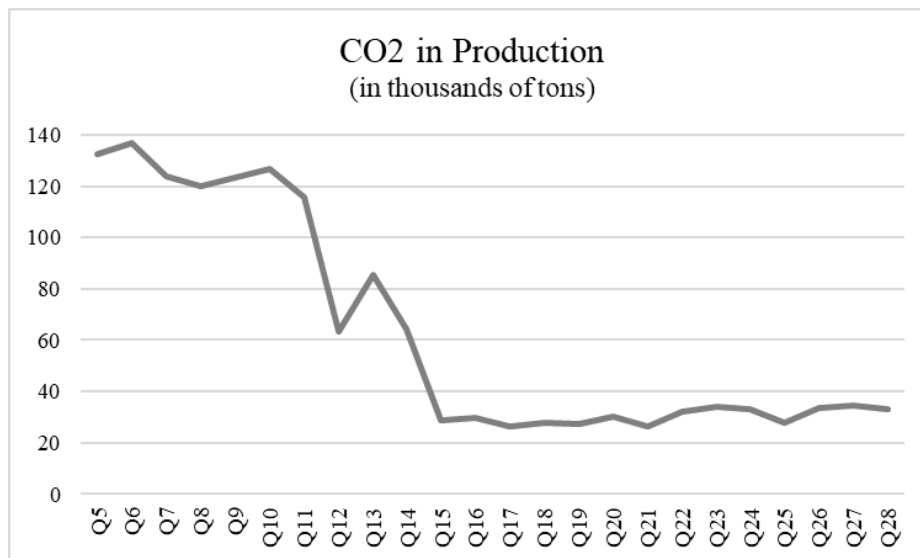
Misc

- Next Generation E-Drive Modules
- Charging Network Expansion

Appendix 2 - Gama's Green Investments



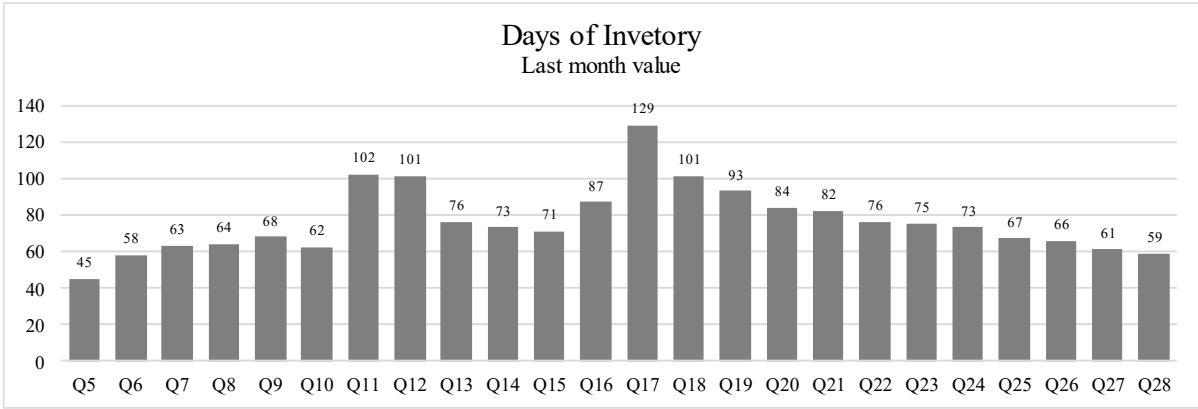
Appendix 3 - CO2 Fleet Emissions (g/mile)



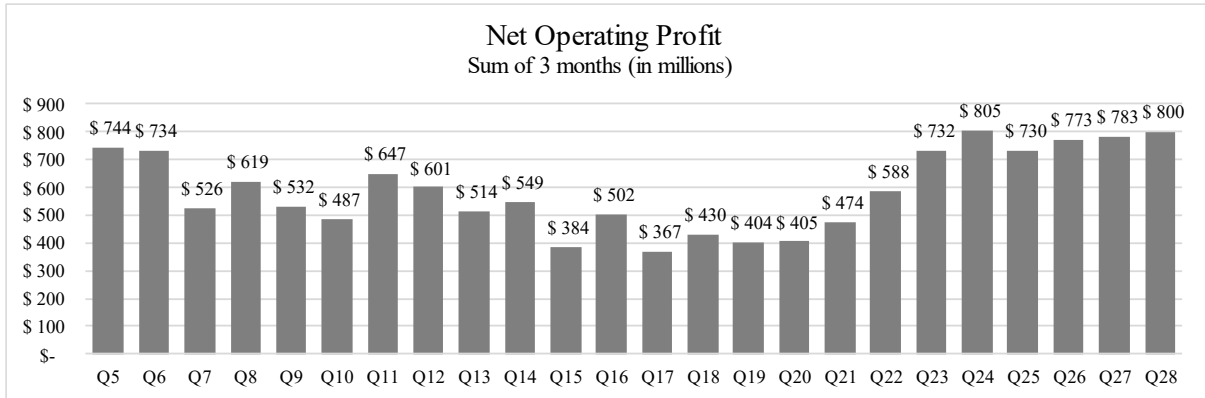
Appendix 4 - CO2 in Production (in thousands of thons)

Consumer Preferences			Location	Preference	Rating
	Europe	Motor Type: Hybrid	+++		
	Europe	Autonomous Drive: Level IV	+++		
	Europe	Battery Technology: Extended Sodium-ion (NA)	++		
	Europe	Battery Technology: Standard Sodium-ion (NA)	++		
	Asia	Battery Technology: Extended Sodium-ion (NA)	++		
	Europe	Autonomous Drive: Level III	**		
	Europe	Autonomous Drive: Level II	**		
	Europe	Motor Type: Diesel	**		
	Europe	Battery Technology: Extended Li-ion	+		
	Europe	Engine: Medium	+		
	Europe	Autonomous Drive: Level I	+		
	Asia	Autonomous Drive: Level IV	+++		
	Asia	Autonomous Drive: Level III	++		
	Asia	Autonomous Drive: Level II	++		
	Asia	Battery Technology: Extended Sodium-ion (NA)	++		
	Asia	Motor Type: Hybrid	++		
	Asia	Battery Technology: Standard Sodium-ion (NA)	+		
	Asia	Engine: Medium	+		
	Asia	Autonomous Drive: Level I	+		
	Europe	Motor Type: Hybrid	+++		
	Europe	Autonomous Drive: Level IV	+++		
	Europe	Battery Technology: Extended Sodium-ion (NA)	++		
	Asia	Motor Type: Diesel	**		

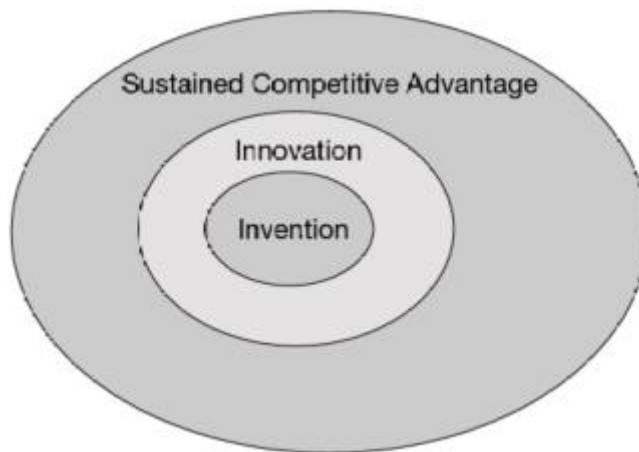
Appendix 5 - Consumer Preferences



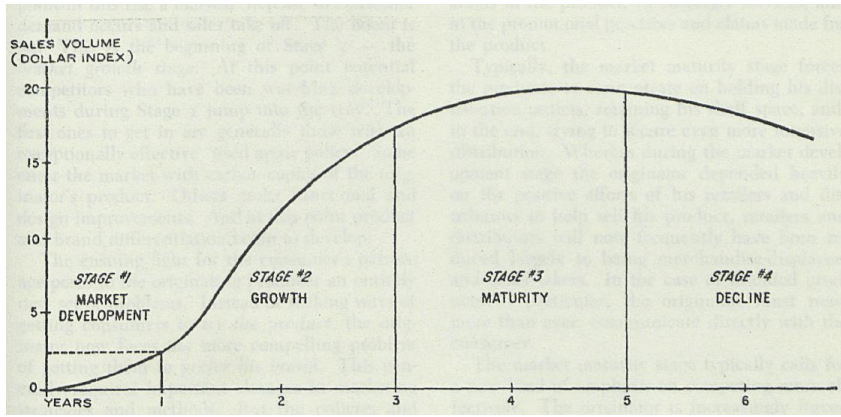
Appendix 6 - Days of Inventory



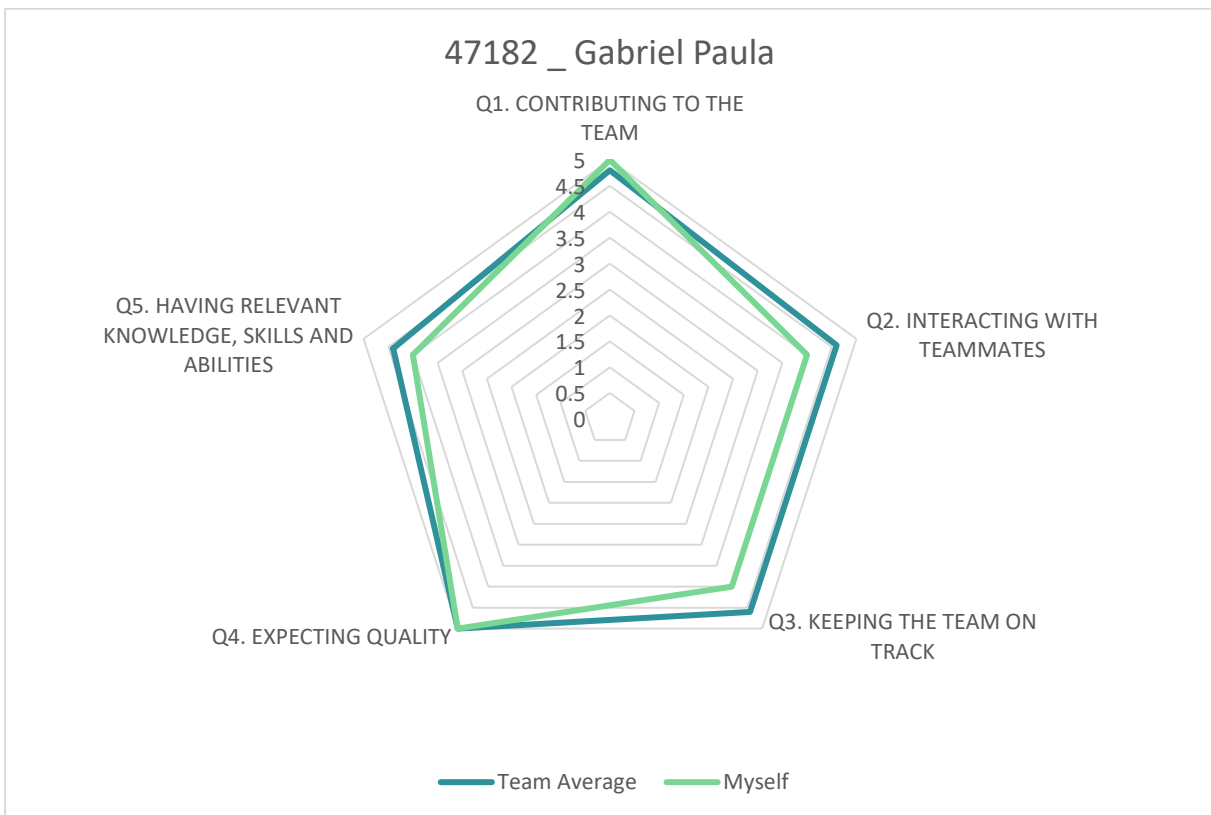
Appendix 7 - Net Operating Profit



Appendix 8 - From Invention through Innovation to Sustained Competitive Advantage



Appendix 9 - Product Life Cycle stages



Appendix 10 - Peer Assessment Results