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BUSINESS IN PRACTICE

INTROSPECTIVE WRITING ABOUT AN AUTOMAKER'S SUSTAINABLE GROWTH
TRAJECTORY AND A SELF-REFLECTIVE JOURNAL AFTER ENGAGING IN AN
INTENSIVE THREE-WEEK BUSINESS SIMULATION

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Abstract

The Paris Declaration on Electro-Mobility and Climate Change objectives and the EU Agenda 2030, sustainable development goals, dictate the CO2 emissions, water and energy consumption concerns for the future of the Planet. Political forces as well as technological disruptive tendencies such as electrification, connectivity, and autonomous driving are transforming and reshaping the automotive industry. This paper consists of a self-reflective journal after engaging in a three-week business simulation and the development of an automaker's sustainable growth over six years by providing a broad understanding of disruptive forces challenges, effective strategy development, sustainable finance opportunities, and technologies enabling new business models.

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1. Individual Personal Reflection & Learning Process

1.1 Introduction & Overview of the Two Critical Incidents

Personal reflective diaries enable us to develop and maintain a state of continuous learning and recognise soft and hard skills that we would not otherwise notice. The purpose of this part of the dissertation is to navigate deeper into each event and identify critical takeaways from the readings, skills sessions, and peer assessments to further develop myself for future similar events in my personal and professional life. Throughout the three weeks of the business simulation, I kept a diary to track the events that had the most impact on me and to learn about the importance of having a solid foundation, excellent communication across teams, leadership skills, and self-awareness.

Following a timetable, I will write about two critical incidents. The first incident assesses my level of adaption to a new project, my capacity for effective communication, and how I position myself when having the responsibility of making key decisions. The second incident serves as an example of how I behave when dealing with people who hold different values and/or have a different personality. This particular incident took place during the sales pitch. Therefore, I will discuss how I felt and how I responded when confronted with this unpleasant circumstance.

These were the two most memorable encounters I had during the three-week business simulation. I feel I am now more prepared and will have a better attitude if faced with similar scenarios in my professional and personal life. Our actions and behaviors are influenced by our ideals and life experiences. We can, however, continually modify and develop them over time. Writing and deeply analyzing each experience, as well as reading for facts to understand my behavior, will help me become more conscious and do fundamental changes inside myself.

1.2 Critical Incident N° 1 – Managing the Fear of Conflict and Lack of Confidence

1.2.1 Description of the Incident

It started when our team played the first practical round of the simulation. We were disoriented and unsure of how to proceed. Because there was no Chief Executive Officer (CEO) role play, I was under pressure as a finance director to guide, lead, and assume full responsibility for all choices made by each department.

Each director was primarily focused on their function and the investments they deemed necessary. However, there was no platform that aggregated all the information about the required investments from various departments. Basically, every member of the team began asking me, at the same time, if they could spend x amount of money without having a priority list or knowledge of the company's intended course.

As a result, I became uncomfortable, stressed, and felt incapable of saying no or delivering any form of response. The most frustrating part was that I was not able to communicate my discomfort with my colleagues. From prior life experiences, I am aware that I have always been someone who is hesitant to initiate a conflict or disagreement, especially at the beginning of a project. Thus, this was a huge challenge for me that I needed to overcome.

I went home that day convinced that I had made a wrong decision by enrolling myself in the Business in Practice Program. We had to go through a practice round before we could get to know each other, which made it difficult for me to adapt and interact with my teammates. My role required me to make crucial decisions across all departments and thus confront every executive director, but I was hesitant to delegate an answer because I wasn't even sure whether I could accomplish this duty. The following day, the same thing occurred. I procrastinated during the team meetings because I didn't know how to tackle the problem and felt very unmotivated.

1.2.2 My Response

After our second meeting, I went for a walk on the beach by myself and began looking for ways to properly communicate the issue I was facing and the appropriate ways in which I could ease the process of decision-making inside the team. Furthermore, there was no going back on this decision, so the only way for me to stop my nervousness and procrastination was to find a solution that would help not only me but also my teammates.

During my walk, I came across a solution and decided to create an excel table with a summary of the corporate budget and a place for everyone to enter their deemed investment, see it by priority, and ensure that it was aligned with our overall strategy. Making this table gave me the confidence to back up my positive or negative responses while also ensuring that no one feels disregarded by whatever decision and judgement I had to make. The only thing left was to find the correct approach to communicate the method I developed, which facilitated the decision-making process while keeping the company's financial situation in mind.

So, how did I communicate the problem I was having? I began by composing a text in which I expressed my gratitude for everyone's efforts and suggested that we use this table as a team to make better and more responsible decisions. In this way, all executive members can explain their positions and participate in the final decision-making. After resolving this issue, I felt more at ease and confident working in a team. My nervousness was gone, I was more motivated, and my colleagues had greater faith in me.

1.2.3 Analysis of the Incident

This episode taught me that when I embark on a new project, I am prone to developing dread and doubt. Some of the causes could be linked to lack of confidence, lack of self-awareness and fear of failing to fulfil my own and others' expectations.

1.2.3.1 Peer Assessment Analysis

According to the peer assessment I completed in Leadership in Practice, a business workshop, the points I allocated to myself in each category were actually lower than those assigned to me by my peers, as seen in [figure 1](#). I believe that I surely lack self-awareness regarding my abilities and aptitudes, have high expectations for myself, and lack confidence in making my judgments, which results to be in some degree biased. For example, in the areas of desired quality of work performed and contribution to the team, I rated myself 2,5 points while my colleagues gave me greater or equal to 4 points, which shows the gap between my own perception compared to my colleagues.

This specific issue is known as a negative self-appraisal, where we have a loud inner critic that speaks up and provides us with biased opinions about every circumstance or event. This type of critic is frequently toxic and leads us to procrastinate and get into a negative cycle rather than looking for a solution, which is exactly what happens when I start a new project in life and deliver an evaluation of my performance (Murphree 2018).

1.2.3.2 The Effects of Self-Awareness

This experience showed me how lack of self-awareness may lead to a range of difficulties and biased judgments when faced with a task. According to studies, having a clear image of oneself makes us more confident and creative. We make better judgments, build stronger relationships, and communicate more effectively. It is less likely that we will mislead, cheat, or steal, and we have a better chance of becoming more successful leaders (Eurich 2018).

In this incident, my lack of self-awareness about my capacity and ability to manage and interact with my team caused me to step back from assisting my colleagues and focus all my talent on producing beneficial tools that may contribute to my team's better performance. Even though we utilized this tool and it was undeniably effective and useful, I was apprehensive and

lacked confidence in presenting the solution I had produced for the team. There are two basic forms of self-awareness, the internal and external. In this event, I identified a low level of internal self-awareness, which fits into the category of pleasers from the four self-awareness archetypes (refer to [figure 2](#)). This is related to how hazily I recognise my own desires, including my perception of my own thoughts, feelings, strengths, and weaknesses, which causes me to value more other people's opinions and question my own (Eurich 2018).

1.2.3.3 Compelling Direction, Strong Structure & Effective Communication

When starting a new project, it's difficult that a team already has defined its direction, goals, and structure. We engage with a variety of people that have different personality types and having an effective communication might be difficult at first. All these early challenges may cause anxiety as a result of the concern of unexpected outcomes. During the first two team sessions I was faced with a company I was barely aware of, and people I had never met before. We were still in the process of getting to know each other and understand our missions within business in practice. I can tell that I was unable to manage my emotional side, and as a consequence, my negative thoughts overwhelmed me.

To achieve goals and overcome problems, teams must have an organizational system and process in place (West 2012). According to the readings, having a compelling direction and a solid structure is advantageous and can make individuals feel more involved, oriented, driven, and energetic (Haas and Mortensen 2016). I felt the opposite way before I designed the tool, however, after developing it I was able to feel more comfortable as we were now able to have an overview of which direction the team wanted to pursue. In this sense, having designed tasks, processes, and norms inhibits destructive behavior and promotes good dynamics, which occurred when I effectively communicated with my team, and we were able to have an integrated decision-making process across departments (Haas and Mortensen 2016).

1.2.4 Reflection & Learnings

Several lessons can be drawn from this occurrence. First, I should focus more on strengthening my self-awareness. Second, I should put more effort into communicating effectively so that there are no misunderstandings, and third I should be gentler on myself because we are all in the learning process. For this, I'll delve further and give some insights into how I can manage my emotions and increase my self-awareness.

1.2.4.1 Managing Emotions in the Face of Adversity

Adapting to a new environment can be challenging for me. One of the strategies I found is to keep a mood journal. By writing down my thoughts and the responses they evoke, I will be able to spot any disruptive tendencies and think on them more profoundly (Raypole 2020). Another method is to recognize when it is appropriate to express myself, which was also discussed during Professor Helga's sales training. Because our physical posture and tone of voice are the most crucial variables in the effectiveness of our communication, if I am feeling frustrated in that moment, I should only express myself when the moment of tension has passed. In addition, I have a green personality, and it has a propensity to take things personally and be quickly overwhelmed when situations are beyond its control.

1.2.4.2 Developing Self-Awareness

This event taught me valuable things, such as the fact that I still need to improve my self-awareness in order to be a great leader in the future, because leaders who are self-aware and driven to update their leadership brands on a regular basis are more likely to achieve long-term success (Ulrich and Smallwood 2007). According to research, while most people feel they are self-aware, self-awareness is a genuinely unusual attribute. Only 10% to 15% of persons are thought to meet the criterion. To improve my internal self-awareness, I shall solicit more frequently feedback on my performance in future work projects (Eurich 2018).

1.3 Critical Incident N° 2 – Dealing with Different Personalities and Sets of Values

1.3.1 Description of the Incident

We had a very fascinating sales training during the second week of Business in Practice. I was excited about this workshop because most of my career experiences had been in the sales department, and I had been a salesperson in my family business since I was almost a child. We had to give a sales pitch, and I was confident that I could deliver it and provide improvised answers to any doubts our seller could have regarding our value proposition. Following the class, our team worked productively on the pitch, and we were certain that we would win the customer since our value proposition was presented during the workshop and Professor Helga was amazed by it. The value proposition consisted in developing a platform which would save customers time by informing them of available charging locations, allowing them to make bookings, and notifying them about the charging time.

However, when it came time to give the sales pitch, the buyer's reaction surprised me. While giving the pitch, the buyer, Helga, began yelling at us and interrupting our sales pitch constantly. I was terrified and didn't know whether to grin or be angry and interrupt her as well, in order to finalize our pitch. I felt quite uncomfortable since I had learnt that shouting is a poor method of learning, and my principles were against shouting or interrupting people when they were speaking. I remained calm and pretended that her yelling was absolutely natural.

Furthermore, I gave her a kind smile to make it clear that her reaction would have no effect on me. I can state that I act contrary to my own feelings. In the last minutes of our session, all I wanted to do was to provide her with my feedback by telling her this was not a sound approach, apologize and leave the room with my team. However, I lacked the bravery necessary to carry it through.

1.3.2 My Response

After the sales pitch with Helga, I went to speak with other team members, stating that her behavior was harsh and disrespectful. In some point I was judgmental due to disliking the way she treated us and how uncomfortable the whole situation was to me and my colleagues. Even though I questioned the meaning of her action's multiple times, nothing came to my mind. I was angry and upset at the same time, however, she gave us a second opportunity to deliver the sales pitch and all I wanted was for our team to succeed.

We had almost 3 hours to re-do the pitch, so throughout that time, which included lunch, I wondered how I should address someone who approaches us with anger. By analyzing my response to the event, I observed that I remained quiet, calm, and smiling. Her feedback suggested that she wanted us to use the exact same terms she delivered during the class. Personally, it made no sense to me or my teammates, but we performed precisely as Helga requested and were ultimately successful.

The fact that I was able to manage my emotions and not be affected by her unpleasant actions was a plus. The bad side was that I was surprised by the university's learning methods, because shouting and fear, in my opinion, are not effective methods of teaching and will result in a lack of confidence in the long-term. I understood that mine and Helga's background probably were completely different, we were born and raised in different countries with a different culture, religion and education. Even though I was born and raised in Portugal my roots are Indian. My parents still ensure to provide me an education where we have honor and respect for elders and remain patient when they are being disrespectful. This justifies my response to this event, and in similar situations when I may be presented with ideas or beliefs with which I disagree, I may have some difficulty discussing them and positioning myself.

1.3.3 Analysis of the Incident

1.3.3.1 The Impact of having a Green Personality

I found that I have green personality traits as a result of our Leading Yourself Workshop. A Green personality is easily upset when values are violated and, as a stress signal, remains silent, shows hurt, and becomes judgmental (Schwefel 2018) (refer to [figure 3](#)). In this event, first, I was upset and acted contrary to my feelings, second, I remained quiet, and third, following the session, I went to see my colleagues and was judgmental.

Even though a green personality appears to be casual confirming their primary focus is of maintaining harmony and being liked. Normally they feel comfortable with people that are pleasant because they are afraid of confrontations. Someone who is insensitive and impatient disturbs a person with a green personality (Gentry & Gwilliam). The most fascinating aspect was that my attitude and feelings throughout the sales pitch with Helga, who adopted an impatient posture, were consistent with what I had learned at the Leading Yourself Workshop.

1.3.3.2 Benefits of Identifying the Dealer's Personality

Recognizing personality types enables us to exert greater influence, strengthen our relationships, and communicate more effectively (Ostdick 2015). I assessed Helga as having a fiery red personality since she looked demanding, determined, intolerant, and affirmative during the training and the sales pitch (refer to [figure 4](#)). To communicate effectively with her, we should not be hesitant or ambiguous and try to take control, like in the first sales pitch. Salespeople are known to be communicative in order to build a relationship with the client. However, if the dealership has a fiery red personality, a vague talk may cause him to become impatient, irritated, and demanding, which justifies Helga's behaviour (refer to [figure 3](#)). In our second sales pitch, we performed exactly what was required to do in order to communicate effectively with a red personality. We were straight to the point, focused on results and

objectives of our value proposition and put her in charge, which led in the successful acquisition of the customer for our business simulation.

1.3.4 Reflection & Learnings

1.3.4.1 Learnings from Helga's Teaching Method

Helga's teaching style might be considered an antique teaching method. However, students might benefit from being screamed at occasionally. As students we rarely find our lives on the line, and so we tend to be less courageous than we should be (Lawler 2013). Helga pushed us to our limits in order for us to grow more comfortable and become capable of dealing with pressure in the future. As Aristoteles states, the best way to learn the moral virtue of bravery is to put yourself in circumstances where bravery is required to live properly.

In my point of view Helga's teaching method was a success, especially because I still remember the lessons, she taught me about how to always put the customer first and how our value proposition should be centered on the client's problem rather than a solution.

1.3.4.2 Leadership Skills & Effective Communication

The most important lessons I learned from this event were to think before act, to put the emotional side behind me and the rational side in front, and to manage my inner behavioral level by cultivating the right attitude towards different individuals. (Scouller 2016). This means that before approaching a person, I should first determine in which personality type the person belongs to and then adjust my attitude accordingly. If feasible, I should use this strategy in the future when confronted with difficulties at work, with clients, suppliers, or directors, in order to preserve excellent communication and goal achievement. Furthermore, communication skills, both oral and written, are the foundation of all business activities (Vaughan 2018). Also, knowing how to appeal to each personality type and widen their thinking would assist me in being a better communicator (Birch 2020).

2. Company Performance Analysis

2.1. Introduction, Review of the Company & Structure of this Section

Better Transportation System for people and the planet (BTS) is a multi-regional worldwide company that produces combustion engine cars in practically every car segment. The company's goal is to migrate to more efficient operations, that safeguard the environment, build long-term sustainable partnerships to leverage energy transition, and enable communities to play an active role. Moreover, BTS aspires to create a strong Environmental, Social and Governance (ESG) culture focused on long-term value development. Thus, it needs to rethink its strategy and transform into a 100% electric vehicle (EV) manufacturer within 6 years.

In order to comply with the aforementioned principles, the company's major key performance indicators (KPI) are sustainability and corporate social responsibility (CSR). BTS sustainability rate grew from 8,10% in the first year to 83,6% in the sixth year as seen in [figure 5](#). This was an outstanding achievement, and BTS was granted an award for the highest sustainability rating shown in [figure 6](#), and received a 67,5% score for CSR. The firm had a few issues in terms of its value-added contribution as a result of its risky business actions in the operations department, which severely impacted its short-term performance. Nonetheless, it was able to improve its performance in the last three years, achieving the highest economic value added among its competitors at the end of year 6, with \$2,606 M (refer to [figure 7](#)).

This section's structure will be subdivided into five subsections, which consist of a review of three functions—Strategy, Innovation, and Finance—an integrated view across functions, and a conclusion with an overview of key ideas and learnings. The functional review will comprise an introduction, fundamental ideas addressed during the academic sessions, statistics from business performance, and real company examples. Lastly, there will be a summary on how the different functions depend on each other, as well as general conclusions and lessons.

2.2. Review of Function 1 - Strategy

2.2.1. Introduction

As a car manufacturer, it is our responsibility to expand market share in a competitive environment and deliver a sustainable product line that customers seek. The transition to an e-mobility provider and establishing itself as a sustainable business are two major challenges that must be overcome. In this section, we will analyze BTS's strategy for achieving its sustainability objectives and establishing itself as an innovative and competitive organization. This chapter will be organized according to the core themes addressed during the academic session on strategy and sustainability.

2.2.2. External Analysis – PESTEL – Automotive Industry

To begin with *political considerations*, motor vehicles can be extremely dangerous, and governments impose stringent safety regulations. This makes it harder to start new car companies and helps incumbents keep their market position. Governments have demonstrated a strong interest in emission figures and are willing to penalize those who fail to comply with stringent CO₂ emissions, water usage, and energy consumption regulation. (Bush 2019). In the simulation, the e-mobility project 2022 invests \$20 billion in charging stations, and the "Project Green Car" pays a \$30 incentive per gramme of CO₂ emissions below a certain threshold.

Regarding *economic factors*, there is a general trend of increasing incomes, especially in emerging economies, meaning more money for luxury items. However, in more developed countries, the trend is towards car sharing services, which are expected to reduce vehicle sales by 24%. (Deloitte 2017). In the simulation, there will be a 20% decrease in sales due to the diesel engine scandal. Furthermore, investors are seeking to become ESG investors, as sustainable finance combines pure financial data with ESG data to reduce risk-adjusted returns and achieve social and environmental benefits (Bank Contributor 2019). In terms of

sociological trends, younger generations are less interested in car ownership. They view them as a service and prioritize environmental issues (Eliot 2019). As a result, automakers are reconsidering their strategies to incorporate shared mobility and become greener. The simulation follows the same path as demand for EVs will increase after Q14, and a joint venture with a firm like UBER, to enter the shared mobility industry, will be proposed.

The automakers' *technology priorities* have shifted from fuel efficiency, performance, and driver safety to electrification, connectivity, and autonomous driving. This transformation provides a tremendous opportunity for battery-powered motors, which have the potential to disrupt the industry in the next few years (Deloitte 2017). The development of new business models can increase automobile revenue pools by 30% (Gao et al. 2016). Smart charging, vehicle-to-grid (V2G), energy storage, and distributed generation integration are also important enabling technologies that are integrated in the simulation.

Climate change and resource scarcity are among the top *environmental concerns*, as global population demands for food, water, and energy are predicted to rise by 35%, 40%, and 50%, respectively, by 2030 (National Intelligence Council 2012). To stay below 2°C, the world's carbon intensity must be reduced by 6,5% per year until 2100 (Staff 2014). The success of the simulation is based on reducing CO2 emissions in production, energy, and supply-chain. *Legal considerations* include the EU's intention to ban sales of internal combustion engines by 2035 (Mossalgue 2022) and Europe's fuel economy laws, which call for a 37% reduction in CO2 emissions by 2030 (Morgan 2018). The simulation allows 95g/mile, 90g/mile, 85g/mile, and 70g/mile in quarter 4, 8, 12, and 15, respectively. Cars with higher allowances will be penalized.

2.2.3. Leading Strategically – Name, Mission, Vision & Values

BTS's mission, according to industry analysis, is “to provide everyone with an EV while being the most environmentally responsible automaker”. The management team adopted the

name BTS, which stands for Better Transportation System for people and the planet, since it is consistent with the company's ultimate vision of connecting individuals by improving mobility while simultaneously easing the transition to a more sustainable society. The organization's values are integrity, responsibility, and inclusivity.

2.2.4. Strategic Fit SWOT Analysis

Considering its *strengths*, the company has facilities in Europe, Asia, and United States, that can produce automobiles from many categories while creating significant economies of scale and scope, making it more competitive. The firm's market segments include luxury, executive, SUV, convertible, and compact. In terms of its *weaknesses*, BTS lags behind in innovation. It also has difficulties in managing its inventory, selling cars within 60 days, and isn't prepared for new sustainability standards.

Regarding *opportunities*, BTS can receive financial rewards by securing a significant client, which would raise sales by \$1,920M, and through ESG creditation, which will evaluate whether the company's BlackPebble required sustainability standards are met and may invest \$1B. When it comes to *threats*, multiple organizations are pursuing the same goal, and there is fierce industry rivalry as a result of a modest number of rivals, a mature market, and customer brand loyalty (Ashraf 2019). Additionally, Lithium batteries are vulnerable to supply-chain risks due to resource-controlling governments and price fluctuations (Deign 2021). Battery technology will be one of BTS's crucial considerations.

2.2.5. Internal Analysis – Resource-Based View, Capabilities and VRIO Framework.

Regarding tangible resources, BTS has 3 facilities in China, 3 in US, and 4 in Europe, valued at \$10,3M, and owns cars across all automobile categories. In terms of intangible resources and capabilities, BTS, has an exceptional buyer acquisition team and a business culture of innovation and excellence. BTS was unable to quantify its brand value, yet it

maintained its competitive edge comparing to its competitors (refer to [figure 7](#)) – Resource Immobility. Furthermore, BTS supply resource bundle is greener, producing zero CO2 emissions in energy and supply chain, compared to its competitors – Resource Heterogeneity.

By applying the VRIO framework, (Rothaermel 2012), presented in [figure 8](#) we can see that BTS has as valuable resource its worldwide facilities, where they may profit in production in the case of increased political risk or changes in tariff regulation. It has a diversified product portfolio with the most up-to-date features, at a competitive price which is a rare resource (refer to [table 9](#)). The manufacturing approach, with zero CO2 emissions in energy and supply-chain, as well as heavy green investments (refer to [figure 10](#)), is regarded as a costly to imitate resource. An organized to capture value resource is its functional organizational structure.

2.2.6. Strategic Positioning – Business and Corporate Strategy

BTS is a cost leader, according to the Generic Business Strategies framework (Rothaermel 2012), (refer to [figure 11](#)). It employs a similar strategy and competitive advantage as Toyota, with one of its key competitive advantages being the ability to produce world-class products at affordable prices. (Bhasin 2017). Although operational effectiveness is vital for improved performance, Porter believes it is insufficient since its tactics are easy to replicate (E. Porter 1996). Thus, BTS's corporate strategy is centered on a sustainable strategy based on the triple bottom line framework shown in [figure 12](#). This strategy entails achievements in social, ecological, and economic above 60% and the accomplishment of the SDG 7 – Renewable Energy, 12 – Responsible Consumption, 13 – Climate Action and 17 – Partnership for the Goals. BTS intends to be entirely electrified by 2024 in order to meet the Paris Declaration on Eletro-Mobility & Climate Change, which states that by 2030, at least 20% of all road transport vehicles worldwide should be electric (PARIS 2015). Moreover, BTS plans to form a joint venture to enter the shared mobility market, allowing it to pursue a mobility services strategy and develop new revenue pools like subscription-based mobility in the future (SAP 2021).

2.3. Review of Function 2 – Innovation

2.3.1. Introduction

First and foremost, I would want to thank Ana Casaca, Global Innovation Director at Galp, for underlining the necessity of having an innovation department in today's enterprise in order to ensure long-term growth, achieve competitive edge by generating value, and build a strong brand. The innovation department is one of the most vital departments because it is aware of new market trends that follow customers' changing preferences in a saturated, disruptive, and fast-moving market. At BTS, the innovation department is focused on thinking far further and exploring efficient and environmentally friendly systems of transportation, such as shared mobility. This requires a smoother transition. Therefore, in the next 6 years, BTS plans to discontinue conventional automobiles and develop cutting-edge EVs. To ensure success, they will need to collaborate with the marketing and operations departments to increase sales and efficiently manage inventory (Council 2014).

Furthermore, BTS will use the three horizons of innovation framework shown in [figure 13](#) to explore new development opportunities without sacrificing current performance. In horizon 2, which includes developing prospects such as growing entrepreneurial enterprises that are anticipated to bring huge profits in the future but may require significant investment, we have the E-Mobility project and in horizon 3, which covers ideas for future lucrative growth as research projects or pilot programs, we have shared mobility and hydrogen-powered cars (McKinsey & Company 2009). Besides that, BTS strives to foster a creative and ESG culture and seek out successful businesses as Uber, a revolutionary firm that has created value for customers by making ride-hailing so cheap and simple that users have abandoned automobile ownership. (The Economist 2016). So, all departments aspire to work with the innovation department on long-term projects to make sure that BTS provides value and moves swiftly enough to avoid lagging behind.

2.3.2. Innovation Department Performance Analysis

BTS prioritized investments to develop the three primary technologies: electrification, connectivity, and autonomous driving. Such developments cut EV prices and made electric shared mobility a viable alternative to automobile ownership. Thus, BTS was able to offer the finest and latest car technology across six car segments: Lux, Biz, Air, City, 4X4, and Micro.

The company devoted its first two years developing EV technology to phase out conventional cars, decrease carbon emissions fines, and reap financial and operational benefits. The total investment accounted for \$ 4,38M, representing 59,3 % of the total investments of year 1 and 2 (refer to [figure 14](#)). Because environmental regulations regarding CO2 allowances were constantly changing, diesel engine car sales fell by 20%, the E-Mobility Project 2022 invested \$20 billion in charging stations across the country, and demand for electric drives increased significantly, the innovation division had to act faster. So, connectivity technology, infotainment services, automated parking, home charging stations, driver assistance and big data were developed. BTS was able to introduce its two first EVs, EV-Lux-1.0 and EV-Air 1.0, in year 1, then EV-Biz-1.0 and EV-4x4-1.0 in year 2, as shown in [table 9](#). With this, the company reduced its CO2 penalty from \$ -222,71M to \$ 0 from year 1 to the end of year 2.

Despite the fact that not all technologies were available until the end of year 2, BTS spent significantly in the third year. The investment in year 3 totaled \$1,010M, where the company developed the level 4 of connectivity, which was a cross platform technology that allows connectivity across different car models, opening up new opportunities for additional services. Plus, it developed the cloud connection, that allows deep learning with artificial intelligence, to adapt to the car's surroundings and maximize safety and comfort. For example, Team Upshift will foster innovation at Ford and Google. It will enable individualized customer experiences and generate data-driven possibilities by being a cloud provider (Grant 2021). Furthermore, we

chose to introduce our first electric city car, EV-City-1.0, demonstrated in [table 9](#), during this year owing to considerable demand in China and Europe.

At end of year 3 we had most technologies developed to their full level. In year 4, BTS launched EV-Micro-1.0 and invested in more competitive cars based on consumer preferences and profit margins. The innovation and marketing departments worked together to incorporate cutting-edge technologies in cars and grow its market share. As a result, BTS introduced EV-Air-2.0, EV-City-2.0, and EV-Biz-2.0 with level 4 technologies as seen in [table 9](#).

In year 5, all investments in technology and vehicles to be launched were completed (refer to [figure 15](#)). Now, the department's primary focus has switched to researching new compelling business models such as shared mobility and hydrogen-powered automobiles, because lithium batteries may become a scarce resource in the long run (The Economist 2013). Honda, for example, is aware of the problem and is one of the few automakers that advocates hydrogen above batteries as a fuel source (Motavalli 2021). In year 6, the innovation department opted for a joint venture, with a company like UBER. This was a great opportunity for BTS to increase its brand awareness, boost yearly profit by \$383M, and enter the shared mobility market, which is aligned with BTS's ultimate vision.

2.3.3. Impact of the Innovation Department on BTS Results

The innovation division helped the firm penetrate new markets, broaden its strategic orientation, gain competitive edge, and attain the best sustainability rating in its industry 83,6%. Increased revenues were attributable to efficient product portfolio selection based on market conditions and corporate strategy. By doing a linear regression, we can observe that the growth in revenues is closely tied to the E-mobility project, with a positive coefficient of correlation of 0,64 as seen in [figure 16](#). Aligning with the reality, in 2030, it is expected that 75% of new car sales are EV (McKinsey & Company 2021).

2.4. Review of Function 3 – Finance

2.4.1. Introduction

The goal of BTS was to enhance its market value by making green investments in cutting-edge technologies aimed at lowering CO₂ emissions in production, energy, and supply-chain, and thus benefiting from green financing. Furthermore, BTS planned to expand its factories in order to increase synergies and lower its manufacturing costs. For the 6 years, the estimated investment totaled \$11,84B (refer to [table 17](#)), and the finance department played a critical role in the continuance of investments in renewable and sustainable operations. At the end of year 1 BTS had a market capitalization of \$89,85B, which increased to \$182,41B, shown in [figure 18](#), after investments. The EVA of \$2,606M, in year 6, indicate that the E-Mobility project earned more than the amount necessary to compensate investors for the capital contributed.

2.4.2. BTS Financial Performance Analysis

In the first two years, the firm invested heavily in technology and infrastructure for EVs, human resources sustainability policy and at the operations department to reduce water usage, implement efficient energy management systems, and choose sustainable suppliers. BTS began producing its first EVs at the end of year 2, but it experienced inventory management issues due to a 20% decline in demand for conventional cars. Despite that, the business continued to sell their initial combustion engine automobiles and consequently faced increasing financial penalties. To solve this problem, in year 3, the leadership team eliminated all conventional cars. This affected the company's finances and its value-added. In the first quarter of year 4, it saw its first negative value added of \$-103M, lowering market capitalization to \$13,746M, the lowest value seen during the six years, and net operating profit to \$247M. This decision had a \$-847M impact on the profits and loss from asset disposal (computed in [table 19](#)). Thus, cars should be phased out progressively to reduce risk and the effect on financial statements.

Due to the previous decision, BTS faced additional obstacles in Q17. BTS only had 5 electric models, allocated to 10 factories across the world, not selling as predicted with 87 days of inventory and with minus three products in the portfolio. Thus, the executive team intended to reduce production, evacuate excess inventory, and decrease inventory costs by keeping two plants inactive. Even though we are now producing fewer cars, Cost of Goods Sold (COGS) increased from Q17 to Q18 from \$3,63B to \$4,15B as seen in [table 20](#). Thereby, costs per unit climbed rapidly while fixed expenditures stayed constant and output declined. Automakers are known for having high fixed costs since they operate on the basis of economies of scale and scope (Cech 2019). These two risky decisions affected BTS value-added, net operating profit and COGS, in year 3 and year 4 as showed in [figure 21](#).

2.4.3. Debt Ratio, Equity Ratio and WACC

In the context of the current global financial crisis, enterprises may encounter funding issues due to increased national risk. In an automaker's, the optimal debt level is determined to be around 47,3%. (Basdekis et al. 2020). Until year 4, BTS had higher debt levels compared to industry standards due to its heavy investments (refer to [figure 22](#)). However, once the firm began paying its debt and profiting from its investments, the debt ratio was reduced by more than 7%, from year 4 to year 5, which consequently raised the Weighted Average Cost of Capital (WACC) as demonstrated in [figure 23](#). The risk for shareholders was increased by having an equity ratio of 74% in Q26 because equity investors take on greater risk when acquiring a company's stock rather than a firm's bond and so the cost of equity is typically higher than the cost of debt (CFI Team 2022). To reduce BTS WACC, the capital structure required to be adjusted with an ideal blend of debt and equity (CFI Team 2022). Thus, BTS got a loan, deposited it because it had no further investments, and purchased back shares to benefit shareholders. A buyback benefits shareholders by increasing the proportion of ownership held by each investor by decreasing the total number of outstanding shares. In the case of a buyback,

the company's shareholder value is concentrated rather than diluted (Jagerson 2009). The automotive industry WACC is 7,6% (Schöniger 2021), however BTS was able to achieve a WACC of 7% after making the appropriate modifications to its capital structure, the lowest in 6 years and below industry benchmark. A real automotive company, Tesla Inc., has a WACC of 6,9%, which is comparable to the BTS WACC (ValueInvesting 2022).

2.4.4. Sustainable Finance – Capital Structure

The finance department prioritized green investments as they enabled the issuance of green bonds which had a lower interest rate of 3%. BTS issued almost \$7,07B in green bonds in accordance with its sustainable strategy. The objective was to capture the competitive cost of green, capitalize on a rising investor base and a strong appetite with no financial constraints, and continue to engage in renewables and sustainable operations. From year 1 to year 3 the share of sustainability funding rose by 52,61% and from year 3 to year 6 the share of sustainability funding rose by 42,50%, (refer to [figure 24](#)).

2.4.5. Profitability Analysis – Return on Equity (ROE)

ROE is a key profitability indicator used by investors to assess how much of a firm's income is returned to shareholders in the form of shareholder equity. The profitability of BTS will aid in analyzing the impact an automaker has in transitioning from a combustion engine car manufacturer to an EV manufacturer and becoming a sustainable enterprise. BTS achieved an annual return on equity of 4,20% in year 1, 3,80% in year 2, 1,01% in year 3, 2,78% in year 4, 3,75% in year 5, and 6,79% in year 6. Large expenditures, a 20% decline in sales, bad inventory and factory management, and inability of customers to adjust to this new transition explain the low ROE in years 2, 3, and 4. Nevertheless, BTS showed success after completing the E-Mobility project and green investments, by providing a greater ROE in years 5 and 6 as seen in [figure 25](#).

2.5. Integrated View Across Functions

During the E-Mobility project development, the firm recognized the value of each department's input, as well as the combined viewpoint of the strategy, innovation, and finance divisions, to the project's success.

It is difficult to achieve long-term success and position your company for speed in order to get a competitive advantage without an innovation department. It is worth noting that 96% of CEOs regard innovation as a strategic priority (Kylliäinen 2018). At BTS, the innovation division provided the strategy division with research on new market trends regarding technologies, as well as products that people were willing to pay for, which resulted in long-term growth and value creation for BTS. Meanwhile, the finance department ensured sufficient funding and the expected shareholders return. Interestingly, the company understood that the finance department was located at a unique crossroads within the business, necessitating collaboration with other divisions in order to create bottom-up budgets (Marsh 2022). It was also, in the best position to follow the consequences of any changes and make better strategic decisions, as it was aware of the available resources and the first to know about any changes in expenditures, earnings, or losses.

We will use the introduction of EVs and the development of connectivity, electrification, and autonomous driving as an example, because they were critical to implement the strategy's vision and enable green finance. The strategic plan to introduce EVs developed by the strategy and innovation divisions cannot proceed without approval from the finance department, which will forecast revenues and evaluate if the project will add value to the firm and its shareholders. If departments functioned independently, coordination and direction would be ineffective, possibly resulting in the project's failure or exceeding the risk due to resource constraints. Thus, integration, which entails effective communication and collaboration across departments, was a fundamental management necessity for the success of the E-Mobility project (Monitora 2018).

2.6. Conclusion, Overview of Key Ideas Covered & Learnings

2.6.1. Market Challenges and Unconvinced Consumers

The automobile industry is to blame for environmental pollution, as millions of cars throughout the world expel harmful toxins. As a result, automakers are planning massive investments in green product development (Jaderná, Přikrylová, and MSI 2018). If BTS had not adopted the market's prevailing pattern, it would have encountered considerable obstacles, such as losing market share and having a negative brand image. Even though consumers prefer green products, EVs are a huge investment, and consumers are still unconvinced due to a lack of infrastructure (Williams 2022). Also, regulatory pressure and public interest in EVs differ greatly by region. In Europe, the economy is regulated and heavily subsidized, whereas in China, consumer demand remains strong despite fewer subsidies. In the US, EV sales have been slowed due to a lack of government pressure and public interest (McKinsey & Company 2021).

2.6.2. BTS KPI's Findings and Expected Outcomes

Revenues, Net Operating profit and Value Added, grew steadily from year 1 to year 2, and then began to decline from year 3. The decline is primarily attributable to excessive capital utilization for investment, inefficient management of inventories and factories, decline in sales and discontinuity of conventional models. At the end of year 4, these KPIs began to recover and climbed until year 6 as demonstrated in [figure 26](#). Despite a challenging period, the strategy and the finance department anticipated that the firm would become profitable as a result of its sustainability and government support. As expected, BTS was awarded the most sustainable automobile company, with an 83,5% sustainability rating and an EVA of \$2,606M.

2.6.3. Sustainable Strategy and Finance – ESG

Green finance promotion simply ensures that such green initiatives are prioritized above business-as-usual investments that risk reproducing past unsustainable development patterns.

BTS, which has invested in green credentials, is now reaping the benefits (Noble 2020) and is being recognized as an eco-friendly corporation throughout their whole business cycle. The organization is in an exceptional position to capitalize on ESG opportunities across multiple dimensions. It currently generates zero CO2 emissions in scope 2 and 3 as presented in [figure 27](#), its Green Capex accounts for 54,35%, (refer to [figure 28](#)), and BTS capital structure reflects its commitment towards sustainability and its desire to capture competitive cost of green. Thus, BTS's CSR accounted for 67,50%, showed in [figure 28](#), and from the Sustainable Development Goals of the EU Agenda 2030, BTS achieved goal 7 - Affordable and Clean Energy, 12 - Responsible Consumption and Production, 13 - Climate Action, and 17 - Partnerships for the Goal (refer to [figure 29](#)).

2.6.4. Partnerships Accelerating Automotive Transformation

Partnerships are disrupting the automotive sector by enabling the pace and scale of transformation, providing access to specialized talent, and integrating services such as software, cloud connectivity, and entertainment. (Mehl 2022). Some disruptive examples are Ford and Google which are renewing the connected car experience (Grant 2021), NEOM and McLaren which are launching Formula E and unifying electric racing (NEOM 2020), and Toyota which is collaborating with Uber to build a new self-driving shuttle service (Bhuiyan 2018), similar to BTS which plans a joint venture with UBER, to capitalize from vehicle sharing concept.

2.6.5. Business Management Frameworks

Frameworks are key to successfully accomplish, process discovery and standardization, performance improvement, technology implementation and benchmarking (Lyke-Ho-Gland 2019). In this dissertation many frameworks were used as PESTEL, Porter's Five Forces, SWOT and VRIO to understand BTS business and its industry. With these BTS was able to understand its business alignment, process maturity and manage external and internal risk.

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Appendices

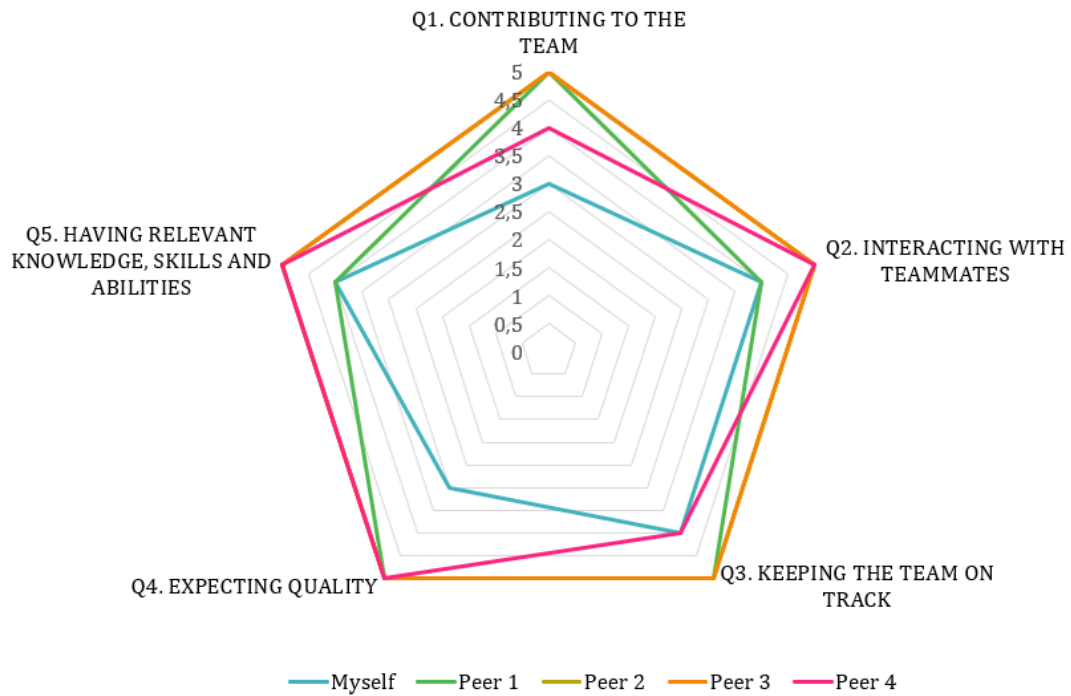


Figure 1: Peer & Self-Assessment - Leading Yourself Workshop.

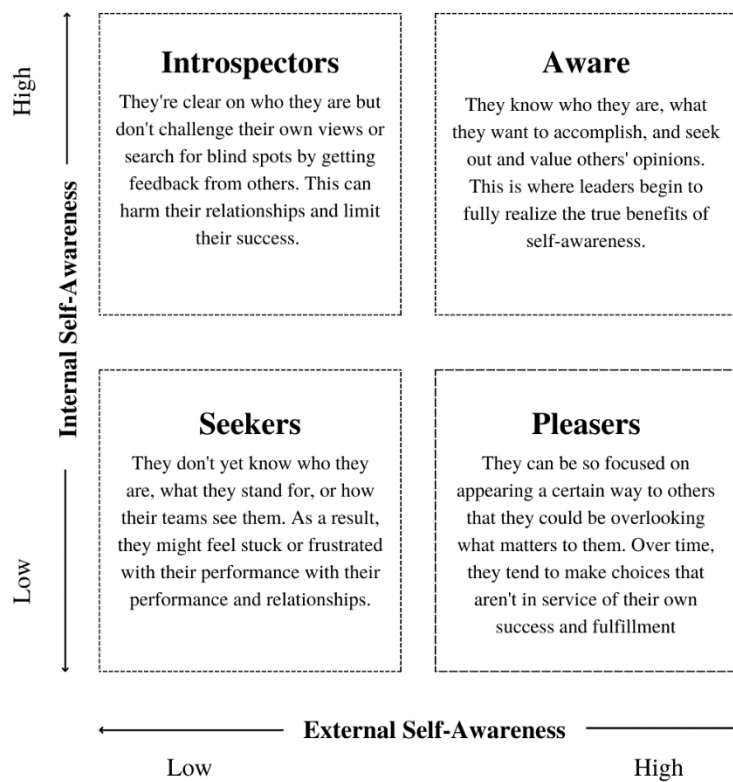


Figure 2: Tacha Eurich, The Four Self-Awareness Archetypes (Harvard Business Review, 2018).

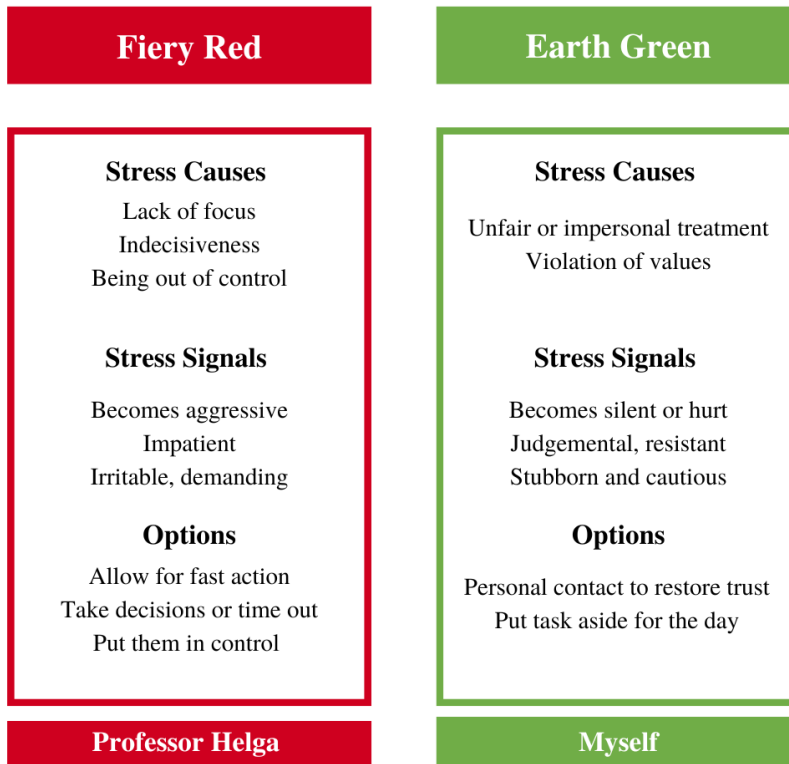


Figure 3: Discovery Insights, Fiery Red and Earth Green Personality Stressful Causes, Signals and Options, (The Insights Group Ltd, 2009).

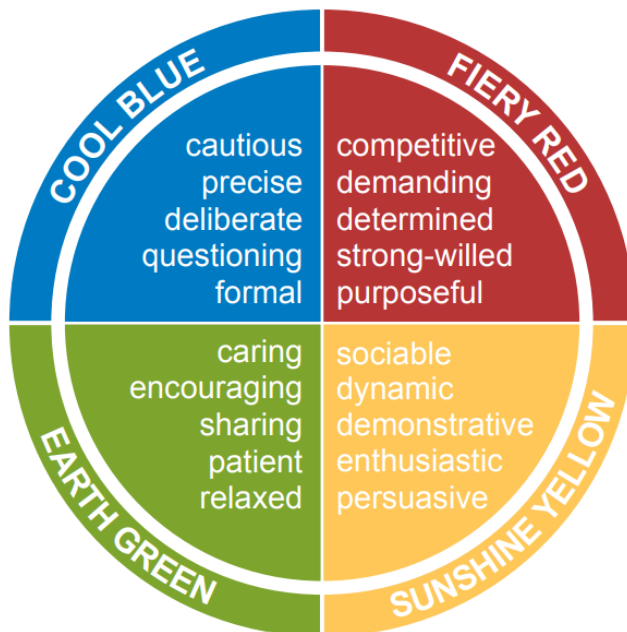


Figure 4: Brad Gentry, Joyce Gwilliam, Insights Discovery Colour Energies, (The Insights Group, Ltd, 2009).

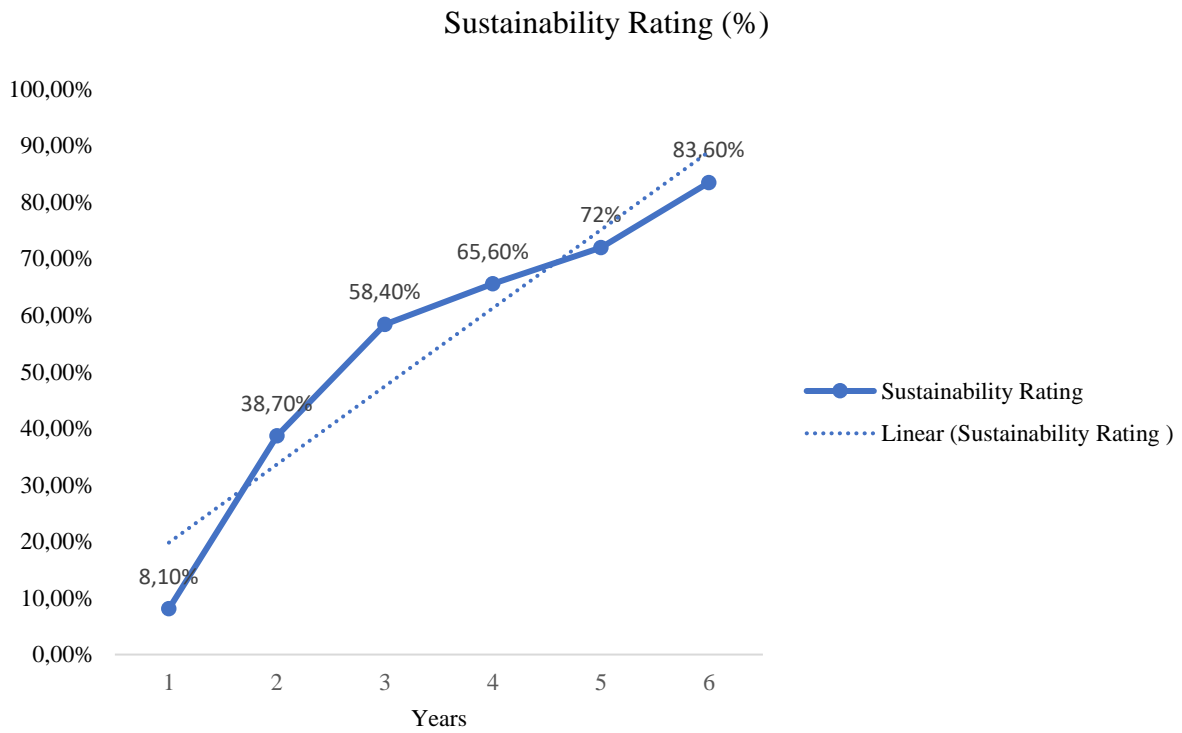


Figure 5: BTS Sustainability Rating, in percentage, from year 1 to year 6.



Figure 6: BTS Award for Highest Sustainability Rating.

Economic Value Added in Year 6

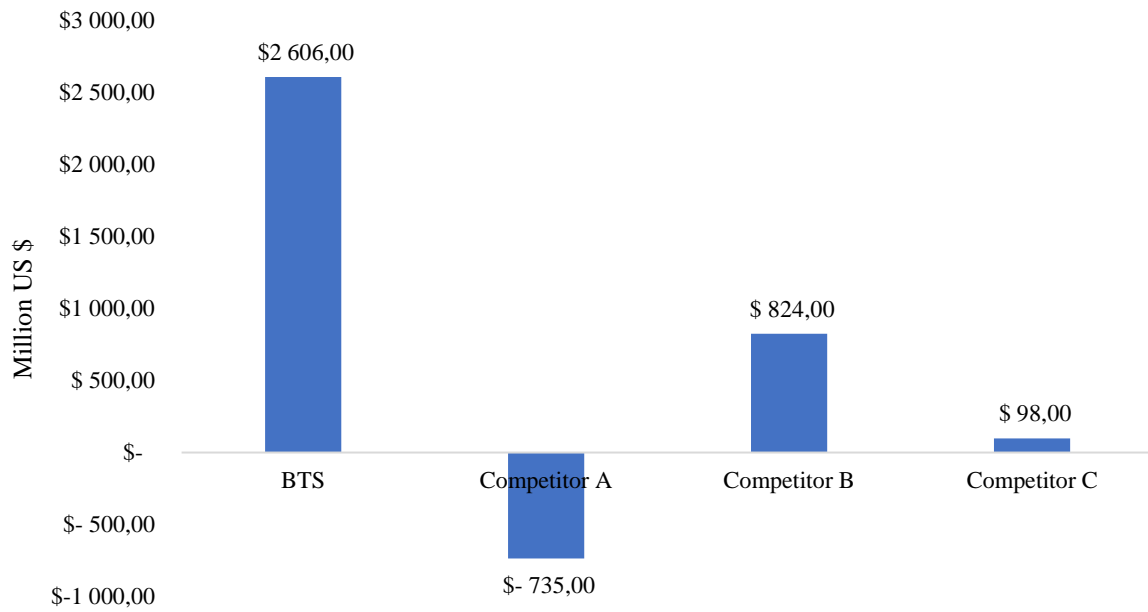


Figure 7: Economic Value Added of BTS and its Competitors, A, B and C, in year 6.

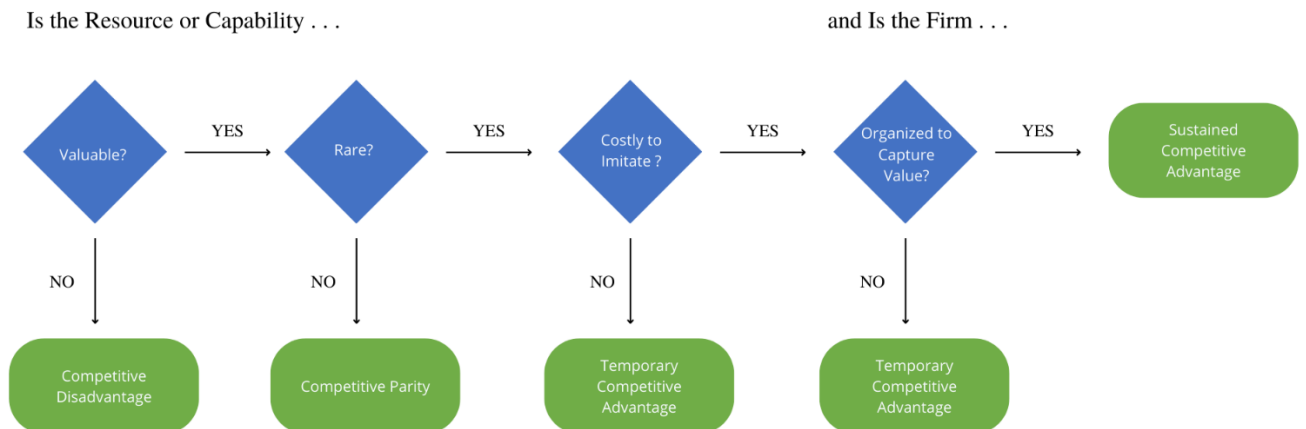











Figure 8: Frank Rothaermel, Applying the Resource-Based View: A Decision Tree Revealing Competitive Implications, (Strategic Management: Concepts, 2012), 91, fig. 4.5.

BTS Product Portfolio									
Type	Model Image	Product Name	Battery range	Autonomous Drive	Connectivity	Product Location Launch	Year of Launch	Investment	
E-LUX		EV-LUX-1.0	Extra-Long	Level 1	Level 2	Europe	1	700M	
E-Convertible		EV-AIR-1.0	Extra-Long	Level 1	Level 2	US	1	650M	
E-Executive		EV-BIZ-1.0	Extra-Long	Level 2	Level 2	Europe	2	560M	
E-SUV		EV-SUV-1.0	Extra-Long	Level 2	Level 3	US	2	660M	
E-Compact		EV-CITY-1.0	Extra-Long	Level 2	Level 3	China /Europe	3	660M	
E-MICRO		EV-MICRO-1.0	Extra-Long	Level 2	Level 3	China	4	560M	
E-Convertible		EV-AIR-2.0	Extra-Long	Level 4	Level 4	Europe	4	700M	
E-Executive		EV-BIZ-2.0	Extra-Long	Level 4	Level 4	Europe	4	600M	
E-Compact		EV-CITY-2.0	Extra-Long	Level 4	Level 4	Europe	4	550M	

36 **Table 9:** BTS, Product Portfolio for the E-Mobility Project.

Green Investments

Production - Scope 1



Water Consumption Reduction
 Waste Reduction
 ISO 14001 / EMAS Certificates

Battery Technology



Solid State Expensive

Innovation Technologies



e-Drive Modules
 Home Charging Stations
 High Powered Charging

Energy - Scope 2



Energy Management System
 Energy Efficiency Investment
 Install Solar Panels

Human Resources



Create Sustainability Policy
 Sustainability Policy Training
 Sustainability Awareness Training

Supply-Chain - Scope 3



Offset Suppliers CO2
 Choose Sustainable Suppliers
 Co-Invest with Suppliers



Spend a lot of Money to Try and Solve Both

Modern Sustainable Urban Vehicle
 Offer Green Financing

Figure 10: BTS, Green Investments.

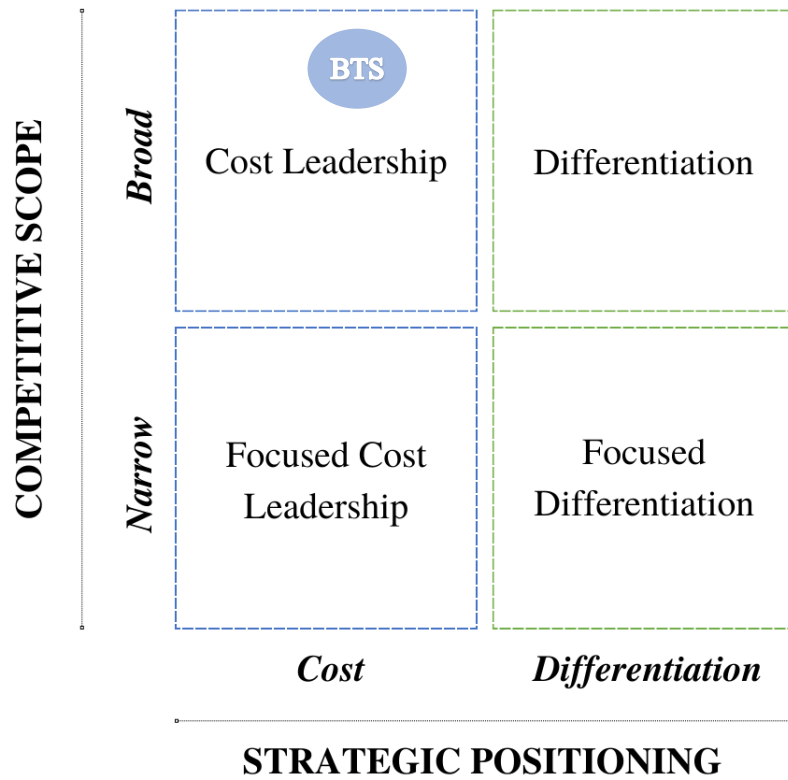


Figure 11: Frank Rothaermel, Strategic Position and Competitive Scope: Generic Business Strategies, (Strategic Management: Concepts, 2012), 143, fig 6.2.

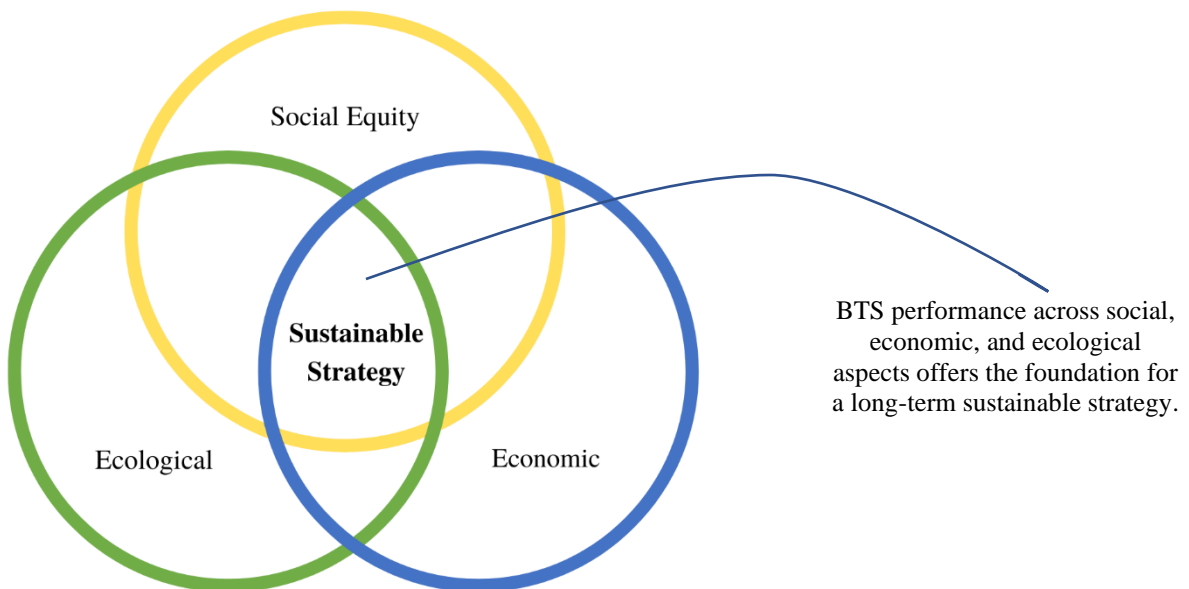


Figure 12: Frank Rothaermel, Triple Bottom Line framework, (Strategic Management: Concepts, 2012), page 128, fig. 5.11.

BTS Three Horizons of Innovation

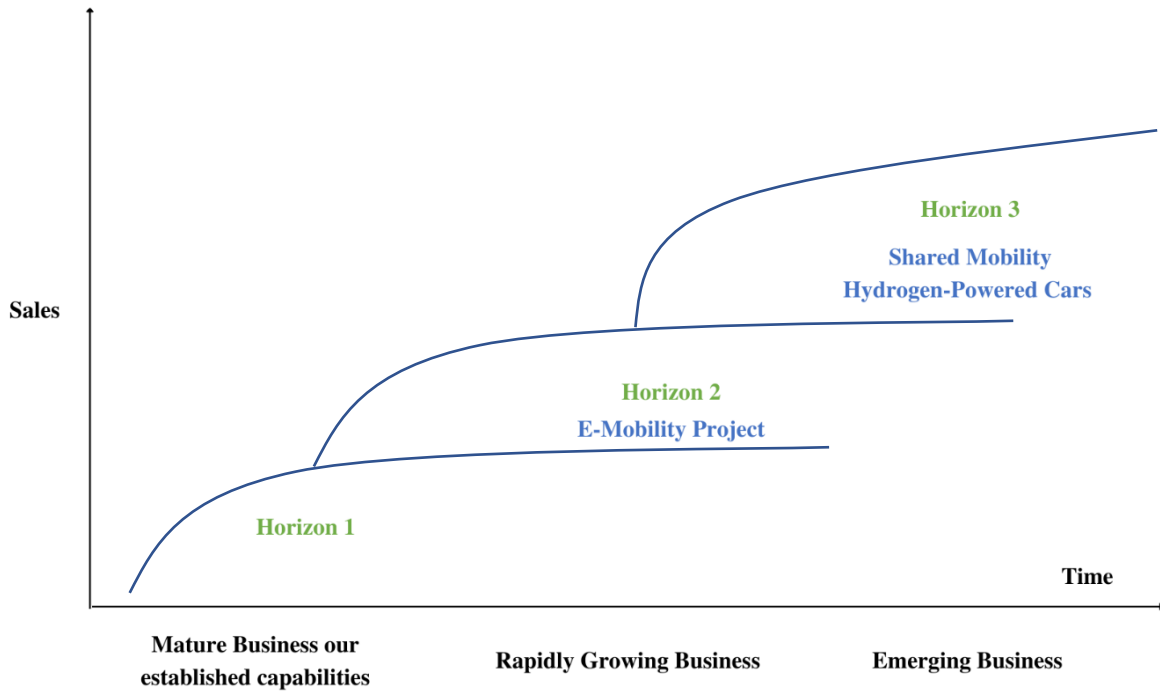


Figure 13: Mehrdad Baghai, Stephen Coley, and David White, *The Alchemy of Growth*, (New York: Perseus Publishing, 2000).

Total Investment (%) in Year 1 and Year 2

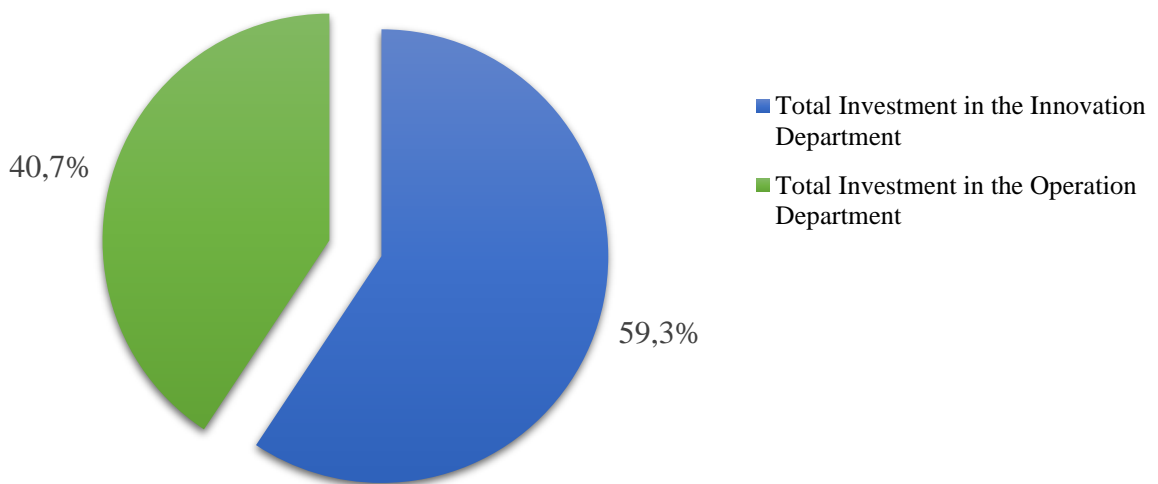


Figure 14: BTS Total Investment, in percentage, in the Innovation and Operations Department in year 1 and 2.

BTS Investment Plan

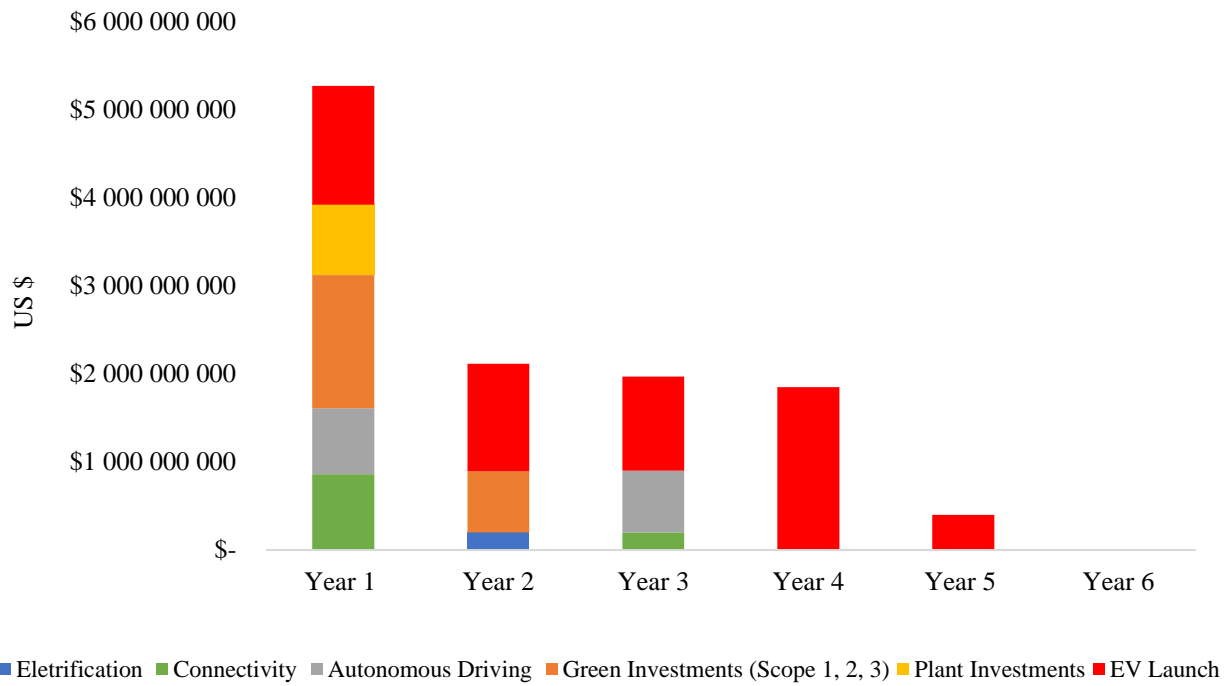


Figure 15: BTS Total Investment, in US \$, in Innovation Technologies, Green Investments in Scope 1, 2 and 3 and EVs Launch.

Relationship Between E-Mobility Project and Revenues

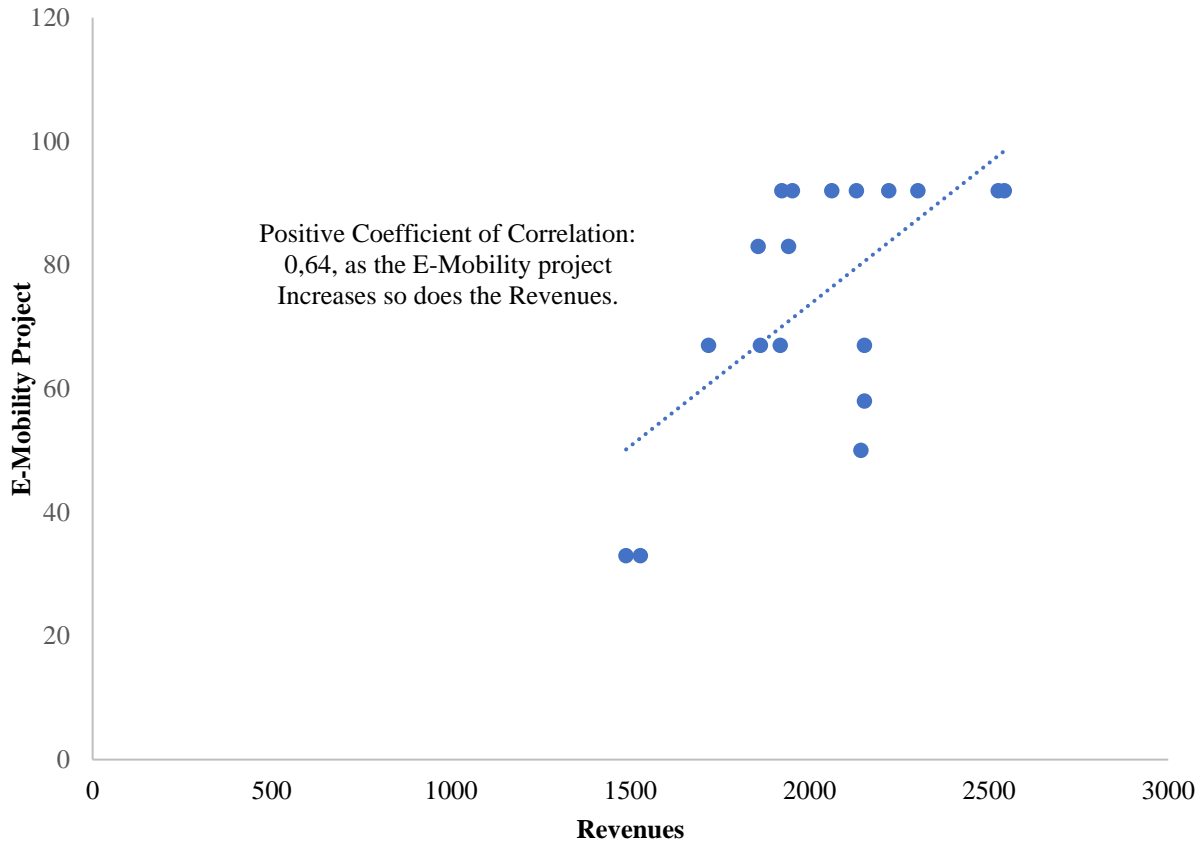


Figure 16: BTS, E-Mobility Project and Revenues Relationship.

Investments	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Operation	\$ 2 310 000 000	\$ 693 000 000	\$ -	\$ -	\$ -	\$ -
Innovation	\$ 2 960 000 000	\$ 1 420 000 000	\$ 1 970 000 000	\$ 1 850 000 000	\$ 400 000 000	\$ -
Human Resources	\$ 25 000 000	\$ 15 000 000	\$ 200 000 000	\$ -	\$ -	\$ -
Total	\$ 5 295 000 000	\$2 128 000 000	\$ 2 170 000 000	\$1 850 000 000	\$ 400 000 000	\$ -
					Total Investment	\$ 11 843 000 000

Table 17: BTS, Estimated Investment for the E-Mobility Project.

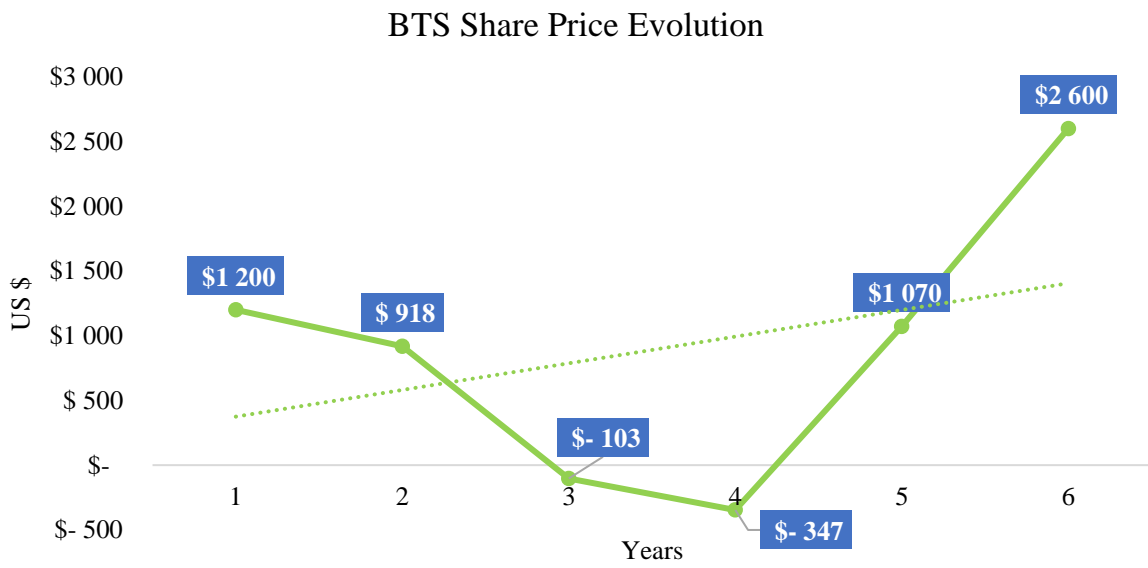
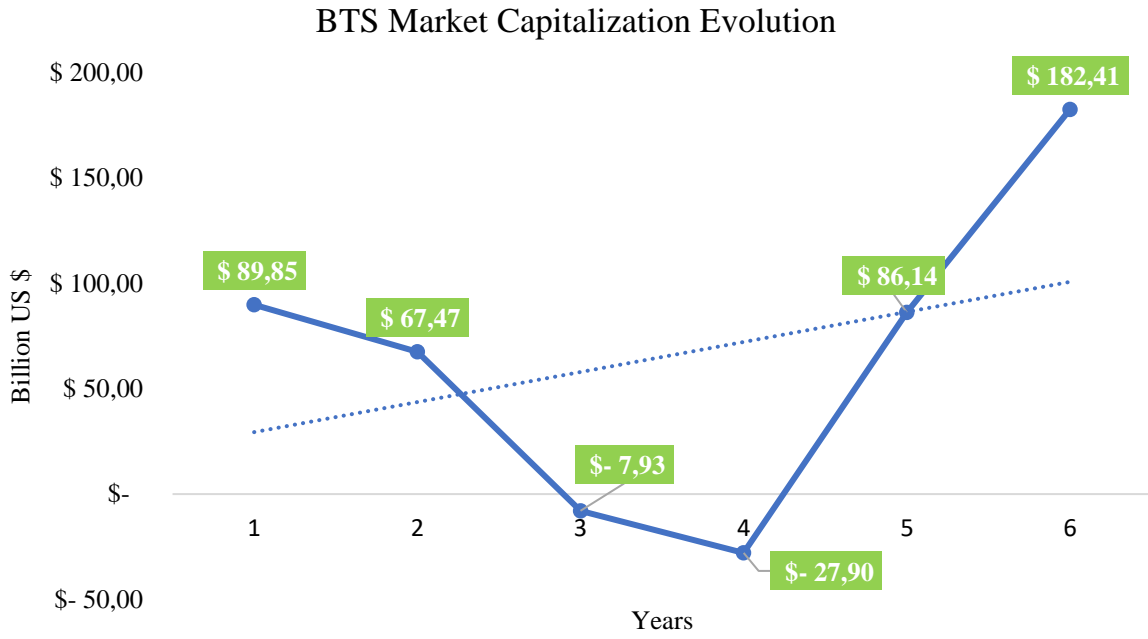


Figure 18: BTS, Market Capitalization and Share Price Evolution, per year.

	Discontinue 4X4 100D	Discontinue Air 135G	Discontinue LUX 225H	Total
Property Plant & Equipment	4X4 100D	Air 135 G	LUX 225H	
Book Value	\$ 472,00	\$ 519,00	\$ 604,00	\$ 1 595,00
Liquidation Value	\$ 283,00	\$ 311,00	\$ 362,00	\$ 956,00
Inventory Units	13 790	17937	23915	\$ 55 642,00
Inventory Value	\$ 436	\$ 442,00	\$ 1,217	\$ 879,22
Liquidation Value (90%)	\$ 393	\$ 398,00	\$ 1,095	\$ 792,10
Expected Outcomes				
Liquidation Value of Assets	\$ 675,00	\$ 709,00	\$ 1,46	\$ 1 385,46
(-)Book Value of Assets	\$ 908,00	\$ 961,00	\$ 1,82	\$ 1 870,82
(=) Profit/Loss from Disposal of Assets	\$ -232,00	\$ -252,00	\$ -363,00	\$ -847,00

Table 19: BTS, Profit/Loss from Disposal Assets, in millions, after discontinuing combustion engine 4X4, Air and LUX models.

Profit & Loss (\$ in thousands)	Quarter 17	Quarter 18
Revenues	\$ 5 493 939	↑ \$ 6 175 580
COGS	\$ 3 633 412	↑ \$ 4 149 597
Gross Profit	\$ 1 860 527	↑ \$ 2 025 982

Table 20: BTS, Profit & Loss, from Quarter 17 and Quarter 18, in thousand US \$.

BTS EVA, NOP and COGS Evolution



Figure 21: BTS, Economic Value Added, Net Operating Profit and Cost of Goods Sold, per year.

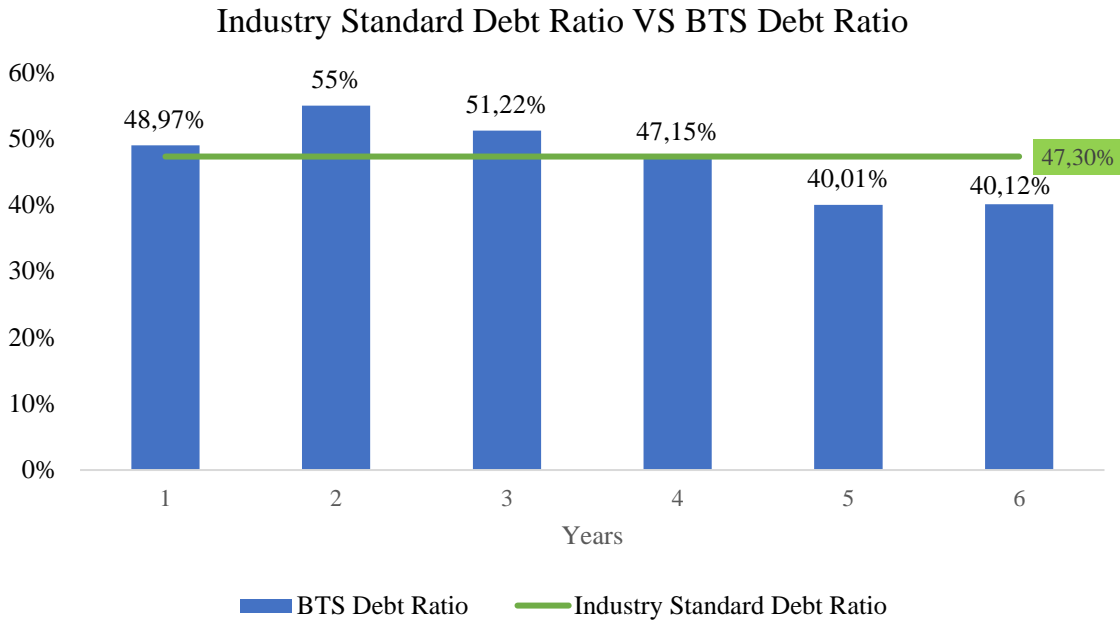


Figure 22: BTS, Debt Ratio Evolution compared to Industry Standard Debt Ratio.

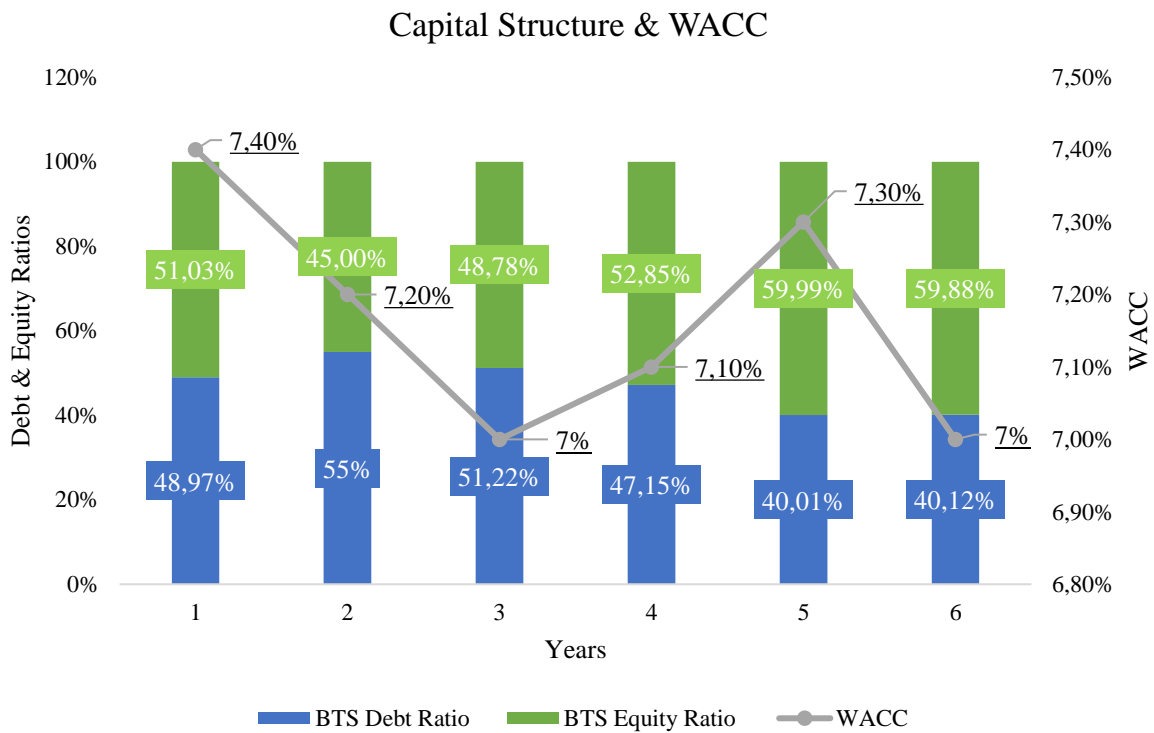
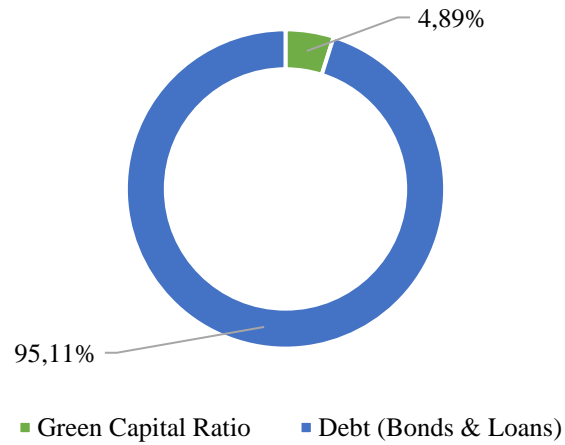
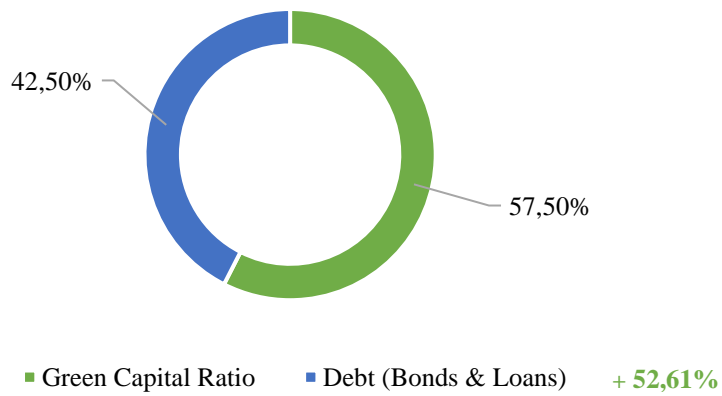


Figure 23: BTS, Capital Structure and Respective WACC, per year.

Green Capital Ratio vs Debt (Bond, Loans) Ratio, Year 1



Green Capital Ratio vs Debt (Bond, Loans) Ratio, Year 3



Green Capital Ratio vs Debt (Bond, Loans) Ratio, Year 6

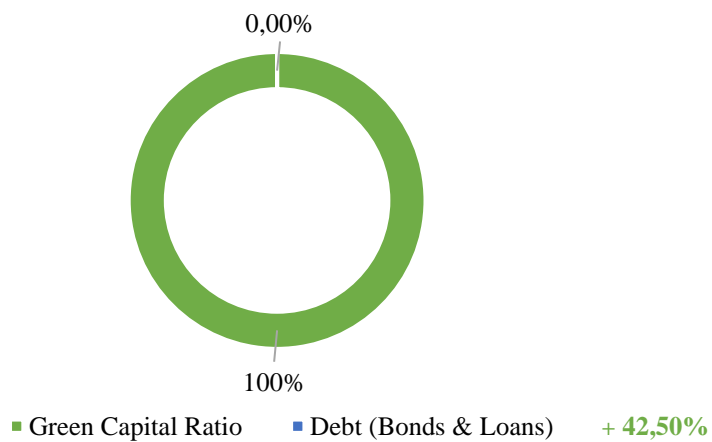


Figure 24: BTS, Green Capital Ratio Evolution, in percentage.

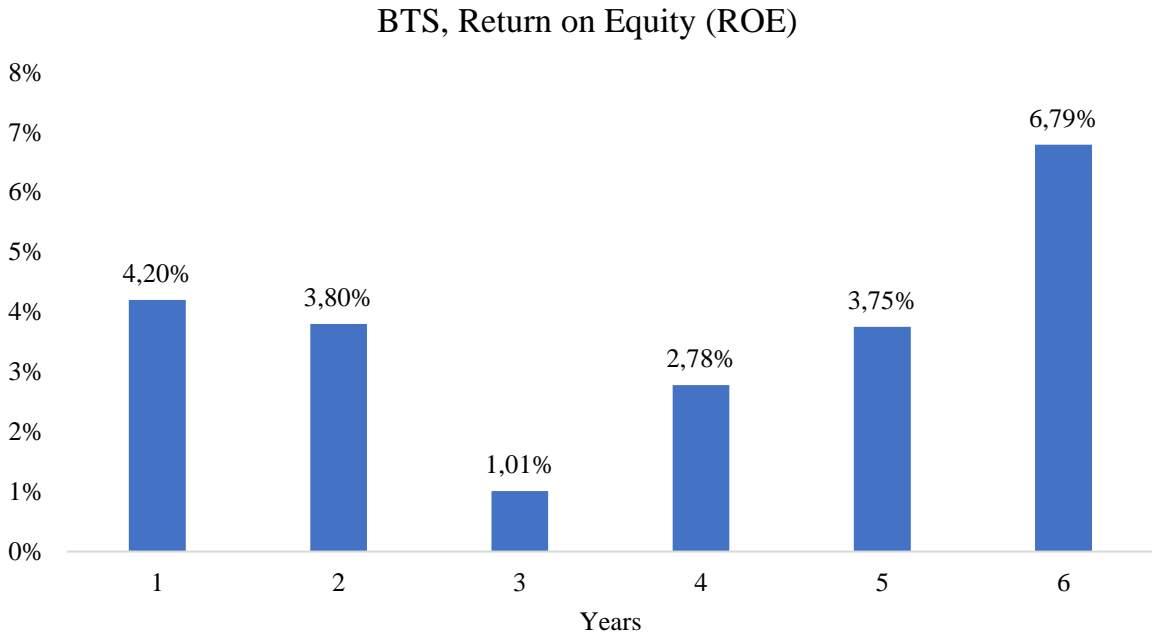


Figure 25: BTS, Return on Equity.

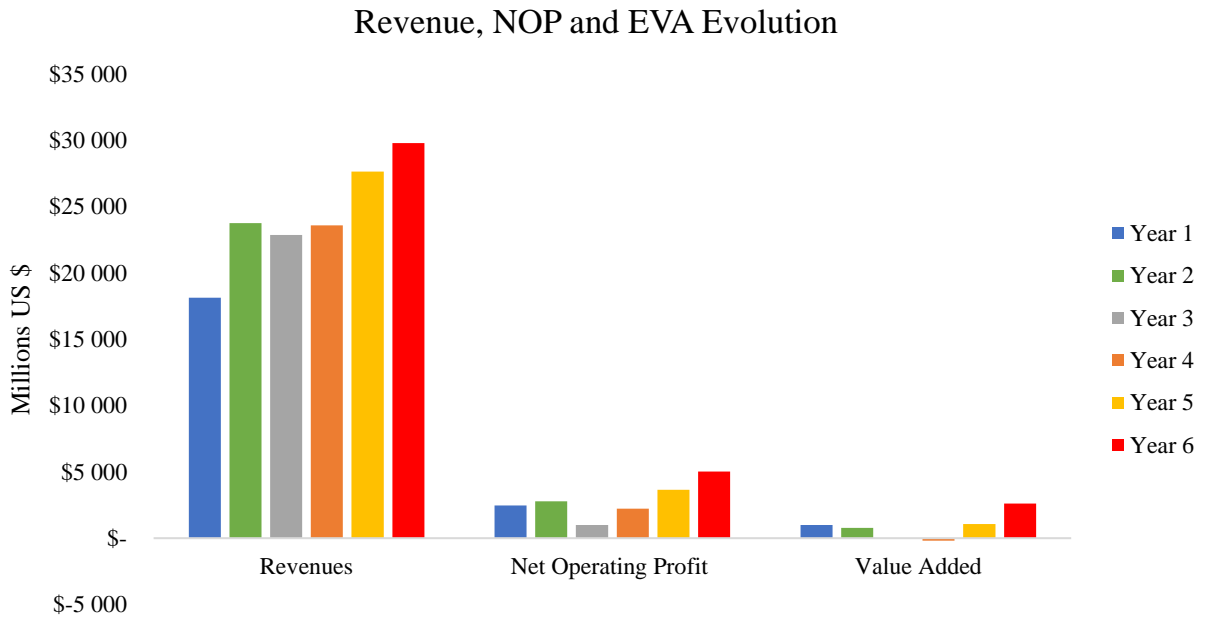


Figure 26: BTS, Revenues, Net Operating Profit, Economic Value Added Evolution, per year.

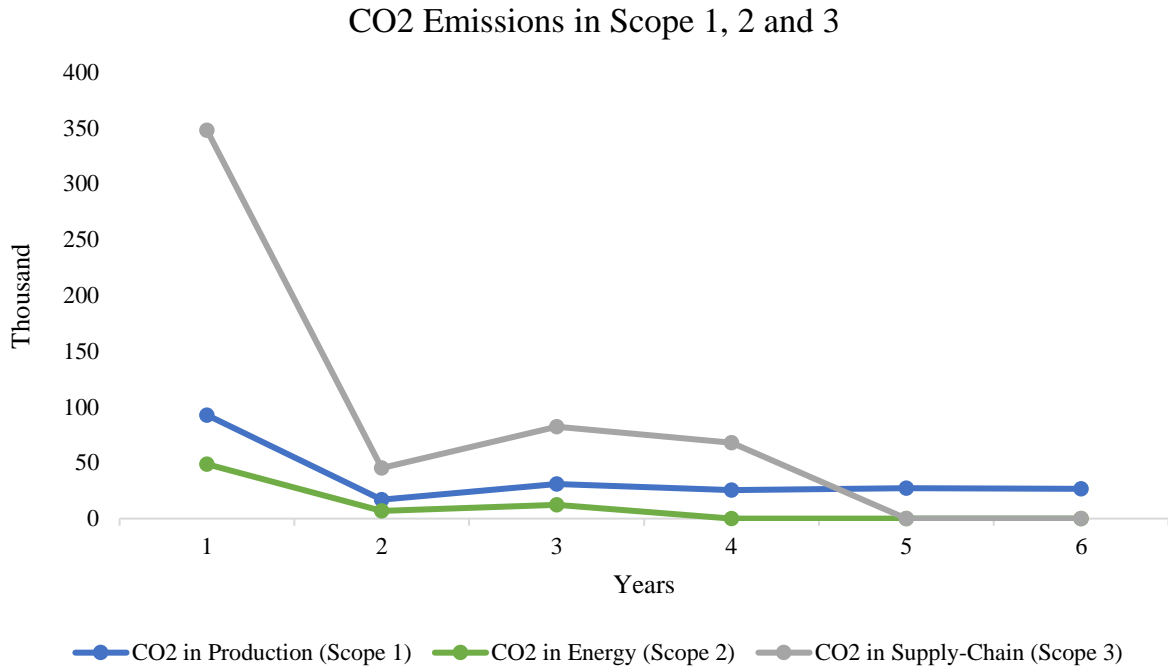


Figure 27: BTS, CO2 Emissions in Production (Scope 1), Energy (Scope 2) and Supply-Chain (Scope 3).

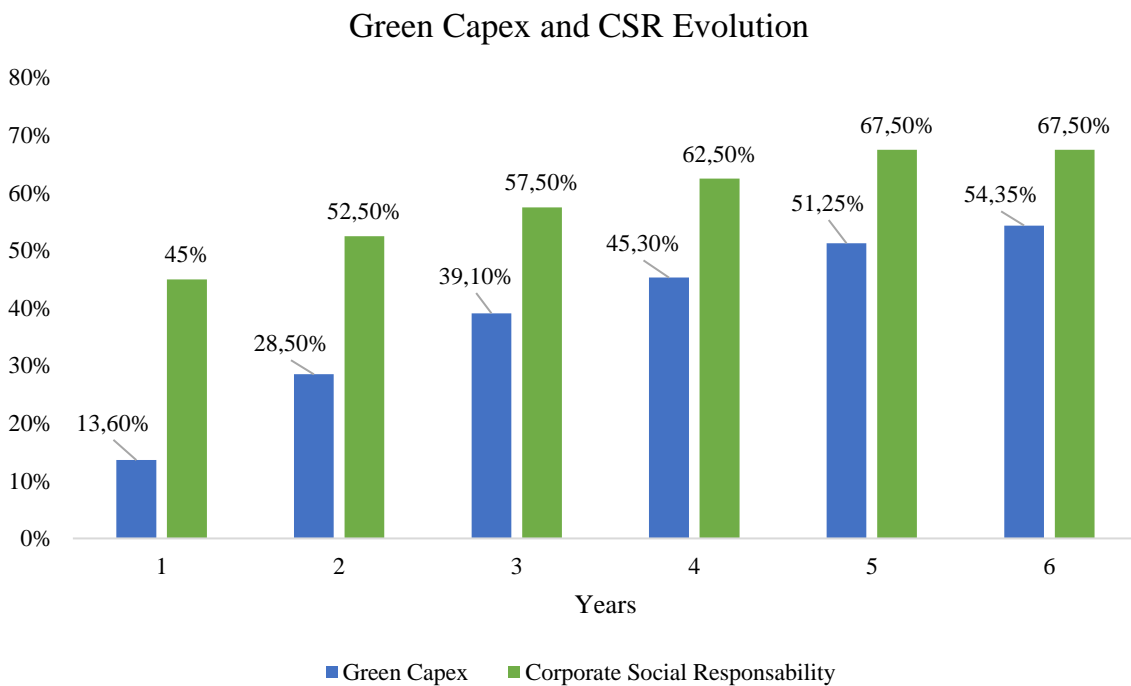


Figure 28: BTS, Green Capex and Corporate Social Responsibility Evolution, per year.



Figure 29: BTS Achievement of Sustainable Development Global Goals, 7 – Renewable Energy, 12 – Responsible Consumption, 13 – Climate Action and 17 – Partnerships for the Goals.

ASSETS (\$ in thousands)						
Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Long-term Assets	\$ 16 812 403,00	\$ 18 158 935,00	\$ 16 451 308,00	\$ 16 453 370,00	\$ 15 809 152,00	\$ 14 410 364,00
Property, Plant and Equipment	\$ 12 212 403,00	\$ 13 658 934,00	\$ 12 051 308,00	\$ 12 153 370,00	\$ 11 609 151,00	\$ 10 310 363,00
Land & Buildings	\$ 4 600 000,00	\$ 4 500 000,00	\$ 4 400 000,00	\$ 4 300 000,00	\$ 4 200 000,00	\$ 4 100 000,00
Current Assets	\$ 9 448 586,00	\$ 12 330 496,00	\$ 11 598 931,00	\$ 13 804 755,00	\$ 14 060 618,00	\$ 10 848 837,00
Cash & Equivalents	\$ 3 663 338,00	\$ 2 524 256,00	\$ 2 494 472,00	\$ 4 371 788,00	\$ 4 957 154,00	\$ 2 990 780,00
Accounts Receivable	\$ 2 072 605,00	\$ 3 847 946,00	\$ 3 742 940,00	\$ 4 105 289,00	\$ 5 128 567,00	\$ 5 220 347,00
Inventory	\$ 3 712 643,00	\$ 5 958 293,00	\$ 5 361 519,00	\$ 5 327 678,00	\$ 3 974 897,00	\$ 2 637 710,00
Equipment on Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables from Financial Investment	\$ -	\$ -	\$ -	\$ -	\$ 1 300 000,00	\$ 2 560 000,00
Receivables from Financial Services	\$ -	\$ 2 416 801,00	\$ 2 405 017,00	\$ 1 794 515,00	\$ 1 159 204,00	\$ 498 075,00
Total Assets	\$ 26 260 988,00	\$ 32 906 231,00	\$ 30 455 255,00	\$ 32 052 640,00	\$ 32 328 973,00	\$ 28 317 276,00

LIABILITIES & EQUITY (\$ in thousands)						
Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Shareholder Equity	\$ 12 783 668,00	\$ 14 237 519,00	\$ 13 745 659,00	\$ 16 243 207,00	\$ 18 531 559,00	\$ 16 090 501,00
Share capital	\$ 10 350 000,00	\$ 10 350 000,00	\$ 10 350 000,00	\$ 11 050 000,00	\$ 11 050 000,00	\$ 10 000 000,00
Capital Reserve	\$ 739 340,00	\$ 739 340,00	\$ 739 340,00	\$ 1 308 580,00	\$ 1 308 580,00	\$ -3 429 510,00
Retained Earnings	\$ 1 694 328,00	\$ 3 148 179,00	\$ 2 656 319,00	\$ 3 884 627,00	\$ 6 172 979,00	\$ 9 520 011,00
Liabilities	\$ 13 477 320,00	\$ 18 668 712,00	\$ 16 709 597,00	\$ 15 809 432,00	\$ 13 797 414,00	\$ 12 226 775,00
Long-term debt	\$ 12 268 500,00	\$ 17 299 070,00	\$ 15 088 850,00	\$ 14 488 850,00	\$ 12 361 649,00	\$ 10 782 419,00
Short-term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	\$ 1 208 820,00	\$ 1 269 642,00	\$ 1 620 747,00	\$ 1 320 582,00	\$ 1 435 765,00	\$ 1 444 356,00
Total Liabilities and equity	\$ 26 260 988,00	\$ 32 906 231,00	\$ 30 455 255,00	\$ 32 052 640,00	\$ 32 328 973,00	\$ 28 317 276,00

Table 30: BTS, Balance Sheet, in thousand US \$.

PROFIT & LOSS (\$ in thousands)						
Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Revenues	\$ 18 134 805,00	\$ 23 748 400,00	\$ 22 853 728,00	\$ 23 590 472,00	\$ 27 636 913,00	\$ 29 800 910,00
(-)COGS	\$ 10 012 344,00	\$ 13 795 279,00	\$ 15 150 394,00	\$ 15 648 347,00	\$ 17 095 649,00	\$ 17 121 495,00
(=) Gross Profit	\$ 8 122 461,00	\$ 9 953 121,00	\$ 7 703 333,00	\$ 7 942 125,00	\$ 10 541 264,00	\$ 12 679 415,00
(-)Marketing Expenses	\$ 395 575,00	\$ 612 223,00	\$ 880 036,00	\$ 821 672,00	\$ 869 431,00	\$ 590 534,00
(-)G&A Expenses	\$ 1 317 057,00	\$ 2 132 633,00	\$ 2 277 196,00	\$ 2 168 664,00	\$ 2 321 346,00	\$ 2 277 887,00
(-)Premium	\$ 880 303,00	\$ 337 450,00	\$ -	\$ 1 044 490,00	\$ 1 234 092,00	\$ 1 279 925,00
(-)Depreciation	\$ 2 013 999,00	\$ 2 925 767,00	\$ 3 174 707,00	\$ 2 918 602,00	\$ 3 445 662,00	\$ 3 948 172,00
(=)EBIT	\$ 3 515 528,00	\$ 3 945 048,00	\$ 1 371 394,00	\$ 3 077 676,00	\$ 5 138 918,00	\$ 7 142 747,00
(+)Other Items	\$ -322,00	\$ -315 006,00	\$ -1 186 589,00	\$ -57,00	\$ -37,00	\$ -
(+)Financial Income	\$ -	\$ 35 306,00	\$ 105 922,00	\$ 84 876,00	\$ 68 316,00	\$ 45 399,00
(-)Interest Expense	\$ 594 265,00	\$ 698 168,00	\$ 782 587,00	\$ 655 743,00	\$ 537 092,00	\$ 357 469,00
(=)Profit Before Tax	\$ 2 920 941,00	\$ 2 967 179,00	\$ -491 860,00	\$ 2 506 752,00	\$ 4 670 106,00	\$ 6 830 677,00
(-)Taxes	\$ 876 282,00	\$ 890 154,00	\$ -	\$ 752 026,00	\$ 1 401 032,00	\$ 2 049 203,00
(=)Net Income	\$ 2 044 659,00	\$ 2 077 025,00	\$ 491 860,00	\$ 1 754 727,00	\$ 3 269 074,00	\$ 4 781 474,00

Table 31: BTS, Profit & Loss Statement, in thousand US \$.