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BUSINESS IN PRACTICE:

NAVIGATING EVOLVA A CORPORATE PERFORMANCE ANALYSIS AND

PERSONAL REFLECTION

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Abstract

This study analyzes the performance of a simulated automotive company, EVolva, within a three-week business simulation. It examines the company's strategy, marketing, and innovation capabilities as it navigates the disruptive electric vehicle market. This project also provides a personal reflection on two critical incidents from the simulation, offering insights into leadership challenges, team conflict, and personal growth. It reveals how balancing professional goals with emotional intelligence is crucial for turning operational challenges into opportunities for resilience and improved team dynamics.

Keywords

Business Simulation, Automotive Industry, Electric Vehicle Transition, Strategy, Marketing, Innovation, Sustainability, Cross-Functional Teams, ESG Performance, Self-Reflection, Conflict Management Styles, Team Dynamics.

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1. Company analysis

1.1 Introduction to the Automotive Company – EVolva

The global automotive industry is undergoing a significant transformation driven by sustainability, technological disruption, and changing consumer expectations. This shift is altering competitive dynamics, with electric vehicles (EVs) overtaking Internal Combustion Engine (ICE) cars. In 2023, global EV sales reached nearly 14 million units—a 35% increase from the previous year—accounting for 18% of all car sales (International Energy Agency, 2024). The trend continued into 2024 as total EV sales surpassed 17 million units and represented over 20% of new car sales worldwide (Rho Motion, 2024; Virta. Global, 2024b). Meanwhile, ICE vehicle market share has declined from over 97% in 2016 to 77% by Q3 of 2024, with losses offset by gains in hybrids and EVs (Alliance For Automotive Innovation, 2024). This context creates a high-stakes environment where established manufacturers must adapt to survive.

This study examines the symbiotic relationship among Strategy, Marketing, and Innovation at Evolva, utilizing Key Performance Indicators (KPIs) and sustainability measures. Through an evaluation grounded in academic literature and data-driven analytics, the analysis reveals that strategic resource allocation dictates marketing and Research and Development (R&D) priorities. Insights from these areas further refine the overall strategy, enhancing Evolva's long-term competitive advantage and guiding its decision-making processes.

1.2 Review of Function – Strategy

This analysis uses Political, Economic, Social, Technological, Environmental, Legal

(PESTEL) framework (Aguilar, 1967) and Strategy Diamond frameworks. PESTEL evaluates external factors, while the Strategy Diamond by Hambrick and Frederickson (2001) outlines strategic choices in five dimensions: Arenas, Vehicles, Differentiators, Staging, and Economic Logic. This framework is particularly relevant as the automotive industry pivots towards an electric future; the IEA (2024) projects that EVs will account for over half of all new vehicle sales worldwide by 2035. This transition demands disciplined strategic choices. A well-defined strategy provides the necessary structure for making critical decisions. It helps guide resource allocation and builds a sustainable competitive advantage in the new electric landscape.

1.2.1 PESTEL Analysis: Constructing EVolva's External Landscape

Politically, Sino-US trade frictions posed immediate risks: in Quarter (Q) 6, China raised tariffs on U.S. EVs from 25% to 40%, leading the U.S. to retaliate in Q9 with a 100% tariff on Chinese EVs. Economically, rising oil prices and consumer willingness to pay for zero-emission vehicles spurred strong demand (Zhang et al., 2025). Socially, increasing environmental awareness and shared mobility services drove consumers towards sustainable options; by Q11, EVolva had achieved a fully EV lineup and reinforced its eco-brand promise. Technologically, rapid innovation was essential. EVolva invested \$2.2 billion in R&D for breakthroughs across various technologies while establishing industry-leading standards for range and digital capabilities. Environmentally and legally, regulators imposed stricter CO₂ caps, from 95 g/mile in Q4 down to 47.5 g/mile by Q6 and enforced a \$60 penalty per gram over the limit. With an average fleet emission of 49.443 g/mile in Q7 resulting in a \$58.39 million fine, EVolva made an aggressive pivot that reduced emissions to zero by Q11 while earning \$502.14 million in CO₂ credits (**Graph 1**).

1.2.2 Strategy Diamond: Five Interlocking Dimensions

Arenas: Single-Minded Electrification and Geographic Priorities

EVolva deliberately confined its offerings to pure EVs, eschewing hybrids to accentuate technological leadership and brand clarity. Guided by the Arenas dimension of the Strategy Diamond, the company launched initially in Europe, Asia, and America, with Europe prioritized due to Sino–US trade friction. This strategic choice is also reflected in the market share dynamics illustrated in the chart, where Europe consistently maintains one of the highest market shares among the three regions (**Graph 2**).

Vehicles: Organic Growth and Platform Modularity

Consistent with dynamic capabilities theory, which highlights firms' ability to sense opportunities, seize them strategically, and reconfigure resources for sustained advantage (Teece, 2007; Gremme & Wohlgemuth, 2017), EVolva centered its strategy on advanced technological investments and market positioning. The company effectively utilized its sensing capability to identify high-potential areas like Artificial Intelligence (AI) and next-generation battery technologies. Its seizing capability was evident in a phased investment approach that balanced immediate market entry with long-term technological differentiation. Instead of opting for short-term hybrid solutions, EVolva committed to pure EVs, signaling strategic clarity and reinforcing its technological leadership. These decisions established the groundwork for subsequent product and marketing initiatives that further enhanced the firm's dynamic capabilities.

Differentiators: Technology, Sustainability, and Service Excellence

Differentiation was achieved through three core pillars: high technology, emissions leadership, and premium ownership experience. By Q11, EVolva had completely phased out all ICE vehicles, becoming the first company in the simulation to achieve a 100% electric fleet. Key technological investments (**Figure 1**) included AI-enabled Vehicle-to-Vehicle (V2V) communication, next-generation sodium-ion batteries, and advanced electric drive modules. Infrastructure expansion through a comprehensive charging network supported emissions elimination and enhanced customer experience.

Staging: Phased Rollout with Agile Pacing

Based on Ghemawat's (1991) sequential commitment strategy logic, EVolva's growth unfolded in three deliberate phases, each aligned with capacity building, technological readiness, and geopolitical constraints.

Phase 1 (Q4–Q11): Foundation of Electrification. During this initial phase, EVolva focused on improving production quality and establishing its brand positioning. EVolva strategically discontinued three models (the PU 225G, Lux 225G, and Business 135H) to optimize its product portfolio and achieve the milestone of 100% electrification. R&D investment focused on developing eight new cars (**Figure 2**).

Phase 2 (Q12–Q18): Global Expansion and Market Penetration. It marked a decisive shift from internal preparation to external expansion. EVolva penetrated two high-potential market segments (City E and Micro E), launched premium models in these categories, and committed \$2,400 million to establish three new factories in China, Europe, and America.

Phase 3 (Q19–Q28): Sustainability and Social Responsibility. It demonstrated EVolva's

transition from growth-oriented commitments to sustainability-oriented responsibilities. Having already achieved a technologically advanced and comprehensive product portfolio by Phase 2, the company refrained from further production investments, directing \$200 million instead toward external battery recycling initiatives. This strategic pivot underscored EVolva's role as a socially responsible industry leader, ultimately elevating its sustainability rating to 83.6% (**Graph 3**).

Economic Logic: Leveraging Differentiation, Scale, and Geographic Hedging

EVolva's Economic Logic began with premium pricing supported by differentiation. As volumes increased, the company shifted toward scalable and cost-efficient operations. It also built 11 factories across Europe, Americas, and Asia, which helped spread risk and reduce the impact of regional downturns or tariff changes.

1.2.2 Strategic Lessons and Future Directions

EVolva's development path offers valuable insights for automotive leaders, especially when compared to real-world examples. In its early phase, EVolva mirrored Tesla's staged market entry by leveraging technological advantages and brand differentiation to create a strong market identity (Thomas & Maine, 2019). This strategic sequencing helped establish credibility and position both companies as innovation leaders (Pettigrew, 1990). However, unlike Tesla, EVolva initially focused on the entry-level segment with affordable EVs before transitioning to premium models. This reversed approach highlights an alternative pathway for phased market development (Thomas & Maine, 2019).

In its later stages, EVolva's trajectory more closely resembled the challenges faced by Fisker.

Fisker's decline was largely driven by an inventory crisis. In 2023, the company produced 10,193 Ocean SUVs but delivered only 4,929, leaving more than 5,000 vehicles unsold and putting severe pressure on liquidity (Kelly, 2024). EVolva encountered a comparable issue between Q16 and Q18, when aggressive factory investments in China and Europe resulted in significant overcapacity. By Q20, its inventory had risen to \$5.3 billion, which equaled 77.5% of revenue in Q20 (**Figure 3**) and created substantial strain on its working capital.

This phase of overexpansion resulted from overly optimistic demand forecasts and limited scenario planning. This optimism was largely fueled by a preceding period of consistently high sales, inventory levels well below the benchmark, and frequent stock shortages. These combined factors reinforced management's belief that aggressive post-electrification capacity expansion was both necessary and sustainable. In response, EVolva implemented price cuts that temporarily boosted sales, a tactical decision that not only compromised its strategic commitment but also squeezed its profit margins. This situation highlights how operational pressures can lead firms to stray from their strategic identity. However, unlike Fisker, EVolva regained stability through strict cost control and a gradual recovery in demand, restoring momentum by the end of the simulation.

This offers two key strategic insights. First, the timing of an expansion is more important than its speed. A company's capacity should be scaled to meet actual market demand, not just optimistic forecasts. Second, it is crucial to maintain strategic consistency, especially under pressure. Short-term tactics should always support a company's long-term goals, not compromise them. Ultimately, the case of EVolva demonstrates that lasting success depends on balancing ambition with real organizational capabilities. It also shows the importance of

executing a strategy with discipline, particularly in volatile markets.

1.3 Review of Function – Marketing

Marketing is essential for understanding customers, building brand identity, and creating demand (Shams et al., 2024). In a volatile context of recessions, geopolitical risk, rapid technological change, and shifting consumer tastes, its role becomes even more important (Zhang & Watson, 2020). For firms like EVolva that have moved into EVs and sustainable mobility, marketing is more than promotion. It links strategy and innovation by turning strategic goals into customer-focused product requirements, sending market insight back to R&D, and aligning product, price, distribution, and communication so new ideas succeed in the market. This alignment supports EVolva's growth and resilience.

1.3.1 The Segmentation-Targeting-Positioning (STP) Process

Segmentation: EVolva segments the global market into three key regions: Americas, Europe, and Asia. The company targets specific consumer segments that reflect diverse preferences and mobility needs (**Figure 4**), which guide product positioning and marketing strategies.

Targeting: EVolva targets diverse customer segments, focusing on high-end urban families and young technology enthusiasts. High-end urban families value safety, comfort, and extended range. They are primarily served by the Prestige Leaders, Opulence Seekers, and Horizon Seekers segments. EVolva meets their needs with high-performance EVs, advanced safety features, and long-range capabilities. Young technology enthusiasts prioritize environmental sustainability, cutting-edge technology, and personalization. They are addressed through the

Trend Voyagers, City Navigators, and Agile Runners segments. For these customers, EVolva offers compact, city-friendly models with innovative connectivity and smart driving features.

Positioning: EVolva sets itself apart from competitors with superior functionality, high quality, and broad product coverage. Technological innovation significantly enhances its market presence. Insights indicate that advancements in battery systems and drive mechanisms are crucial differentiators affecting consumer choices (Wang, 2024). Additionally, aligning products with sustainability strengthens corporate ethics and brand reputation. The positioning map (**Figure 5**) places EVolva in the high-quality, high-price segment alongside premium brands like Tesla, BMW, and NIO—targeting customers who value advanced technology and are willing to pay a premium for innovation.

1.3.2 Marketing Mix Analysis – Product, Price, Promotion

EVolva's product strategy was centered on maintaining technological leadership through strategic product line renewal. This approach aligns with the principle that success in the premium market requires continuous innovation to justify high prices and sustain differentiation (Kotler & Armstrong, 2010; Porter, 1985).

The company's commitment to its strategy is reflected in a low average fleet age of 20.2 months (**Graph 4**). EVolva guided its product decisions using tools like the BCG matrix (**Figure 6**) and sustainability benchmarks, leading to the phase-out of non-electric vehicles and an expansion from six to seven models. By enhancing features while retiring older models, the company successfully defended its market share. EVolva implemented a value-based pricing strategy that aligned with its premium positioning, maximizing value from advanced features.

Following Nagle and Müller's (2017) strategic pricing framework, pricing decisions were based on perceived customer value rather than cost-plus methods. Price analysis showed EVolva maintained parity with BMW i5 (\$105,000–\$120,000) and Porsche Taycan (\$95,000–\$140,000) in the luxury E segment (\$109,600–\$119,590), commanding an \$18,530 premium over average competitor prices in the simulation.

EVolva's premium pricing strategy proved to be highly effective. The company maintained a leading market share in all three markets, and its share increased from Q4 to Q28 (**Figure 7**). This finding aligns with Veblen's (2009) theory of conspicuous consumption, which suggests that higher prices can increase a product's desirability.

Financially, the strategy yielded a remarkable six-year average Earning Before Interest and Tax (EBIT) margin of 21.2% (**Graph 5**). As a real-world comparison, Tesla also employs a premium pricing strategy but recorded a six-year average EBIT margin of approximately 9.20% (**Graph 6**). This contrast suggests that EVolva's superior profitability was not solely due to strategic acumen, but also benefited from a simulated environment with potentially fewer direct competitors and simplified consumer behavior, allowing its value-based pricing model to function with less real-world friction than Tesla's.

EVolva's initial pricing strategy focused on stability to protect its brand image. This approach was built on the principle of price fairness, which suggests that customers are more willing to purchase from a brand they consider fairly priced. In the automotive market, price fairness is particularly important because it influences how customers judge a vehicle's quality and credibility. A price is perceived as fair when the benefits of the car outweigh the monetary

sacrifice (Hamzah & Pontes, 2024). High perceived quality also makes customers more likely to accept the price as reasonable (Hamzah & Pontes, 2024). By maintaining a predictable pricing policy, EVolva aimed to build long-term trust. This trust enhances the perception of value and strengthens customer loyalty in the market.

However, EVolva's commitment to stable pricing faced challenges during a period of significant inventory oversupply from Q19 to Q22 (**Graph 7**). It reached an all-time peak of 71 days in Q23. Due to an incorrect assessment of market demand, the company strategically deviated from its standard policy by lowering prices to clear excess stock, aligning with the fundamental economic principle of supply and demand (Marshall, 2013). Ultimately, this flexible strategy proved effective as EVolva gradually resolved its inventory issues, stabilized operations, and returned to a positive financial position, the negative Free Cash Flow (FCF) turned positive (**Graph 8**).

The marketing strategy in promotion was aligned with the product life cycle (**Figure 8**). During the introduction and growth phases, the company increased promotional investments to build brand awareness and acquire customers, resulting in revenue growth from approximately \$18 million in 2024 to \$25.5 million in 2028. The relatively high marketing-to-revenue ratio during this period was largely driven by the concentration of new vehicle launches between 2025 and 2028, as the company gradually phased out ICE cars. Marketing expenditure rose accordingly, reaching a peak of 5.2% of revenue in 2028, reflecting a deliberate strategy to secure market share and establish a strong brand presence (**Graph 9**). In the later phase of the simulation, after reaching peak marketing intensity, the company shifted its focus from aggressive expansion to optimizing efficiency. By 2030, revenue grew to nearly \$39 million

while marketing expenditure as a percentage of revenue declined and stabilized around 2%. This adjustment aimed at leveraging accumulated brand equity to expand the customer base, reduce unnecessary costs, and maximize returns on marketing investments, reflecting a move toward marketing accountability that enabled sustainable growth without proportional increases in promotional spending (Rust, Moorman, & Bhalla, 2010).

1.4 Review of Function – Innovation

EVOLVA's innovation strategy demonstrates the practical application of Christensen and Bower's (1996) disruptive innovation theory and Teece, Pisano, and Shuen's (1997) dynamic capabilities framework. EVs represent disruptive technologies that initially serve niche markets before displacing established ICEs, while dynamic capabilities enable organizations to sense opportunities, seize them strategically, and reconfigure assets for competitive advantage.

1.4.1 Sensing Capabilities: Strategic Market Intelligence

EVOLVA's sensing capabilities are evident in its structured, cross-functional approach to market intelligence. By integrating consumer insights from marketing with feasibility assessments from operations, the company established routines that crossed functional boundaries and enhanced its ability to identify opportunities (Eisenhardt & Martin, 2017). Collaboration between innovation and marketing was crucial, allowing EVOLVA to discover an untapped “blue ocean” (Chan & Mauborgne, 2005) in the micro-EV (micro E) segment. At launch, no competitors had introduced similar models, granting EVOLVA a significant first-mover advantage. Capitalizing on this opportunity, the company launched two micro E models simultaneously—a decision that quickly proved successful. The product's novelty appealed

strongly to urban consumers seeking compact and sustainable mobility solutions, making the micro E EVolva's bestseller. The premium version alone achieved a remarkable sales ratio of 18% by 2030 (**Figure 9**). With no rival products entering the market until 2026, EVolva's micro E enjoyed several years of uncontested leadership, solidifying the company's reputation as an innovator and enhancing brand recognition.

1.4.2 Seizing Opportunities: Phased Investment Strategy

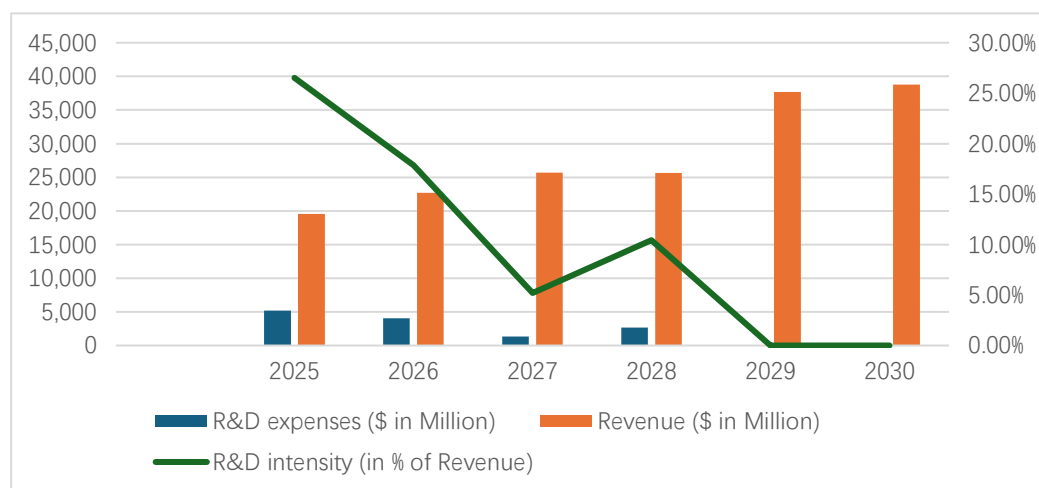
EVolva's seizing capability sophisticated resource allocation through a deliberately sequenced development strategy. Following Christensen's (2016) disruption framework, the company strategically progressed from niche to premium segments: beginning with the low-cost micro E to establish market presence, advancing to the urban-focused City E, and culminating in the high-margin models. This phased progression enabled systematic risk distribution while capturing growth opportunities across diverse market segments.

This sequential approach highlights EVolva's strategic balance between immediate cash flow needs and long-term innovation goals. The company made significant technological investments in 2025, allocating \$ 2.15 billion to core R&D areas such as AI implementation, V2V communication, cybersecurity, sodium-ion batteries, and next-generation e-drive modules—marking the highest annual R&D expenditure over five years (**Table 1**). These advanced technologies were intended for integration into vehicles launching from the second year onward, while the initial micro E and City E served primarily as market entry models without these premium features. This strategy allowed early revenue generation through simpler models while developing sophisticated capabilities for later premium offerings. Consequently,

the premium models (business E, 4X4 E, and luxury E) benefited from this upfront R&D investment, positioning the firm within high-margin segments where embedded advanced technologies became key competitive advantages.

1.4.3 Risk Management and Organizational Reconfiguration

A phased investment approach reduced risks from technological disruption. Over \$6 billion in planned investments between 2025 and 2030 showed strong commitment, while staggered timing allowed for market learning before larger deployments.



Graph 10: R&D Intensity Over Time (as % of Revenue) – Front-Loading Investment to Secure a Technological Edge (*own illustration*)

As depicted in **Graph 10**, EVolva's financial strategy involved front-loading its R&D investment, a decision tailored to the business simulation's specific rules. EVolva prioritized R&D spending from 2025 to 2027, which successfully enabled all seven car models to achieve their peak technology levels by 2028. Because the simulation featured this reachable "technological peak," further R&D offered no additional benefit.

Consequently, spending was halted between 2029 and 2030, and cash flows were

reallocated to expand production capacity and market share. This approach starkly contrasts with real-world automotive practices, where a technological ceiling does not exist and continuous R&D is essential for staying competitive against evolving consumer demands and regulations. While EVolva's strategy was highly effective within the simulation's artificial constraints, this "invest-and-stop" model would be unworkable in the actual industry, where sustained innovation is fundamental to long-term survival.

This strategy necessitated organizational coordination. Restructuring relied on cross-functional collaboration. The innovation department worked with Human Resource (HR) to recruit talent, with marketing to gather intelligence, with operations to plan production, and with finance to approve investments. Dynamic capabilities are embedded in processes rather than isolated functions (Teece et al., 1997). The shift to an all-electric platform required changes in manufacturing, supply chains, and employee training. The phased launch of new vehicles allowed gradual expansion of capacity without simultaneous large-scale investments.

1.4.4 Innovation Performance Assessment

EVolva's journey effectively combines disruptive innovation theory with dynamic capabilities. Performance shows steady progress in products, environment, and sales. The portfolio grew from six models, including two EVs, to seven models by year 6, with Micro E and City E introducing variants that enhanced consumer choice while maintaining a focused lineup (**Figure 10**). Fleet emissions reached zero by Q11, marking a complete transition to sustainability (**Graph 11**).

The success of this strategy is most powerfully demonstrated in the company's sales

performance, as detailed in **Graph 12**. Cumulative sales grew steadily from \$28,579.21 million in the first year to \$71,309.8 million by year six, a rise of 149.6%. Further analysis of the growth pattern reveals it was not uniform. The data indicates that sales growth accelerated significantly between the third and fourth years, with the incremental increase in annual sales peaking during this period. This phase of rapid growth clearly shows that the company's innovation successfully translated into strong market acceptance, effectively validating its EV-focused strategy.

1.5 Conclusion Company Assessment

EVolva's journey in the automotive industry provides key insights into the relationship between strategy, marketing, and innovation. The company's path, marked by both successes and setbacks, offers important lessons for corporate growth. Notably, EVolva ultimately achieved second place in value added (**Figure 11**) among all simulation teams.

A clear strategy is vital for success; EVolva's focus on electrification enabled it to adapt to sustainability trends. However, its overexpansion and inventory challenges show that aggressive growth requires disciplined execution. EVolva's recovery highlights the importance of resilience and adaptability in a volatile market. Additionally, marketing acts as a bridge that converts innovation into market success.

EVolva's experience demonstrates that marketing should be closely integrated with strategic and technological decisions. By effectively segmenting the market, implementing premium pricing strategies, and reinforcing brand positioning, EVolva successfully launched innovative products while maintaining market leadership. This integration is vital for communicating value and establishing a strong presence in the market.

Lastly, innovation drives growth beyond mere R&D investment. EVolva's focus on advanced batteries, AI systems, and micro-EVs shows that successful innovation requires clear strategic direction to explore new avenues for differentiation. The company's achievements highlight the importance of leveraging technology to secure lasting competitive advantages. In conclusion, EVolva's experience illustrates that sustained success in a dynamic industry relies on strategic clarity, adaptability, and deep integration of marketing with innovation. By balancing ambitious technological goals with disciplined execution and responsiveness to the market, companies can transform disruption into enduring competitive advantages.

2. Personal Reflection

2.1 Introduction

The three-week Business in Practice (BiP) program brought seven strangers together in a high-pressure business simulation. This tense environment naturally created interpersonal friction. This reflection analyzes two critical incidents to explore solutions for better teamwork. These events reveal how dynamics like leadership, conflict, and emotional intelligence impact a team's success.

My perspective shifted across these two incidents. The first challenged me as a team member, as I had to process a top-down decision that conflicted with my sense of contribution. In the second, I stepped into the role of leader and mediator. When intense pressure and burnout caused a team conflict, I worked to guide my peers toward a resolution. These contrasting experiences were crucial for my development, offering powerful lessons in self-awareness and effective leadership.

2.2 First Critical Incident

2.2.1 Description and Response

The first critical incident occurred at the end of our first year of the simulation. As the Chief Marketing Officer (CMO) of a team of seven, I was responsible for collecting and interpreting market intelligence and coordinating the key information needed for decision-making. This role was crucial, and I was proud of my contribution.

Shortly after we received the performance results for the first year, the Chief Financial Officer (CFO), our team leader, requested a private conversation. He suggested that the Chief Innovation Officer (CIO), team member A, take on some of my responsibilities because of operational efficiency. The Marketing Department serves as the information hub connecting various departments, while the innovation department is managed by two people, so the workload is not that heavy. He also mentioned that the Chief Human Resources Officer (CHRO) agreed with this assessment.

After hearing this, I was shocked and hurt, interpreting it as a criticism of my performance. To determine if others recognized my contributions, I asked other simulation teams about similar personnel changes. The CFO dismissed my inquiry as "not important," which deepened my sense of exclusion. In an attempt to resist the change, I suggested that Member A might be hesitant to take on extra work. However, the CFO stated he would address this at the upcoming team meeting. During the meeting, Member A surprisingly agreed to reallocate responsibilities for the team's benefit. Other members also supported this change. Noticing my discomfort, the CFO publicly clarified that his proposal was not a critique of my abilities but aimed at

improving operational efficiency. Other team members expressed their appreciation for my work as well. Within half a day and after hearing their perspectives, I gradually calmed down and accepted sharing responsibilities.

2.2.2 Analysis

This incident can be examined through several interconnected theoretical lenses, revealing complexities in leadership, team dynamics, and individual psychology. The primary framework is psychological safety (**Figure 12**), defined as a shared belief that a team is safe for interpersonal risk-taking (Edmondson, 1999). The CFO's private proposal, delivered without prior group discussion, immediately eroded my sense of safety. Leadership behaviors are the most significant driver of psychological safety (Frazier et al., 2017), and the exclusionary nature of this communication style signaled that my voice was not integral to the decision-making process. Consequently, I felt I had entered what Edmondson (1999) calls the "Anxiety Zone", a state of high engagement but low psychological safety, where individuals are motivated but defensive. My anxiety was intensified when my question was dismissed, a behavior that reinforced the perception of a hierarchical, non-inclusive environment. Only when the rationale was discussed transparently in the team meeting did my sense of safety begin to return.

The events also reflect different conflict-handling modes (Kilman & Thomas, 1977). Initially, I exhibited an *avoiding* style, characterized by low assertiveness and low cooperativeness, as I tried to sidestep direct confrontation. In contrast, the CFO employed a *competing* style, assertive and focused on his objective of efficiency without extensive collaboration (**Figure 13**). While competing style can be effective for quick decisions, its

overuse can damage morale and stifle innovation (Rahim, 2017). Lencioni's (2002) model identifies a fear of conflict as a major barrier to high performance. My initial interpretation stemmed from an "artificial harmony," where a lack of trust prevented me from engaging in constructive ideological conflict. The open meeting forced the team to address the underlying tension, thereby rebuilding trust.

Attribution theory further explains my reaction (Ross, 1977). Faced with an ambiguous and high-impact change, I made an internal attribution, viewing the proposal as a reflection of my competence rather than considering external, situational factors like the leader's goal to optimize team efficiency. This is a common cognitive bias, particularly under stress, which can lead to distorted interpretations of others' intentions (Martinko et al., 2011). The CFO's private consultation with the CHRO unintentionally triggered Social Identity Theory (Tajfel & Turner, 2000), creating a perceived "in-group" (the leadership dyad) and "out-group" (me). This dynamic threatened my sense of belonging and intensified my defensiveness.

Finally, power dynamics profoundly shaped the event. The CFO leveraged his *legitimate power* as the team leader and *information power* by controlling the flow of communication (French & Raven, 1959). By setting the agenda and framing the narrative, he reinforced his authority. However, this approach neglected the importance of *referent power*, which is built on trust and respect. While his intent was efficiency, the lack of an inclusive process that fostered shared understanding created psychological insecurity and initial resistance. Effective leadership requires balancing the exercise of authority with actions that empower team members and foster a sense of shared purpose (Heifetz, 1994).

2.2.3 Result and Reflection

The redistribution of responsibilities yielded significant operational benefits. With Member A handling certain cross-functional tasks, information latency decreased, leading to more efficient decision-making in later simulation rounds. The change allowed me to concentrate on strategic marketing decisions, enhancing the quality of my contributions.

Personally, this experience was a crucial lesson in self-awareness. It revealed my tendency to interpret strategic proposals from authority figures as personal judgments. I realized that an underlying self-doubt can heighten my emotional reactions to perceived criticism. This has prompted me to adopt a more reflective, inquiry-oriented approach. Instead of reacting defensively, I now see the value in depersonalizing feedback and seeking early clarification about the intent and expected outcomes of organizational changes. This shift aligns with developing greater psychological flexibility, an essential skill for navigating complex professional environments (Hayes et al., 2006).

On a team level, this incident highlighted the need to manage diverse communication preferences explicitly. Analytically driven leadership must be balanced with relational outreach to ensure psychological safety. As suggested by research on high-performing teams, establishing clear norms and protocols for role transitions is essential (Hackman, 2002). Implementing practices such as pre-briefing sessions to discuss the purpose and scope of changes can help build and maintain trust, ensuring that efficiency goals do not come at the cost of team cohesion.

2.3 Second Critical Incident

2.3.1 Description and Response

During the second week of our BiP program, our team faced a crucial Sales role play that tested our skills and teamwork. We had to deliver a five-minute sales pitch to a potential high-value investor, essential for securing funding. This challenge required collaboration among three team members under tight time constraints. During lunch, our Chief Operating Officer (COO) shared valuable insights from her previous sales strategy course, emphasizing effective presentation techniques and the importance of pacing and clarity. Her guidance reassured those of us who felt uncertain about our presentation abilities.

However, tensions arose during the afternoon planning meeting when roles were assigned; all the team members hesitated to participate. Sensing this reluctance, I volunteered for the role play. CFO then suggested that the COO join it due to her experience in sales, which visibly affected her as she reluctantly agreed. Our CIO (A), an introvert, ended up joining after losing rock-paper-scissors games.

The conflict escalated during our time allocation discussion. With less than eighteen hours until the presentation—planning began at 4 PM for a 10 AM meeting the next day—we needed to divide the five-minute presentation efficiently. The COO proposed equal distribution, about 1.5 minutes per person, but I disagreed, arguing it would fragment the presentation and dilute its impact; two primary speakers would be more effective. My objection led to a vote, which favored the two-speaker format with only her voting for three speakers. This decision triggered an emotional outburst from the COO, who became visibly agitated and accused us of offloading responsibilities onto her without consulting her preferences. She expressed frustration over her

overwhelming workload, citing daily meetings extending until 6-7 PM followed by additional work until 9-10 PM. Looking at her watch, she declared it was 5 PM, announced she was done with it, and stormed out. A stunned silence fell over the team.

Realizing the urgency and my responsibility in the role play, I approached the COO to understand her perspective. My sincere apology opened a discussion. She shared that her reaction was fueled by exhaustion, feeling her expertise was being taken for granted, and that her concerns had been overlooked. With this new understanding, we collaboratively redistributed our roles: I took on 3.5 minutes of the presentation, she handled 1.5 minutes, and our CIO managed the Q&A. Ultimately, our team secured the investment.

2.3.2 Analysis

This incident is a classic example of a team navigating the "storming" stage of group development (Tuckman, 1965). According to Tuckman's model (**Figure 14**), teams often enter a conflict-ridden stage where disagreements over roles, responsibilities, and processes emerge. Our team's struggle with role allocation and the COO's eventual outburst are hallmarks of storming. The intense performance pressure acted as a catalyst, bringing frustrations to the surface. This stage, while challenging, is critical for developing more mature group structures and norms (Wheelan, 2009). The conflict was a necessary step toward establishing a more realistic distribution of labor.

The resolution of the conflict can be analyzed through the lens of emotional intelligence (Goleman, 1995). My initial stance was task-focused and lacked empathy. The COO's outburst was a critical turning point. My decision to follow her, apologize, and listen demonstrated key

components of emotional intelligence: self-awareness (recognizing my contribution to the conflict), empathy (understanding her burnout), and relationship management (repairing the damage). This shift also reflects social intelligence, the ability to understand and manage interpersonal relationships effectively (Goleman, 2006). This was crucial for moving the team from a destructive state toward a constructive, problem-solving one.

The COO's reaction highlights the severe impact of burnout, best understood through the Job Demands-Resources (JD-R) model (Bakker & Demerouti, 2007). Her high job demands (workload, pressure, expectations of expertise) were not matched by adequate resources (autonomy, social support, clear role definition), leading to emotional exhaustion. Our team had inadvertently created a system that punished competence with overwork, a pattern that the storming phase forced us to confront.

Furthermore, the team's initial paralysis and my task-focused response can be explained by the threat-rigidity thesis (Staw et al., 1981). This theory posits that under threat (the high-stakes deadline), individuals and groups restrict information processing and revert to dominant, well-learned behaviors. My dominant response was a pragmatic, competitive focus on the task, while others hesitated, reflecting a restriction of creative problem-solving. Our initial negotiation reflected a *distributive* (win-lose) mindset. The successful resolution, however, was an example of *integrative* bargaining, where we sought a win-win solution that addressed both the presentation's quality and the COO's well-being (Fisher & Ury, 1981).

2.3.3 Result and Reflection

Despite the conflict, our team achieved its primary objective. The immediate resolution

demonstrated the power of collaborative problem-solving. The renegotiated workload was not only more equitable but also played to individual capacities, ultimately leading to a successful outcome. The crisis became a powerful learning opportunity that propelled us from the storming stage toward "norming," where we began establishing healthier communication and workload management practices.

This incident taught me valuable lessons in leadership and emotional intelligence. I recognized that while my task-focused pragmatism is important, it also required consideration of the psychological well-being of my team members. Members' compliance could mask significant pressure, and democratic processes like voting can fail if they ignore individuals. Shifting from competition to collaboration was crucial.

Moving forward, I will regularly check in on team members' emotional states during high-pressure situations and promote discussions about workload distribution. This experience highlighted that sustainable team performance relies on balancing task achievement with relationship management. Although challenging, the conflict ultimately strengthened our team by encouraging us to address core issues in our collaboration, showing that constructive conflict can foster growth.

2.4 Conclusion of Personal Growth Journey

These two key incidents gave me a deeper understanding of leadership and team dynamics. This experience transformed me from a passive participant into an active facilitator who could manage peer conflicts with empathy. I now understand that sustainable team efficiency requires a balance between task completion and team well-being. This balance helps foster a supportive

and collaborative environment.

The first incident revealed my tendency to interpret structural changes as personal criticism. In the second incident, I applied this self-awareness. I shifted my focus from the task to the well-being of my colleagues. This approach ultimately led to a more resilient team and a successful outcome.

The peer and self-evaluation feedback (**Figure 15**) provided valuable insights into my growth. My scores in "Expect Quality" and "Keeping the Team on Track" were 4 out of 5, which aligned with my self-assessment. However, the feedback on "Contribution to the Team" was most revealing. My colleagues rated me as a 5, whereas I had rated myself a 4. This difference challenged my persistent self-doubt and demonstrated that my contributions to group harmony were more impactful than I had realized. This external validation helped me counter my tendency to internalize criticism and taught me to trust the value of my work during organizational changes.

Finally, this analysis has reinforced my leadership philosophy. I have learned that effective leadership requires a focus on both team goals and psychological safety. A team member's emotional state is crucial to their performance. Moving forward, I am committed to implementing this balanced approach by being more attentive to my colleagues' emotions, regularly checking in with them about their well-being as well as project work. I now view empathy not just as a soft skill but as a strategic tool for unlocking a team's full potential. This journey has shown me that true efficiency is built on connection, not command.

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Appendix

1. Abbreviations

AI	Artificial Intelligence
BiP	Business in Practice
CFO	Chief Financial Officer
CHRO	Chief Human Resource Officer
CIO	Chief Innovation Officer
CMO	Chief Marketing Officer
COO	Chief Operating Officer
EBIT	Earning Before Interest and Tax
EV	Electric Vehicle
FCF	Free Cash Flow
HR	Human Resource
ICE	Internal Combustion Engine
IEA	International Energy Agency
KPI	Key Performance Indicator
PESTEL	Political, Economic, Social, Technological, Environmental, Legal
Q	Quarter
R&D	Research and Development
V2V	Vehicle-to-Vehicle

2. Figures

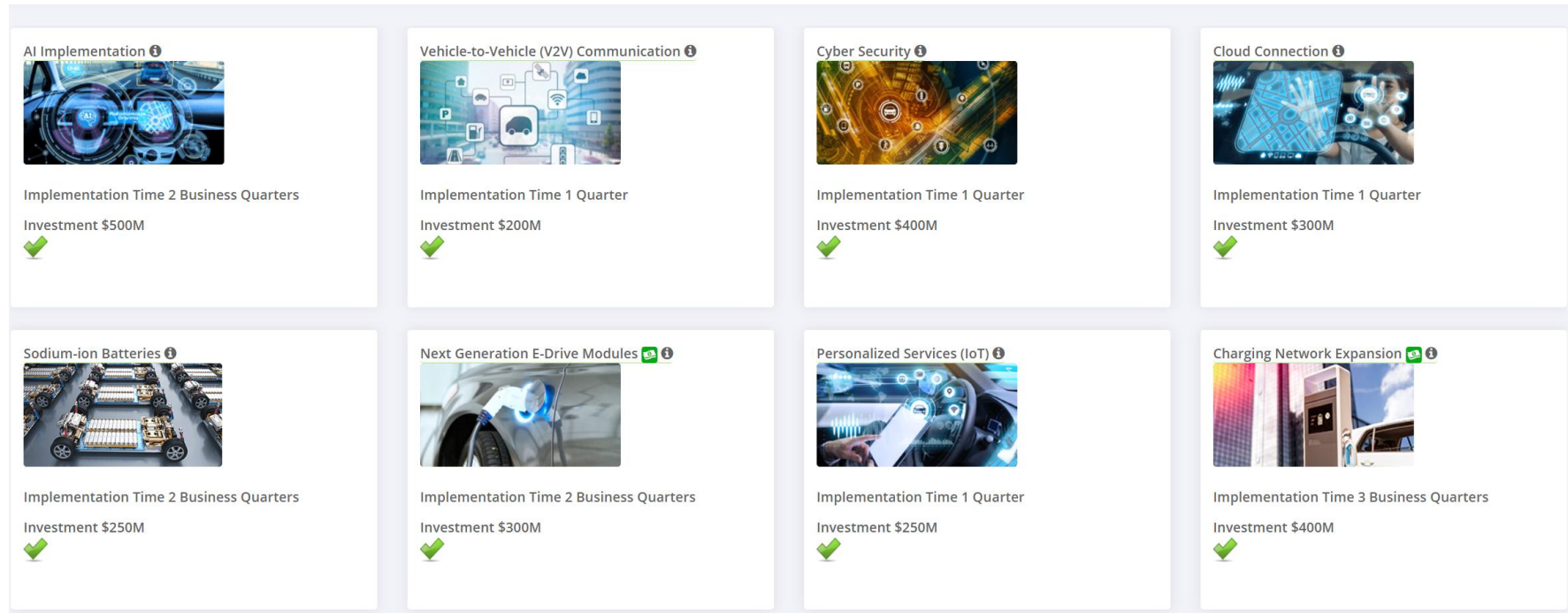


Figure 1: Core Technology Investment Portfolio – Building the Foundation for Differentiation (*own illustration*)

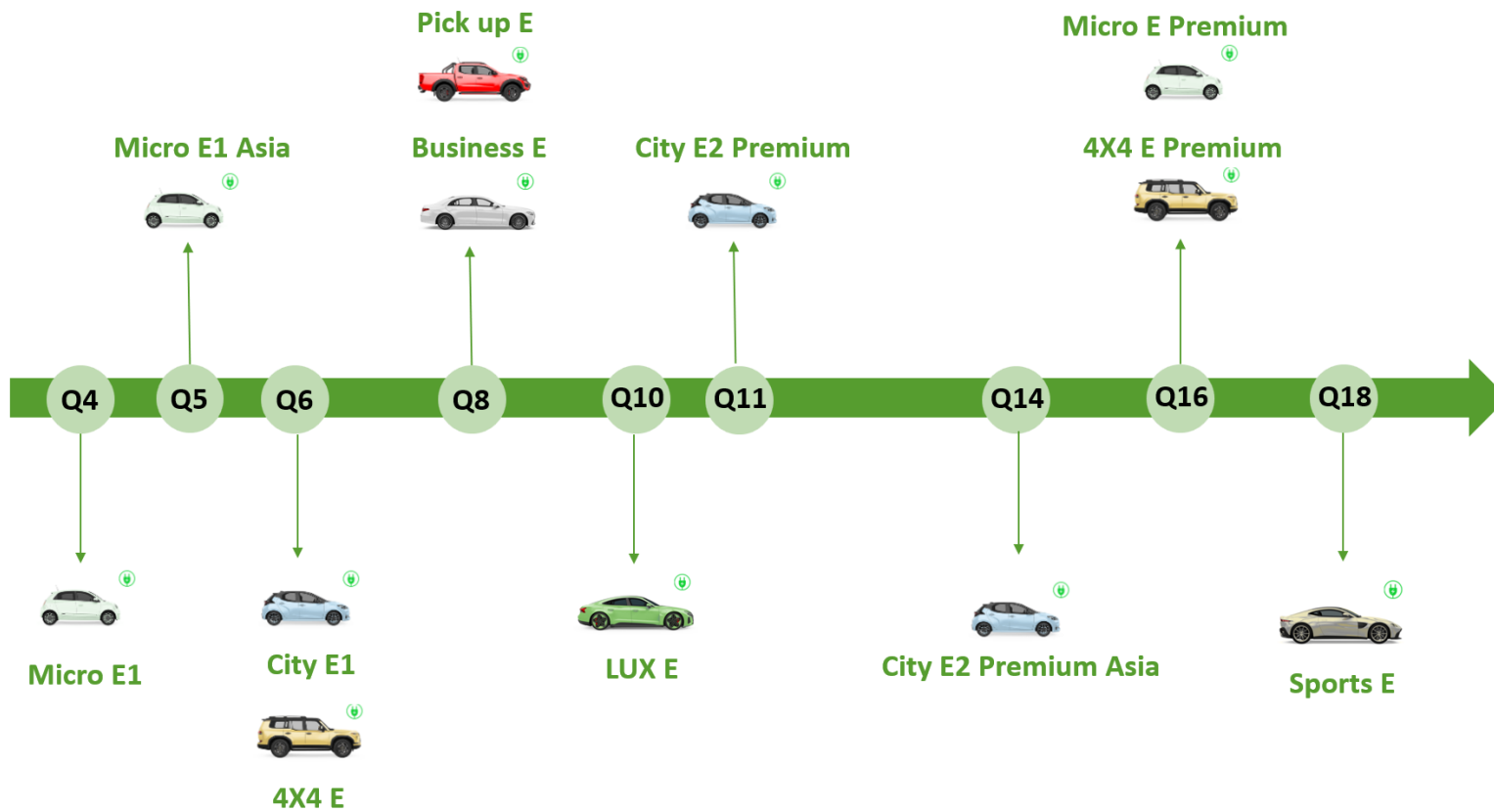


Figure 2: Product Launch Roadmap (Q4-Q28) – A Phased Approach to Market Penetration (*own illustration*)

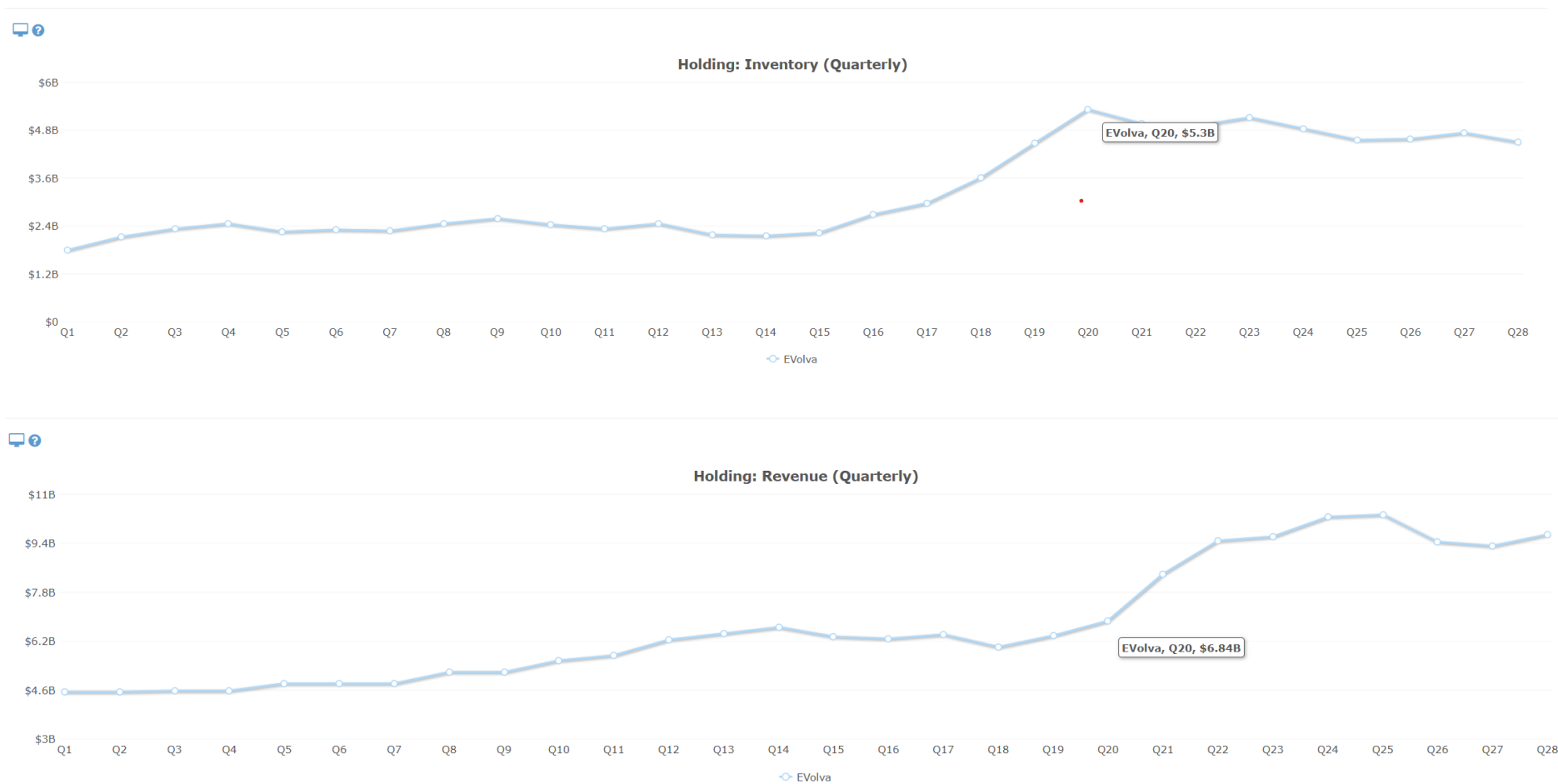


Figure 3: Evolva's Inventory Build-up vs. Revenue Growth – Highlighting a Critical Working Capital Challenge at Q20

(Industry Master 2025)



Figure 4: Key Market Segments – Targeting Diverse Consumer Profiles for Growth (*own illustration*)

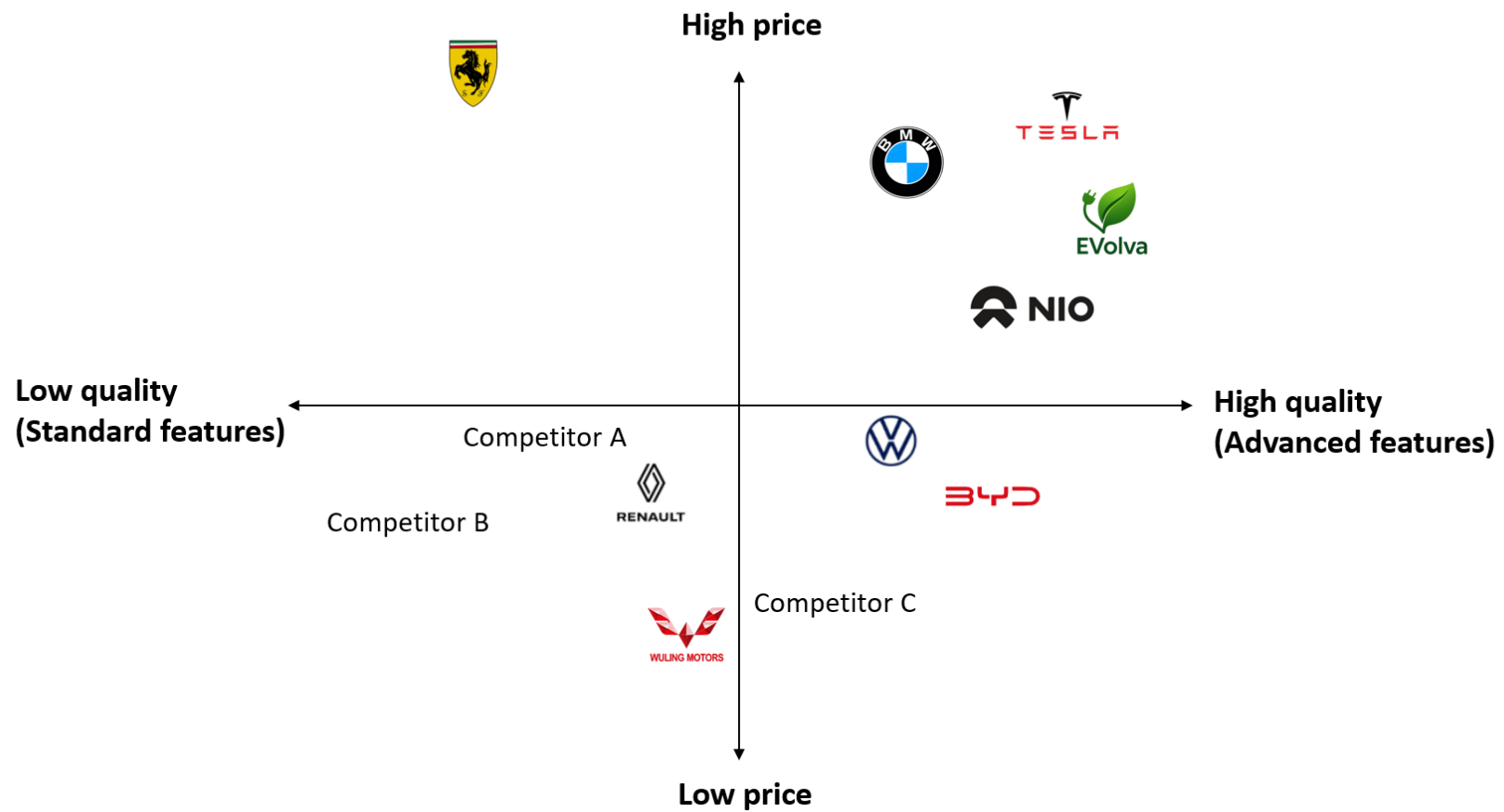
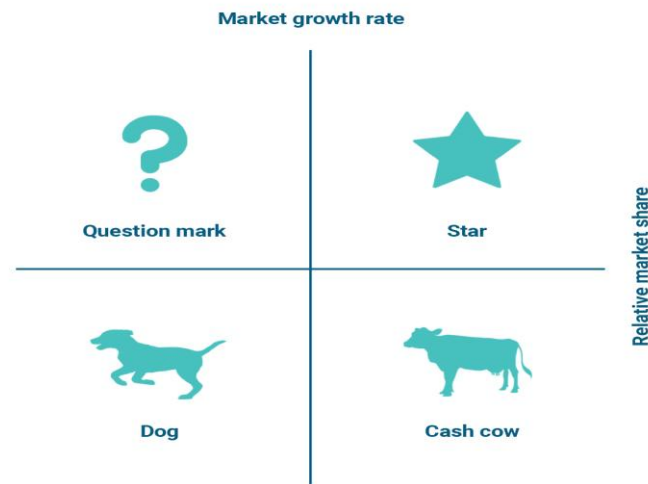


Figure 5: Competitive Positioning Map – Establishing a Premium Identity Among Industry Leaders (*own illustration*)



City E (ev)	★ Star	Best-selling model, core volume driver
Business 135H(hybrid)	★ Star	Strong in business EVs, consider fleet strategies
4x4 E(ev)	💰 Cash Cow	Solid sales, limited growth, maintain efficiency
Sport E(ev)	💰 Cash Cow	Stable niche segment, optimize profitability
Lux 225G(gas)	? Question Mark	High potential luxury model, declining results
PU 225G (gas)	🐶 Dog	Needs clearer value or niche positioning

Figure 6: EVolva's BCG Matrix (*own illustration*)

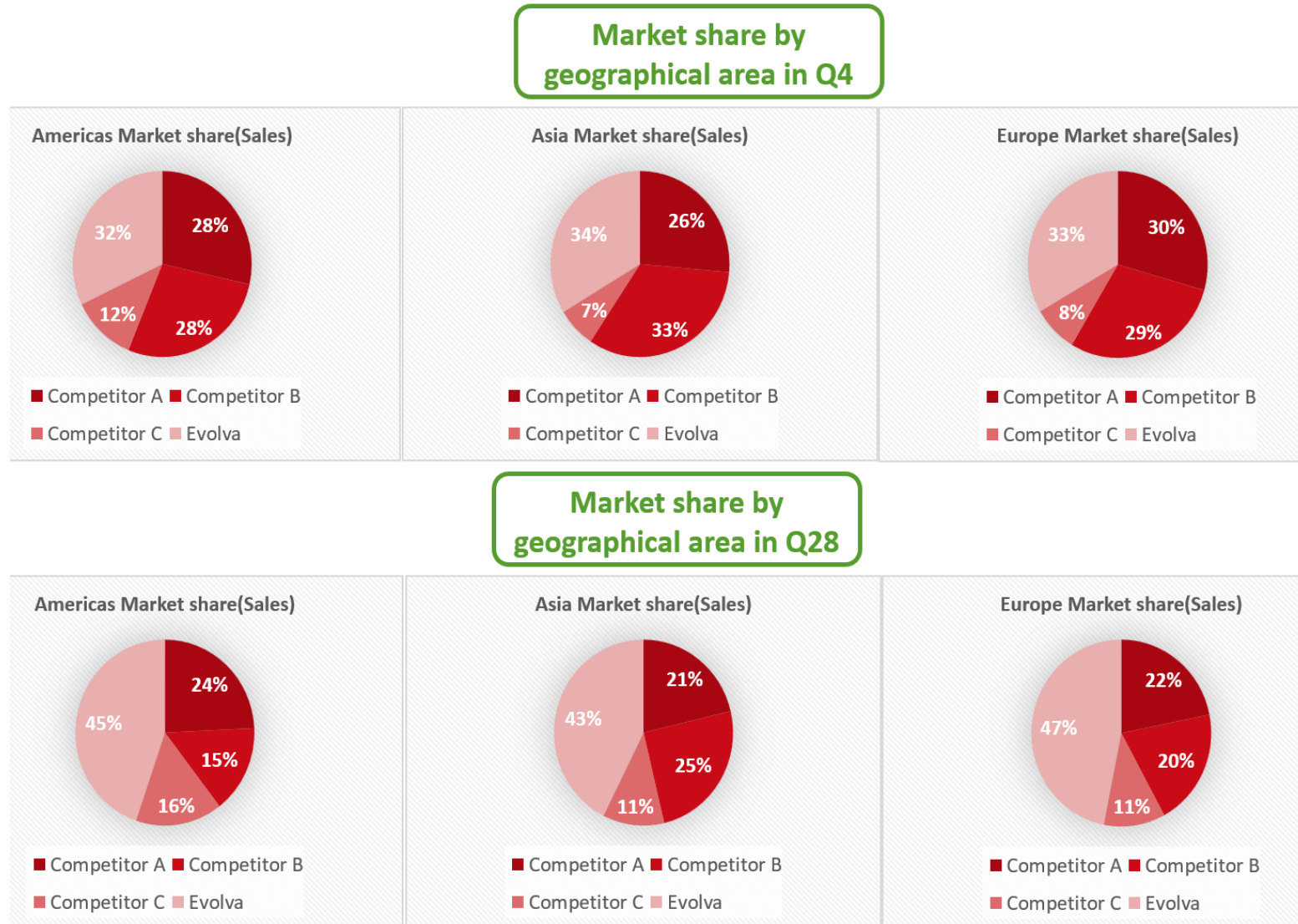


Figure 7: Market Share Evolution (in %, Q4 vs. Q28) – Achieving Market Leadership Across All Regions (*own illustration*)

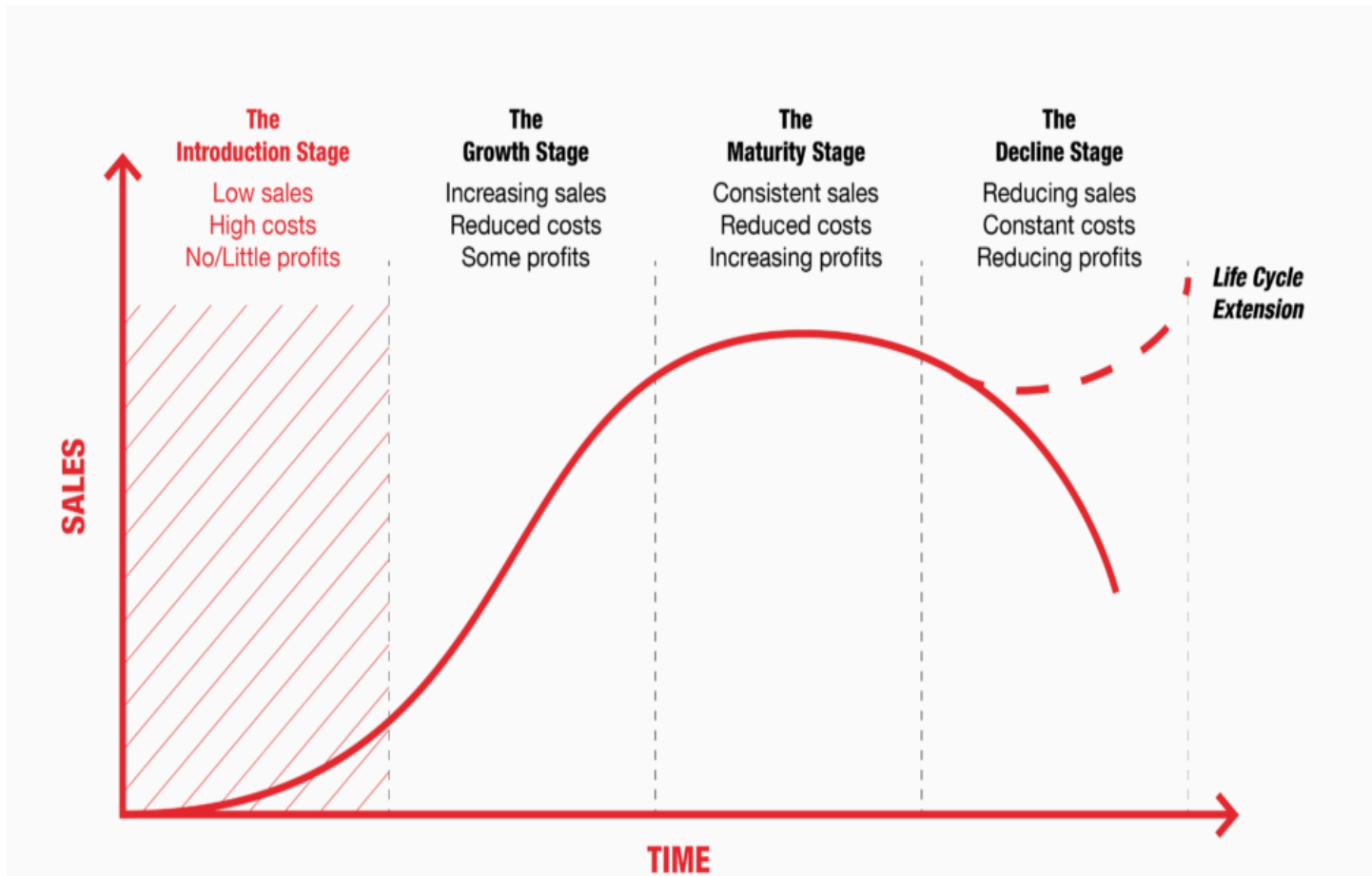


Figure 8: The Four Stages of Business Life Cycle

Note. Retrieved August 26, 2025, from <https://www.manrajubhi.com/4-stages-of-a-business-life-cycle/>

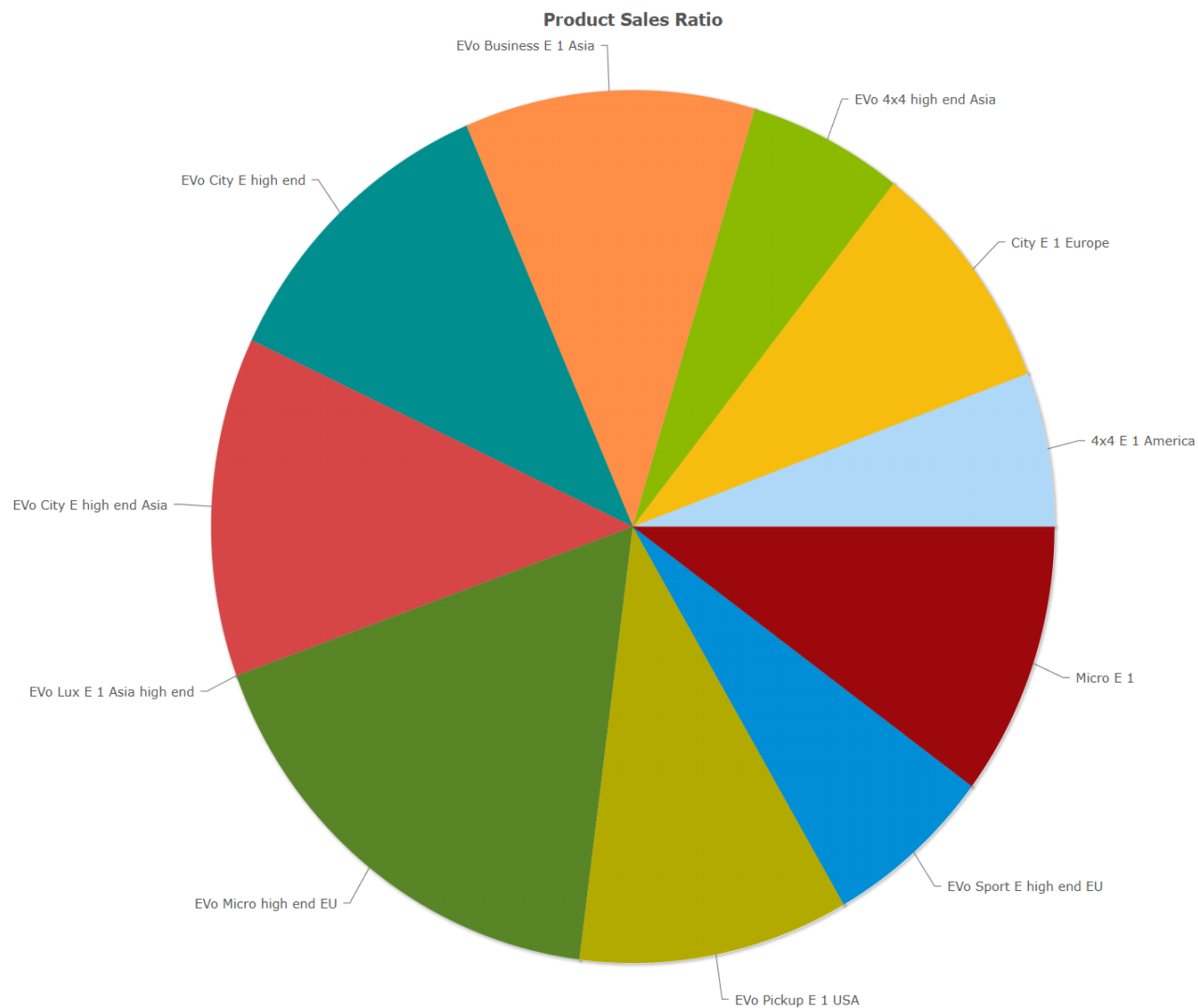


Figure 9: EVolva's Product Sales Ratios in 2030 (*Industry Master 2025*)

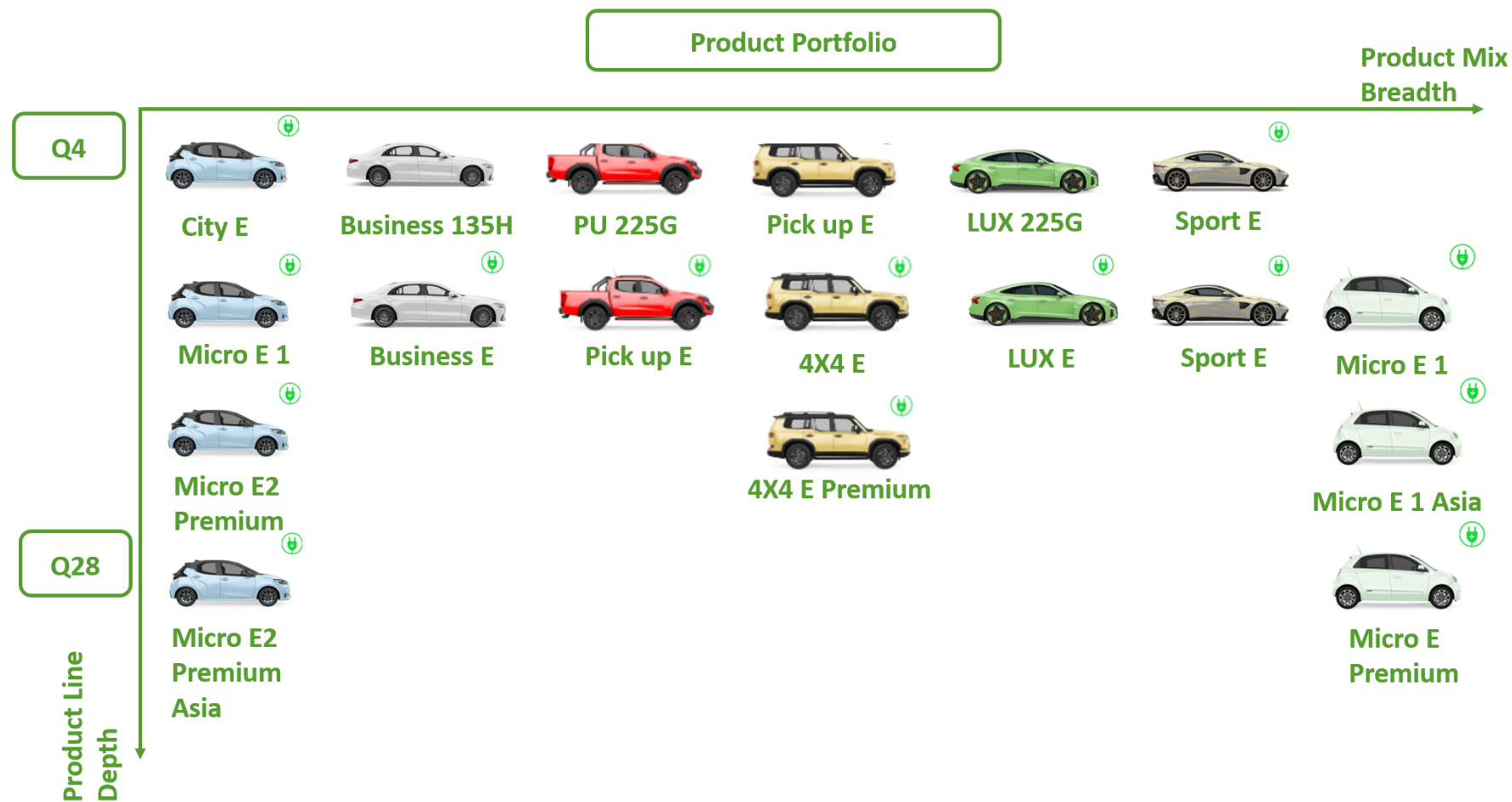
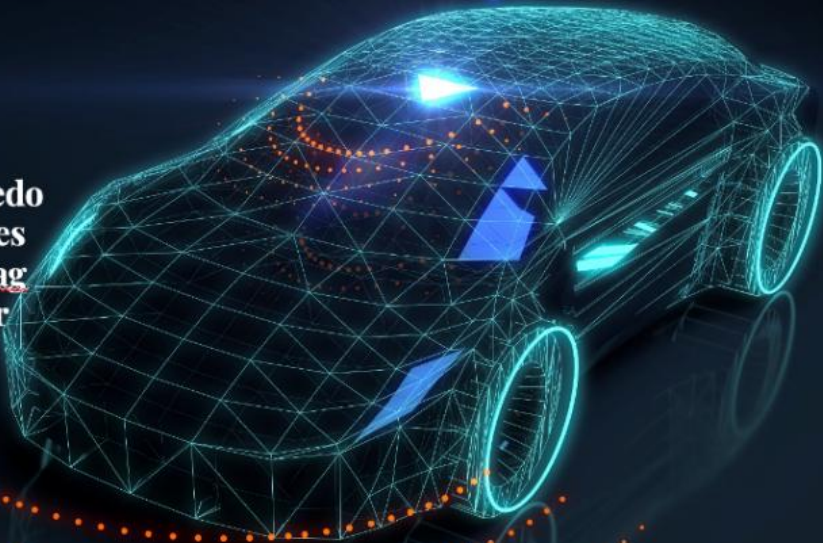


Figure 10: Product Portfolio Evolution (Q4–Q28) – Expanding Product Depth (*own illustration*)

Team EVolva



Inês Figueiredo
Andres Torres
Julius Pasedag
Simon Zinser
Zishan Zeng
Henry Ng
Dina Slotten



Runner Up prize

Second Highest Value Added: \$4,392.34M

Powered by:



Figure 11: EVolva's Runner Up Prize (*BiP Nova 2025 Final awards*)



Figure 12: Theoretical Framework: The Psychological Safety Matrix (*Edmondson, 1999*)

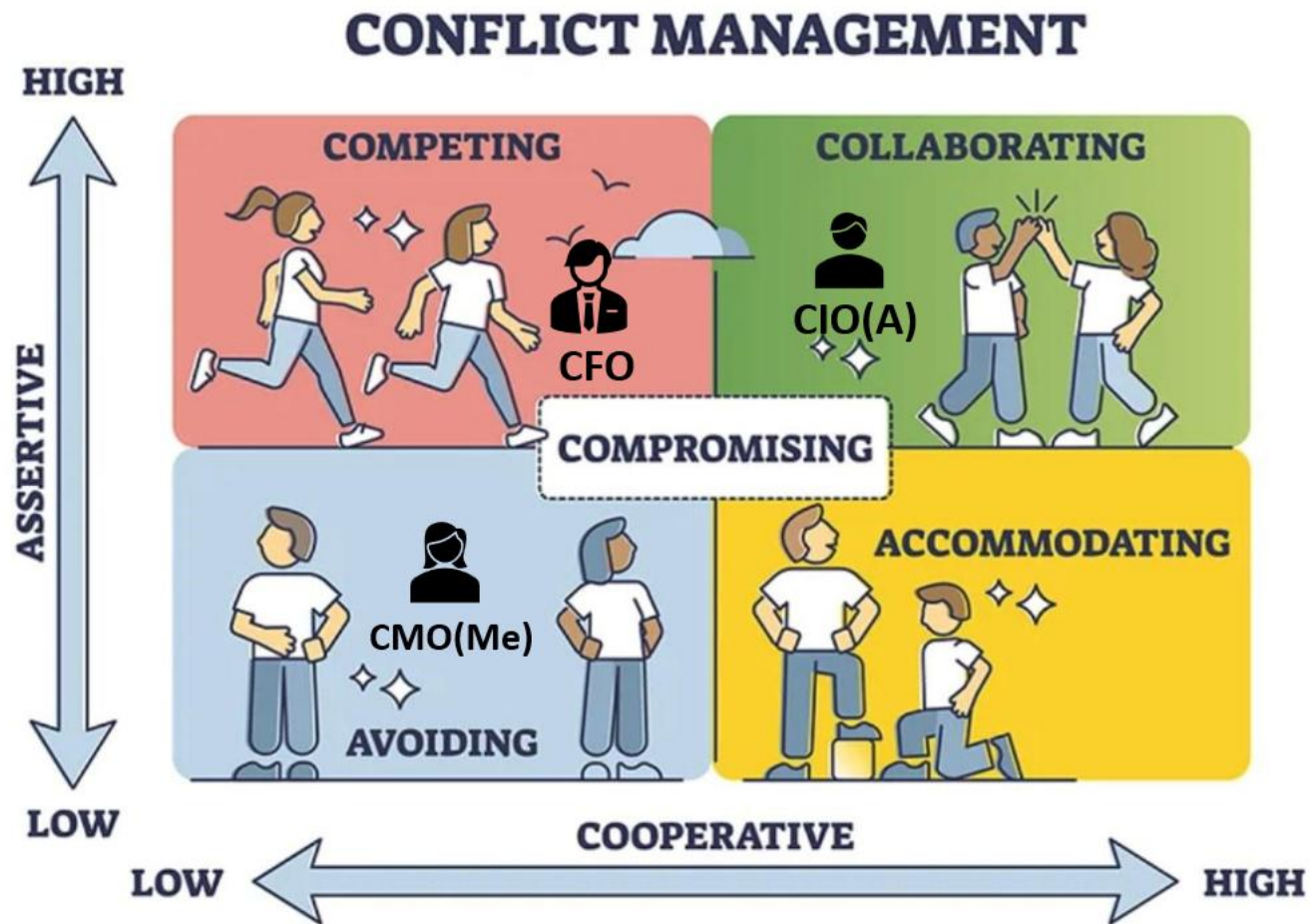


Figure 13: Theoretical Framework: conflict-handling modes (*Kilman & Thomas, 1977*)

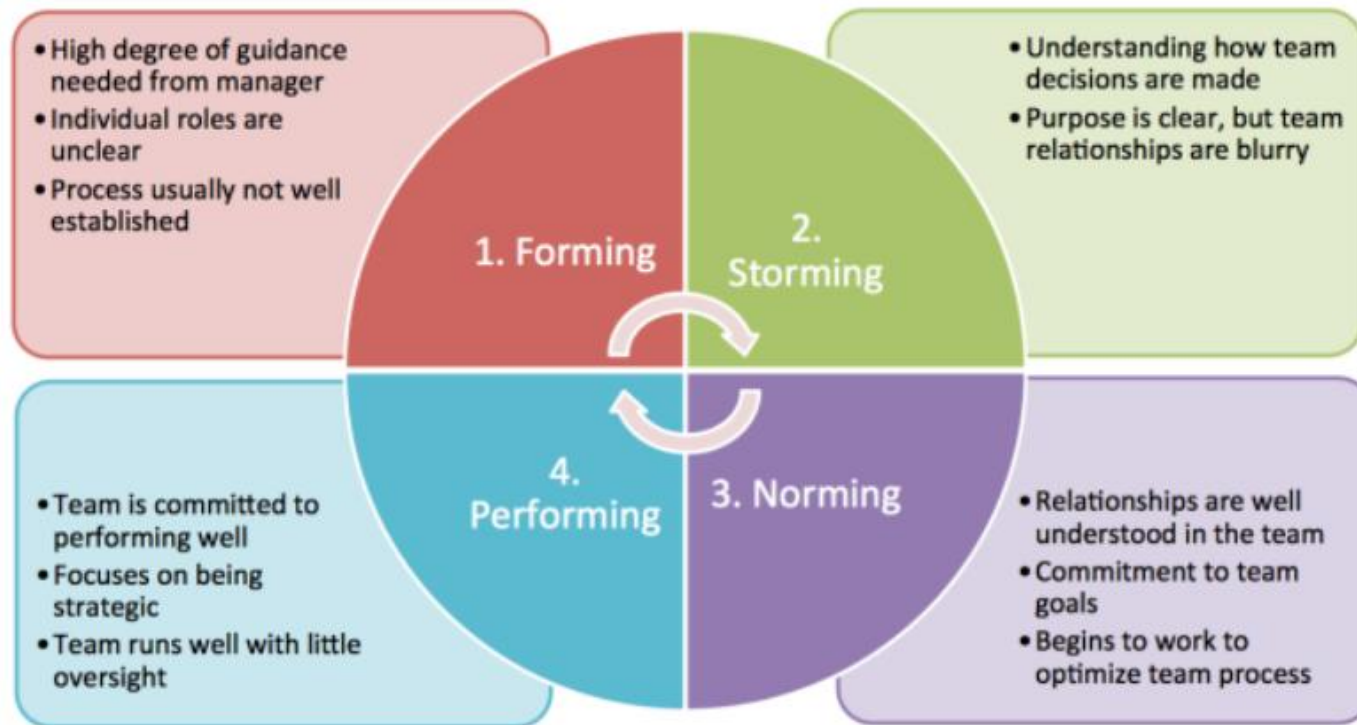


Figure 14: Theoretical Framework: Tuckman's stages of group development (*Tuckman, 1965*)

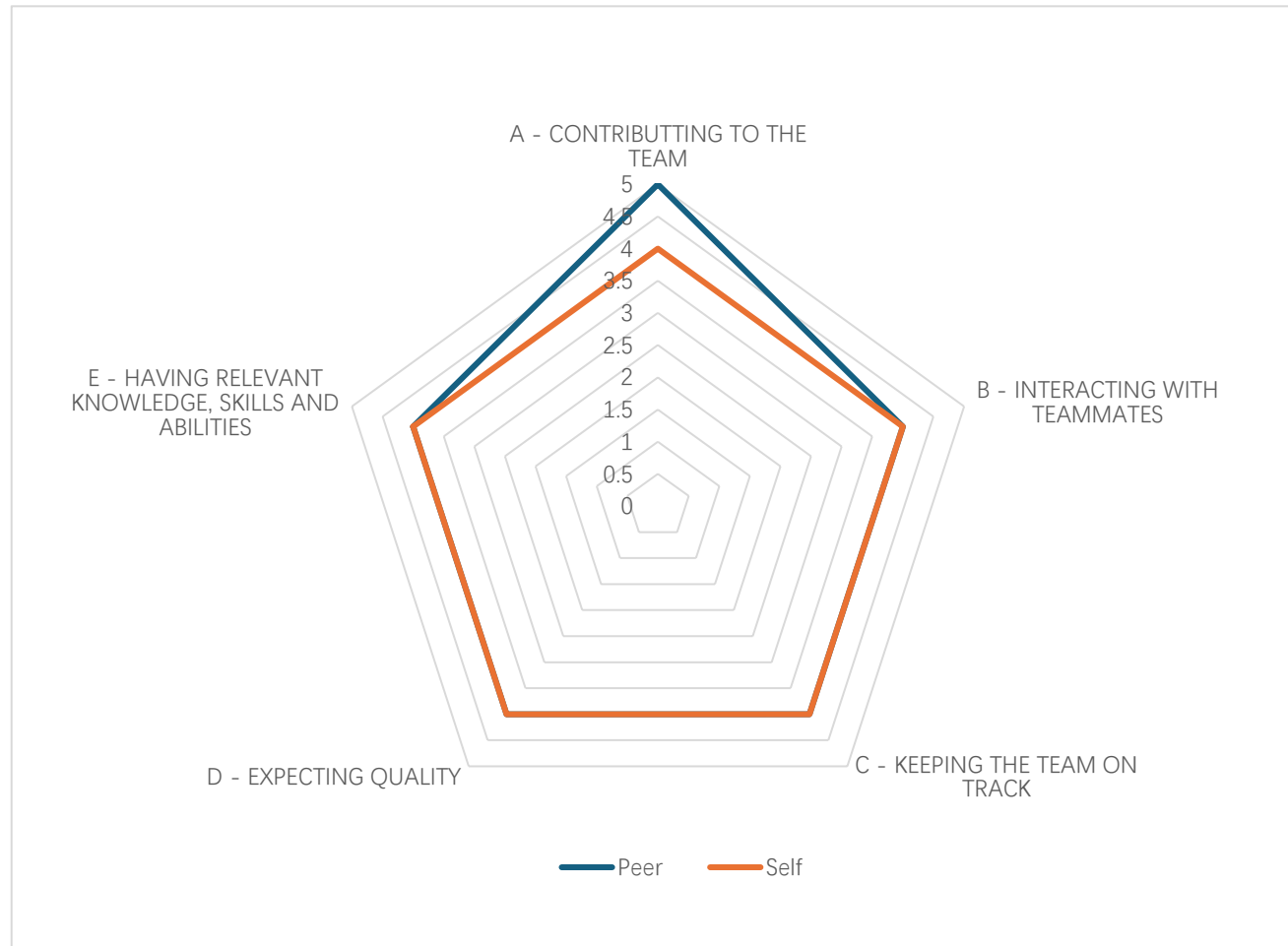
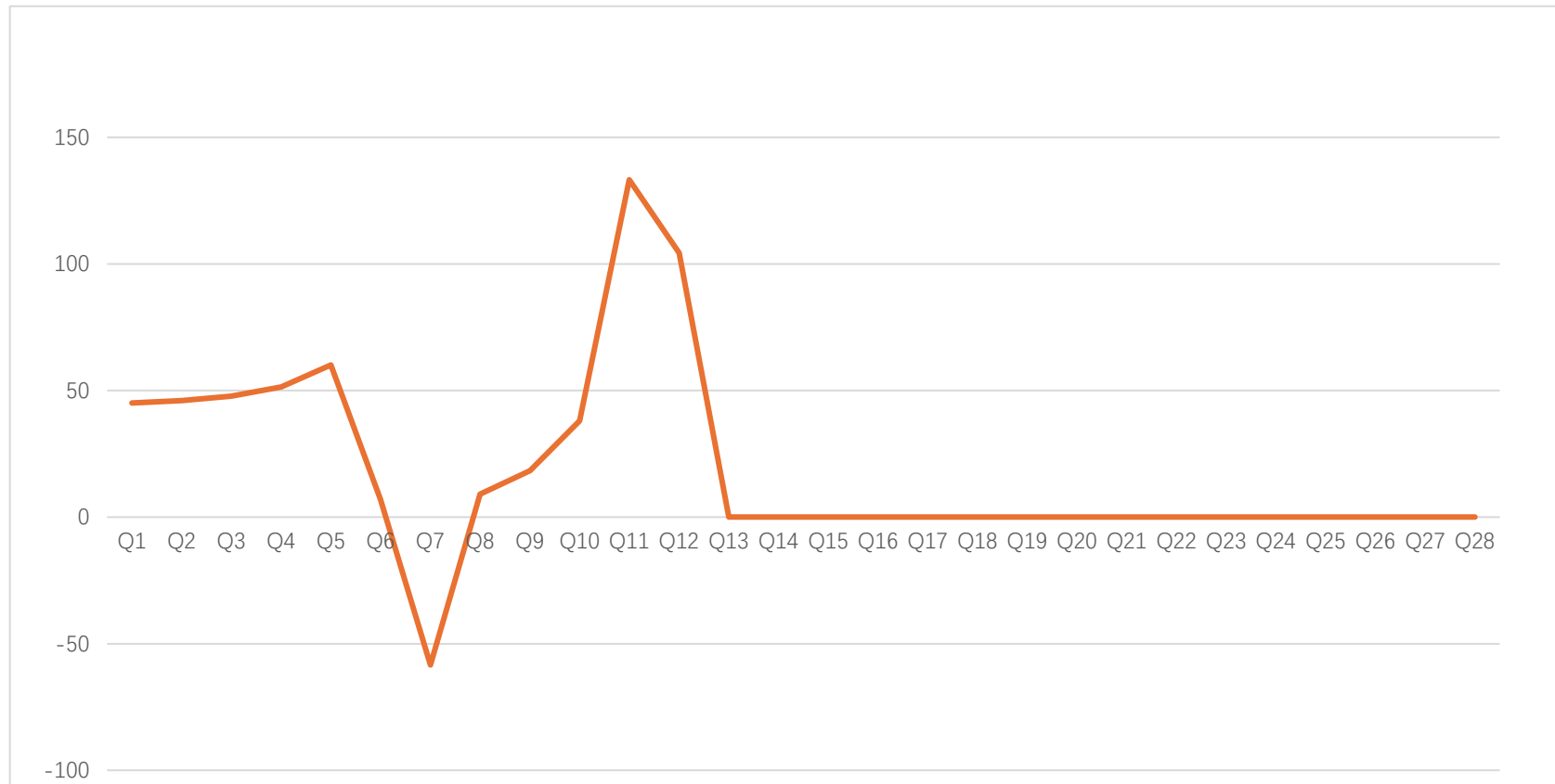


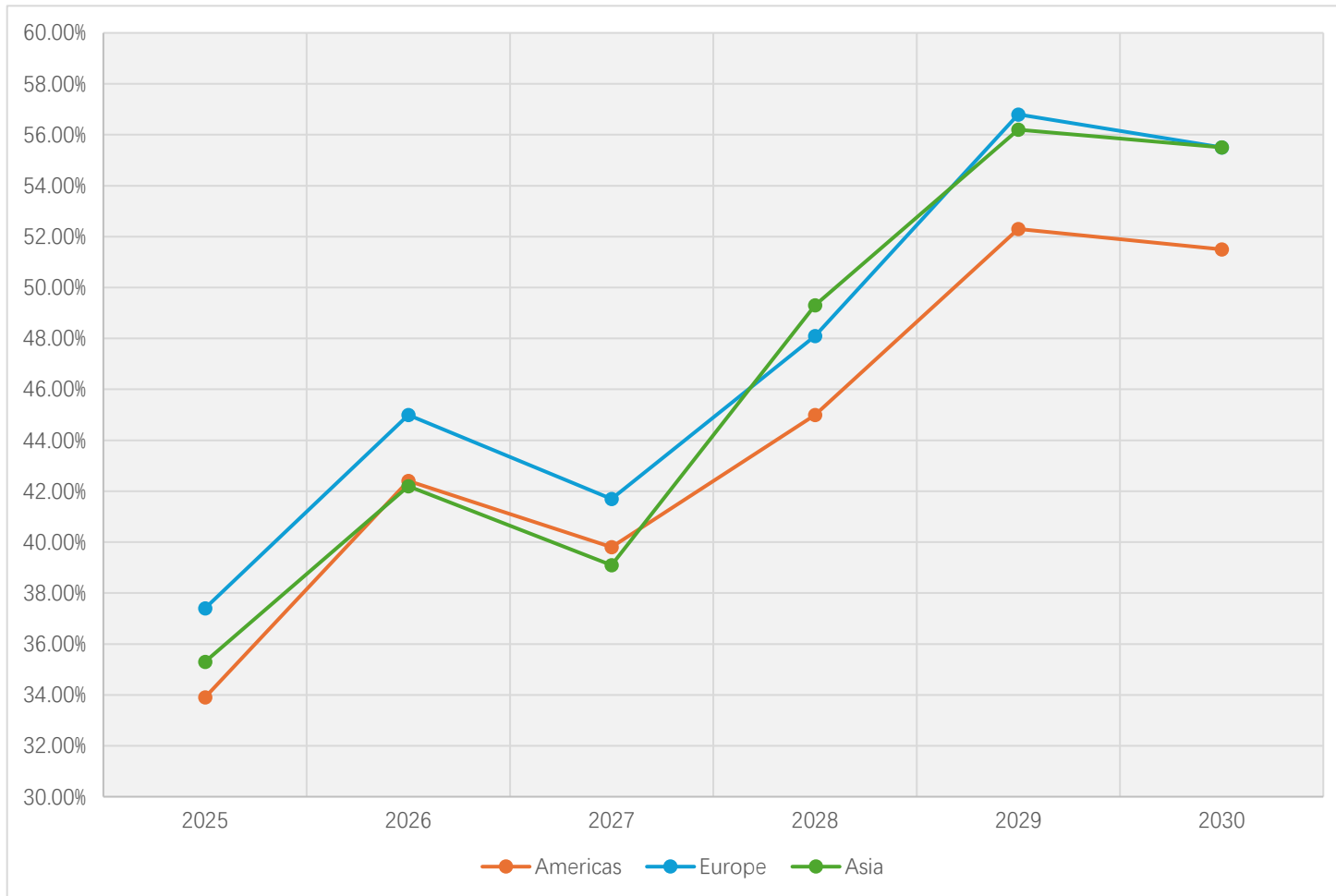
Figure 15: Peer and Self-Evaluation Feedback (on a 1-5 Scale) – Aligning Self-Perception with Team Assessment

3. Graphs

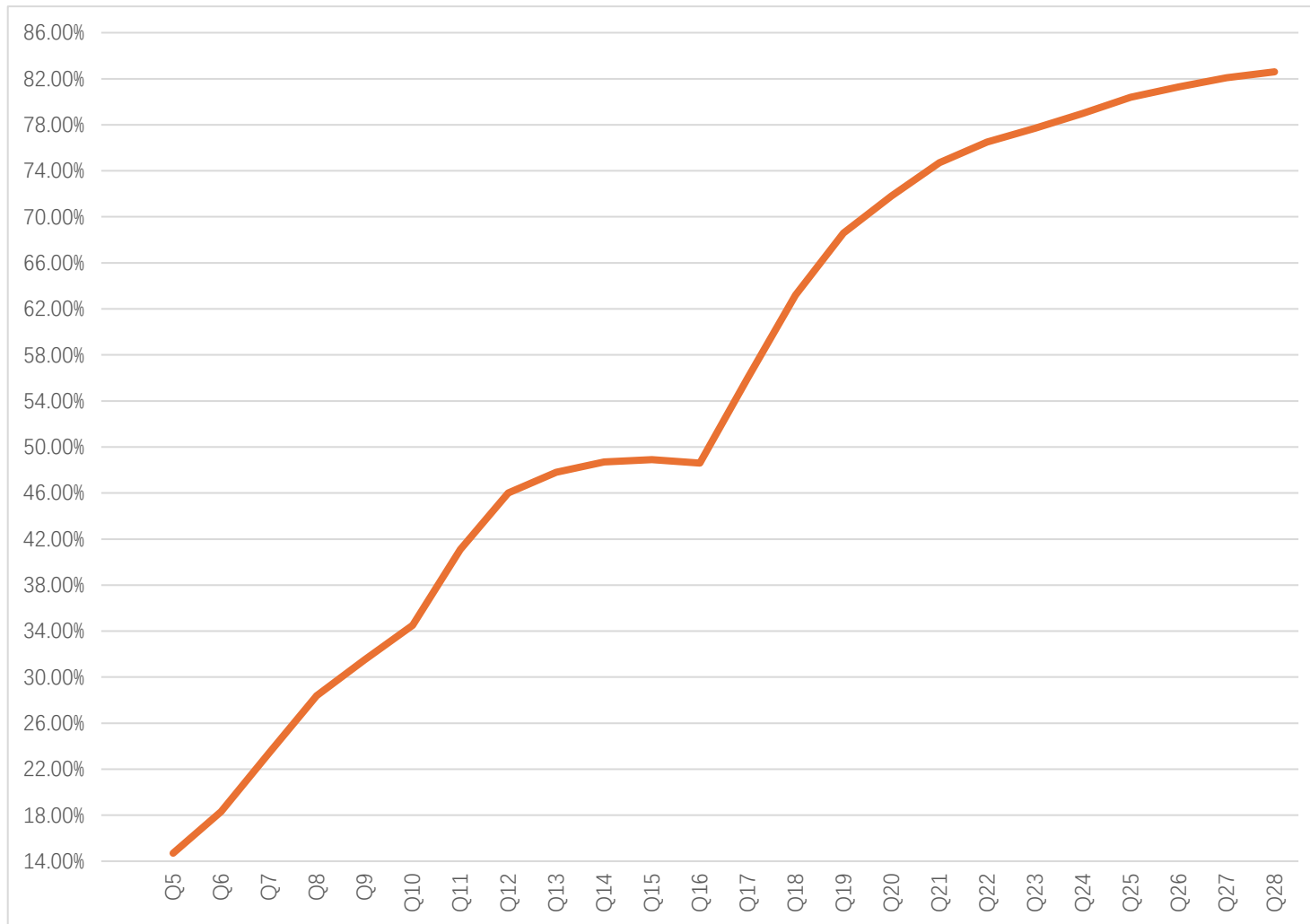


Graph 1: CO₂ Compliance Trajectory (\$ in Million) – From Penalties to Profits Through Strategic Electrification

(own illustration)

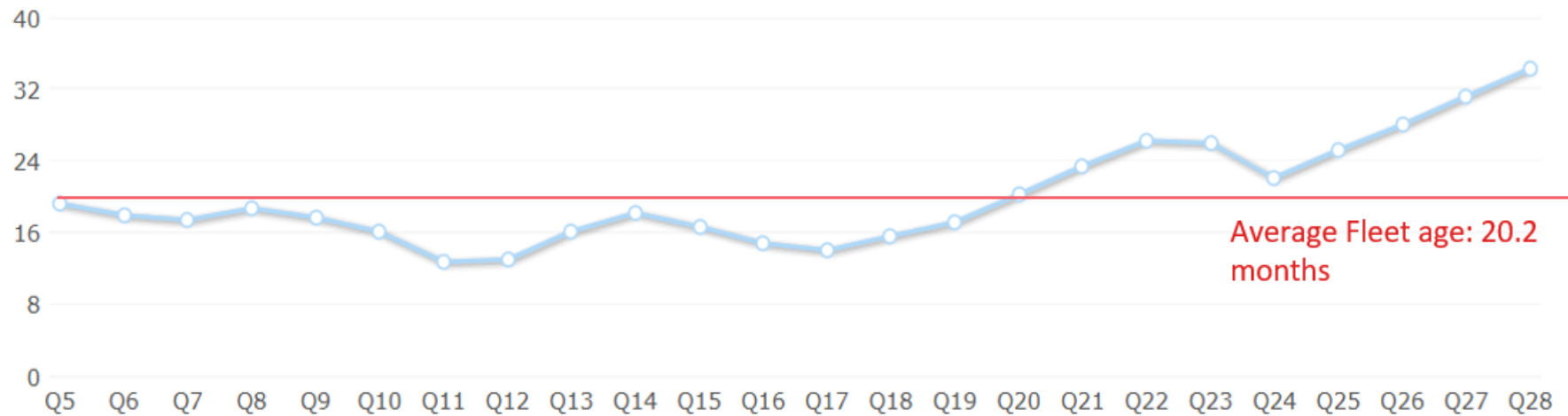


Graph 2: Market Share Dynamics by Region (in %, Q4-Q28) –Prioritizing Europe as a Strategic Stronghold to Mitigate Sino-US Trade Risks (own illustration)

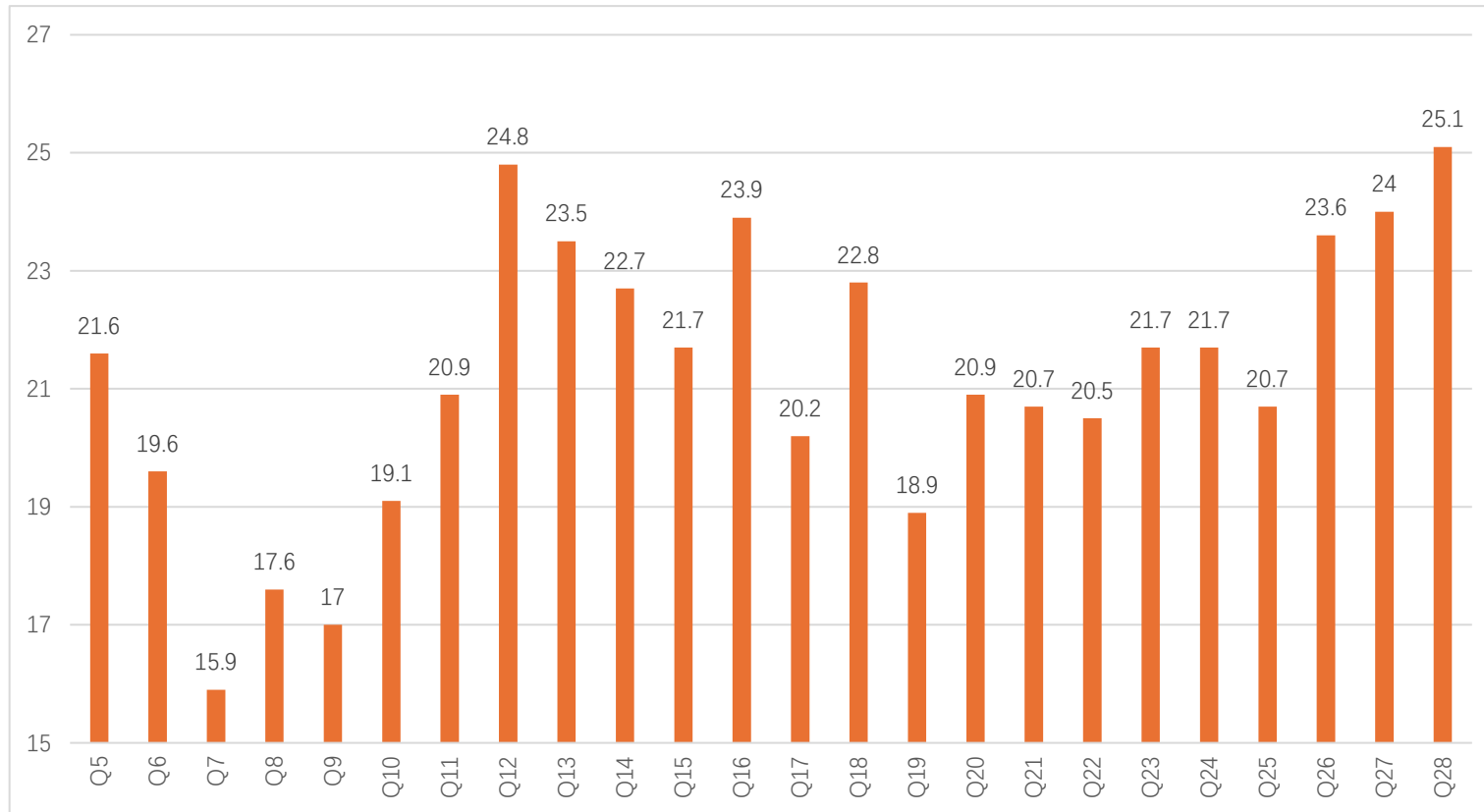


Graph 3: Sustainability Rating Progression (in %) – Achieving Industry Leadership in ESG Performance (*own illustration*)

Fleet Age

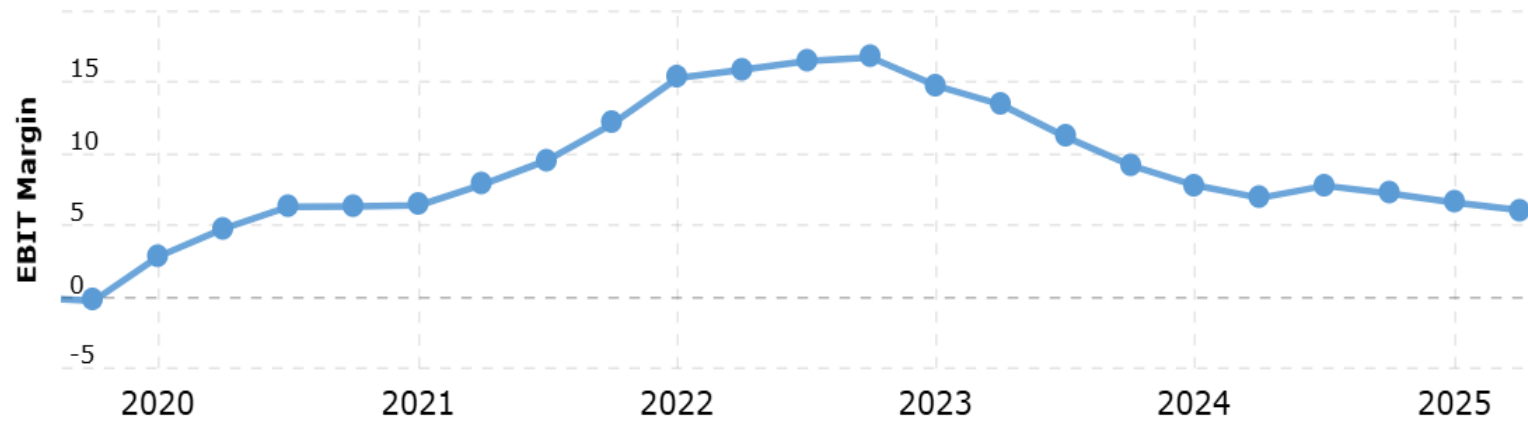


Graph 4: Average Fleet Age (in Months, Q5-Q28) – Commitment to Technological Freshness and Innovation (*Industry Master 2025, Red line indicating average fleet age added by author*)



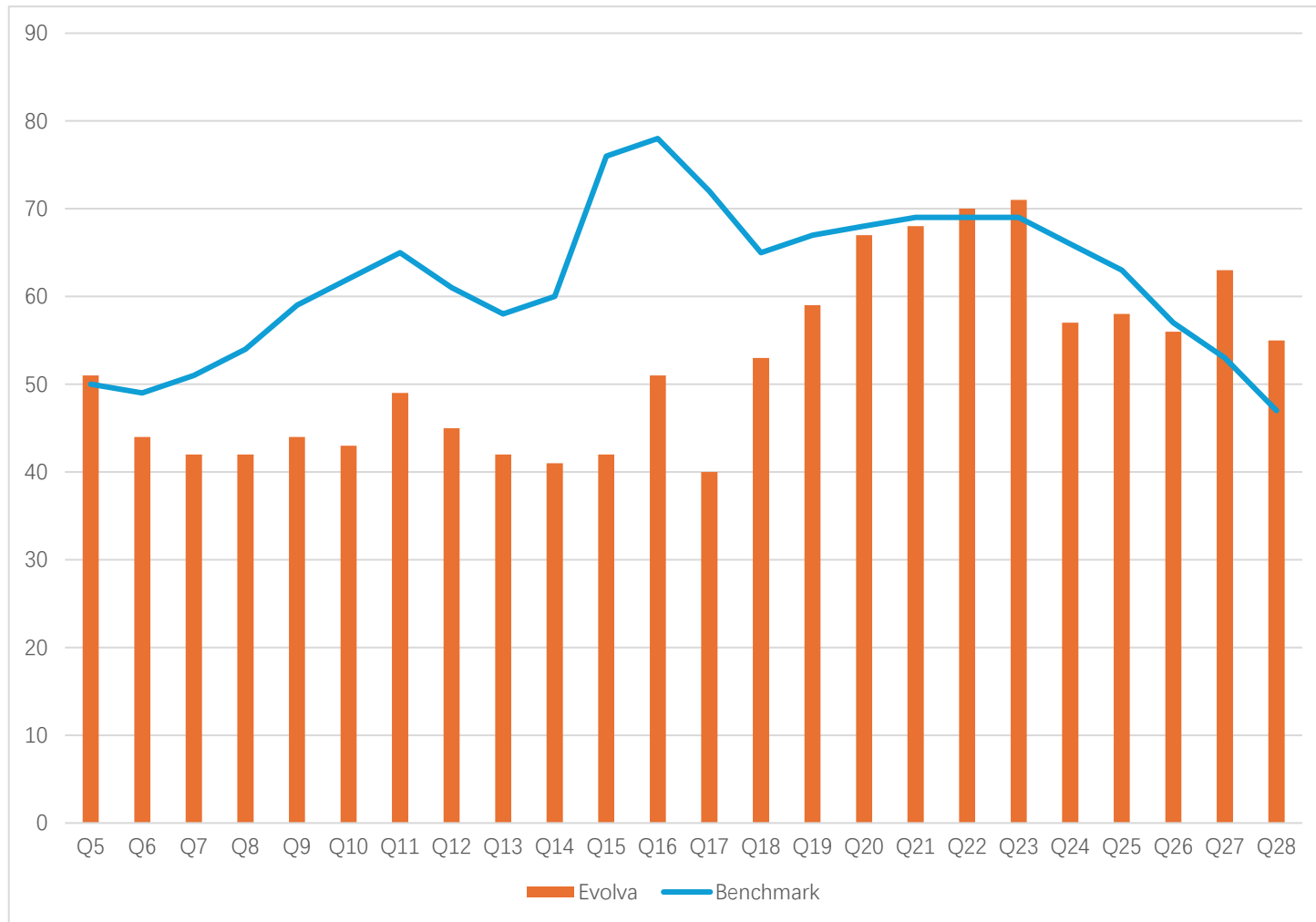
Graph 5: EVolva’s EBIT Margin Performance (in %, 2025–2030)– Premium Positioning Strategy Delivers Above-Industry Profitability

(own illustration)

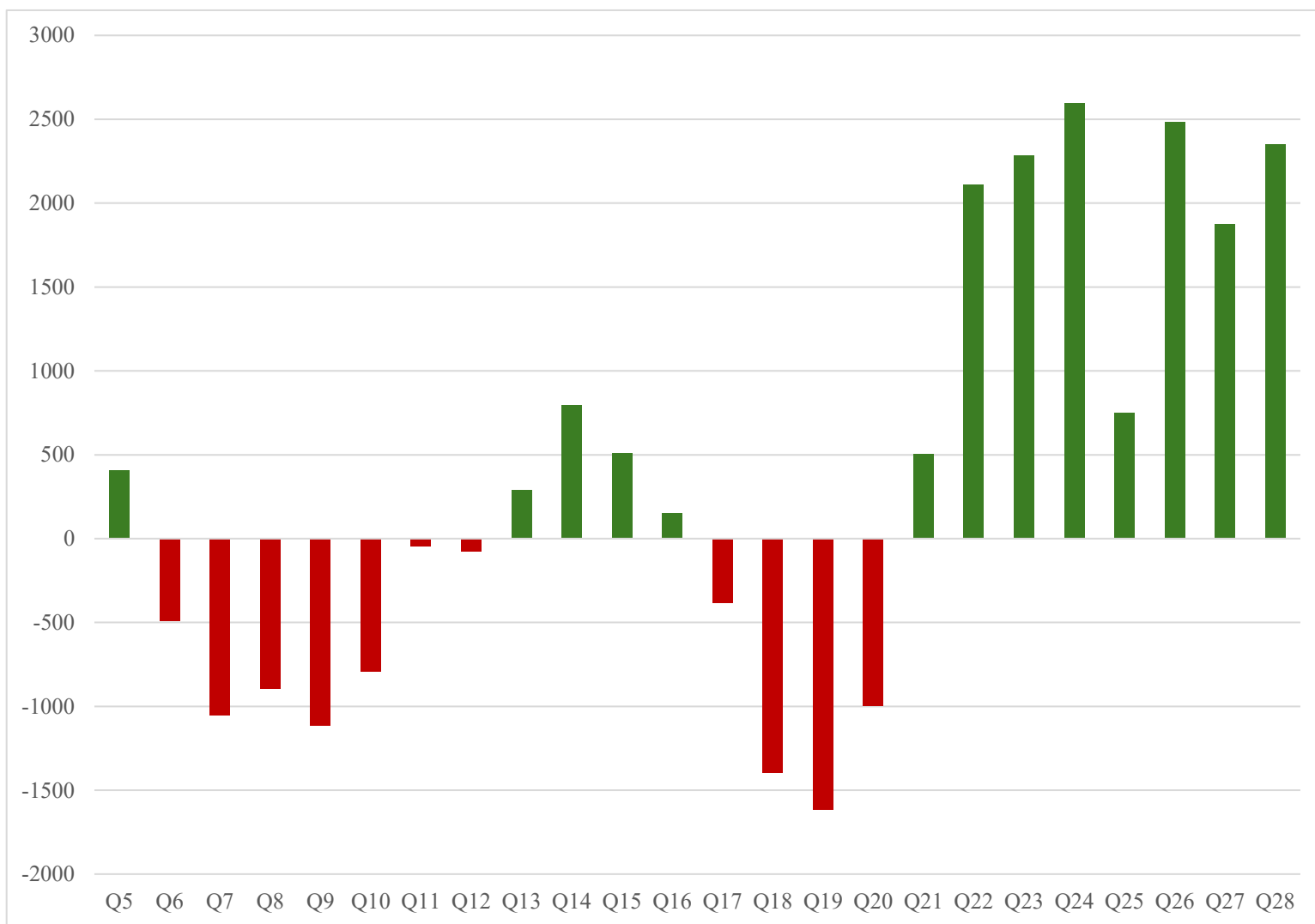


Graph 6: Real-World Benchmark: Tesla’s EBIT Margin (in %, 2020–2025) – A Comparison for EVolva’s Performance (*MacroTrends*)

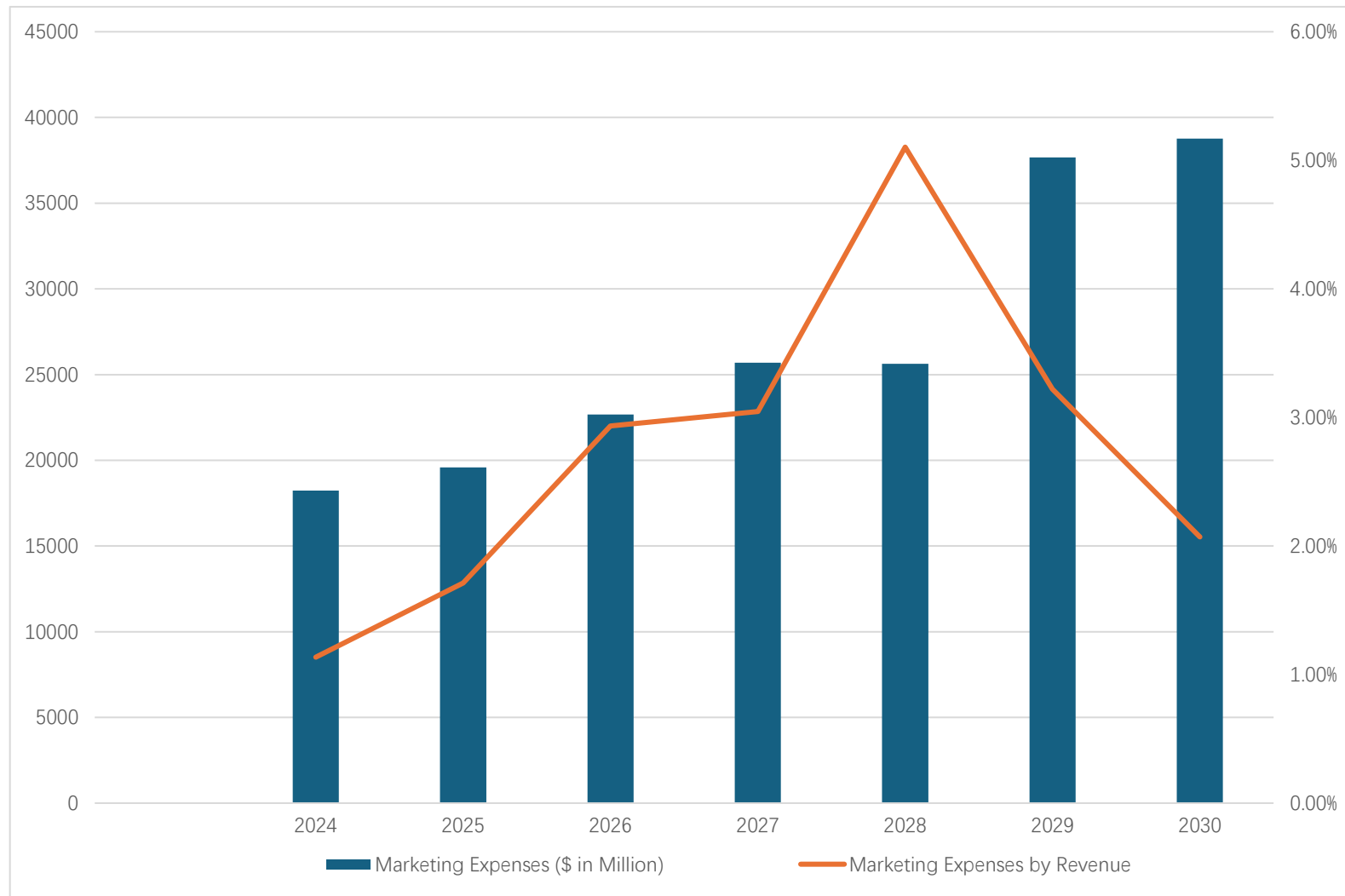
Note. Retrieved August 21, 2025, from <https://www.macrotrends.net/stocks/charts/TSLA/tesla/ebit-margin>



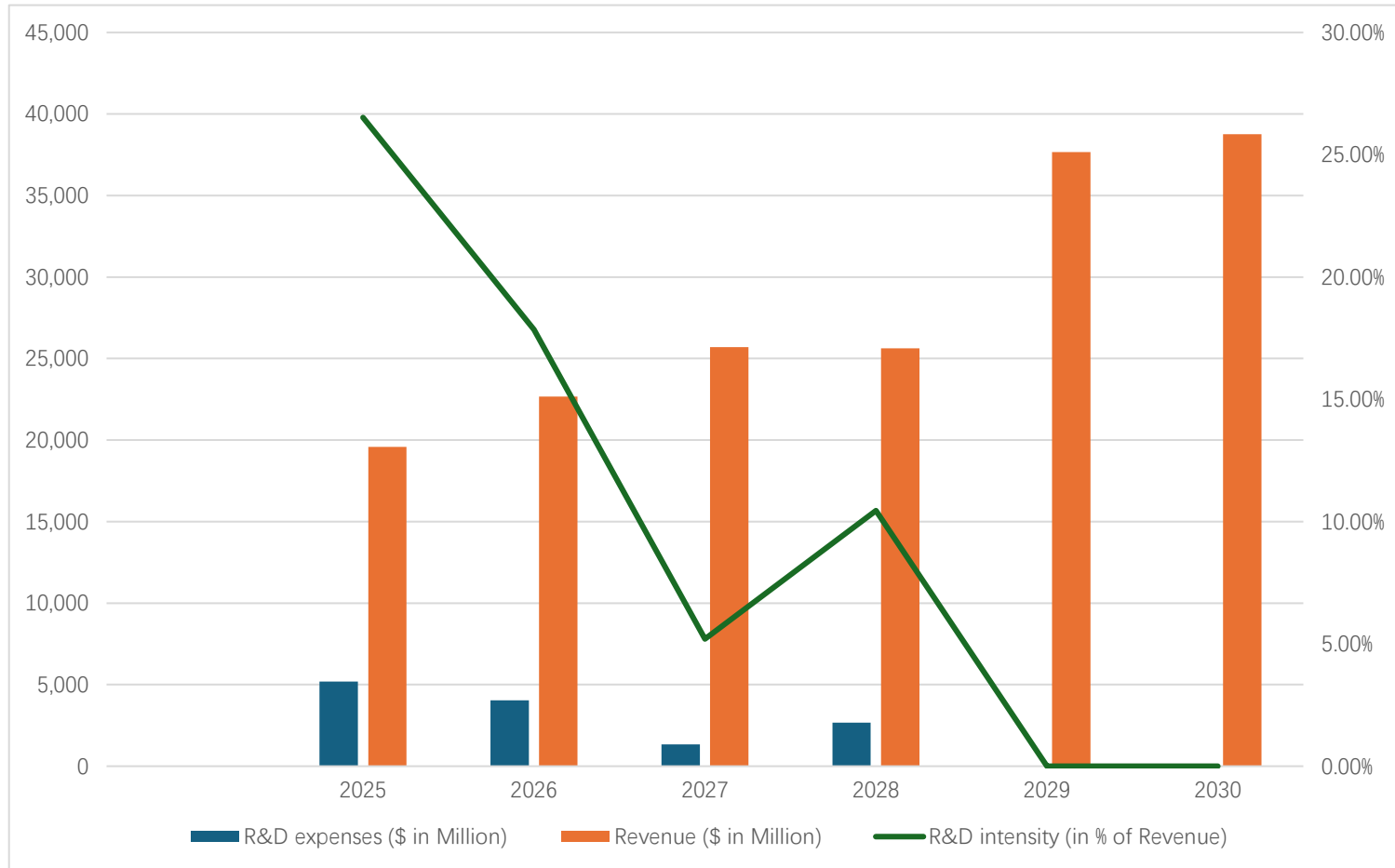
Graph 7: EVolva’s Days of Inventories (Q5–Q28) – An Inventory Crisis Triggered by Unchecked Expansion *(own illustration)*



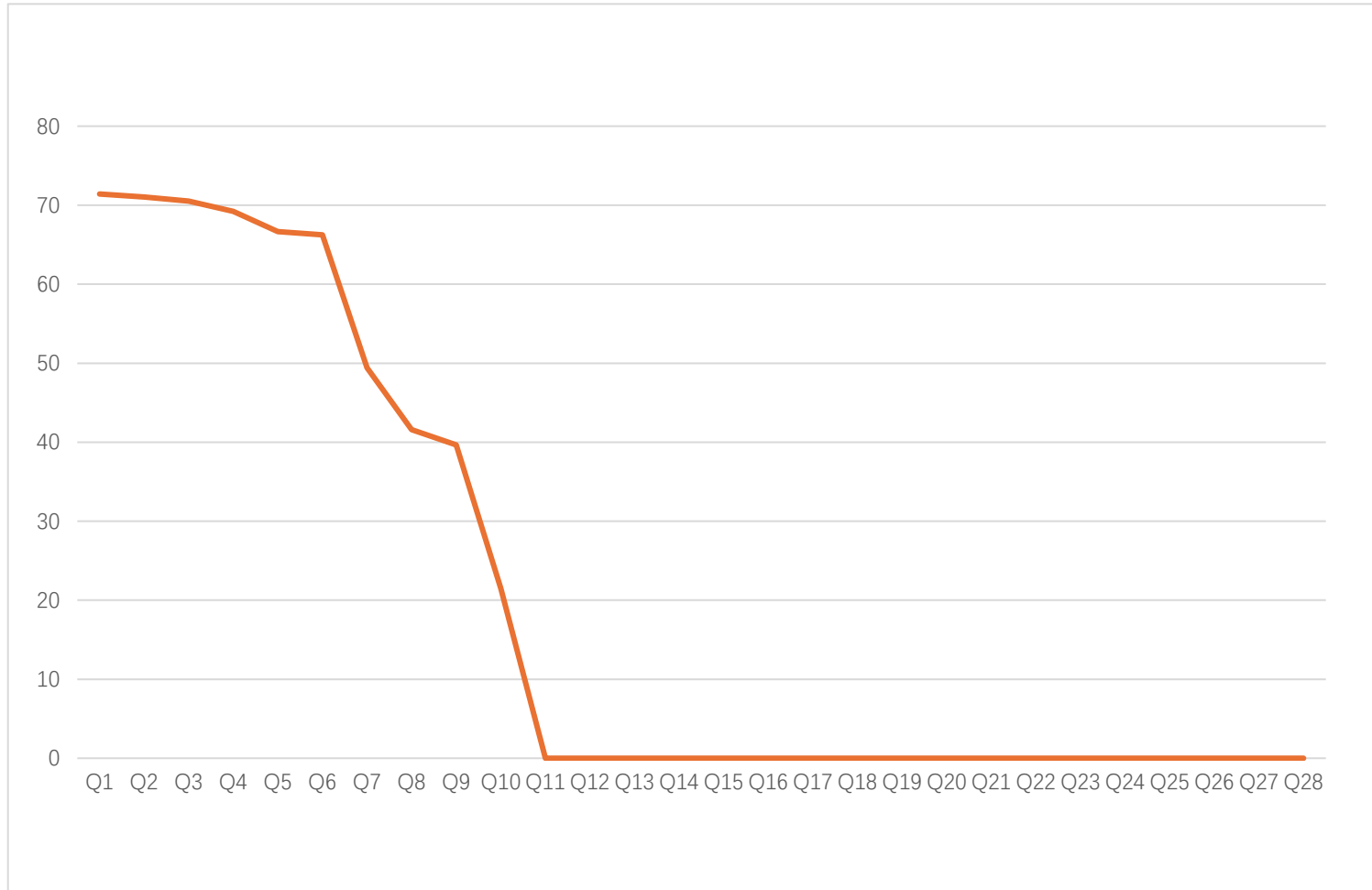
Graph 8: Free Cash Flow Trajectory (\$ in Million) *(own illustration)*



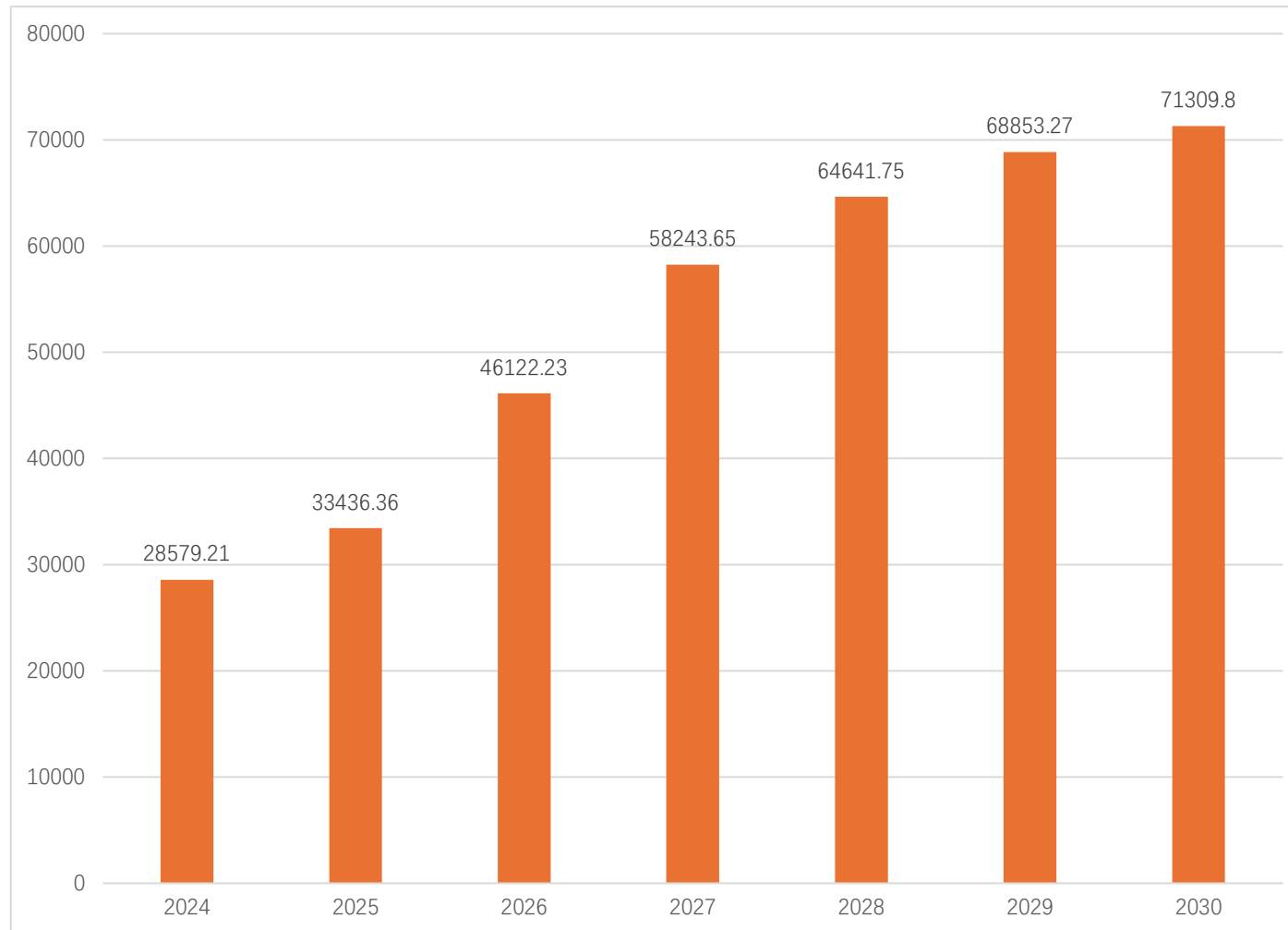
Graph 9: EVolva's Revenue(\$ in Million) and Marketing Expenses by Revenue (*own illustration*)



Graph 10: R&D Intensity Over Time (as % of Revenue) – Front-Loading Investment to Secure a Technological Edge (*own illustration*)



Graph 11: Fleet CO₂ Emissions Reduction (in g/mile) – A Successful Transition to a Zero-Emission Portfolio (*own illustration*)



Graph 12: Cumulative EV Sales Growth (\$ in Million, Year 1-6) – Translating Innovation into Exponential Market Growth

(own illustration)

4. Table

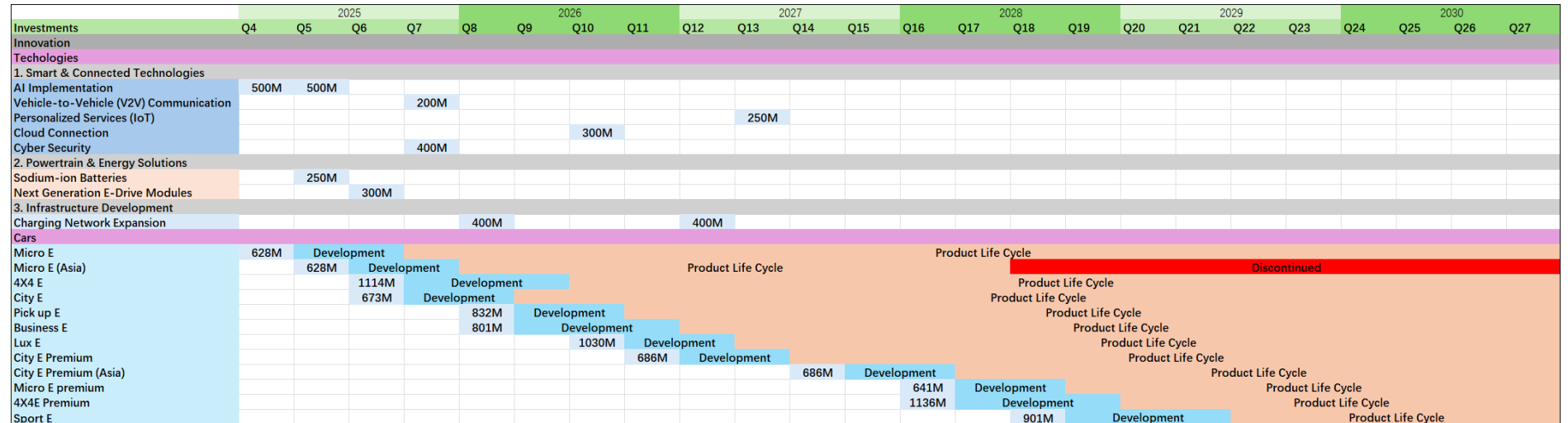


Table 1: Integrated R&D and Product Development Timeline – Aligning Tech Investment with Market Entry *(own illustration)*