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ENOVIA'S DRIVE TO A SUSTAINABLE AND TECHNOLOGICAL FUTURE: AN ANALYSIS OF STRATEGY, FIRM PERFORMANCE, AND PERSONAL GROWTH

ANA DO AMARAL E
ALBUQUERQUE LOPES
CARDOSO

Work project carried out under the supervision of:

Professor João Batista

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Abstract

This thesis analyses the strategic transformation of Enovia, a fictional global car manufacturer, through a six-year business simulation. Using Rumelt's strategic kernel (2012), the study examines strategy development and implementation, highlighting the importance of electrification, technological leadership, operational efficiency, and sustainability integration. The research emphasizes how cross-functional cooperation drove both financial and environmental outcomes, aligning with market and regulatory trends. Additionally, the paper explores personal reflections on teamwork, mainly on vulnerability, psychological safety, and authentic leadership as key facilitators of collective success.

Keywords: Automotive Industry, Electric Vehicles (EVs), Firm Performance, Strategy Development, Strategy Implementation, Sustainability, Technological Innovation, Operational Efficiency, Team Dynamics, Cross-Functional Collaboration, Personal Growth

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1. Analysis of firm performance

1.1. Introduction to a thrilling industry: section content and structure

In 2024, the transportation sector produced about nine billion metric tons of carbon dioxide emissions, with passenger vehicles responsible for the largest share. Emissions from passenger cars increased by nearly 20% between 2010 and 2023, reaching 3.2 $GtCO_2$ and making them the single largest source of global road transport emissions (Statista, 2025). This trajectory is concerning, as the planet is approaching irreversible tipping points that threaten its own sustainable existence (The Economist, 2025). The urgency to do more and better is more evident than ever, and reducing greenhouse gas emissions in the automobile sector is a fundamental part of this collective effort.

For automakers, this environment has triggered one of the most significant industrial transformations in modern history, drawing comparisons to the impact of the introduction of the Model T Ford. Stricter environmental and social regulations, rapid technological advances, intensified competition, and shifting consumer preferences for sustainable mobility have made internal combustion engines increasingly unsustainable. What was once a stable market has become a turbulent, highly competitive field demanding reinvention.

This master's thesis section explores the successful transformation of Enovia, a fictional but representative global car manufacturer, through a six-year business simulation. Starting with eight factories, a six-model portfolio, and a loyal customer base, Enovia's new Board was appointed to navigate the complex challenge of redefining the company's strategic direction. Explaining its success requires a focus on two main activities that shaped Enovia's path. Structured by Rumelt's (2012) strategic kernel and informed by theoretical, practical, and real-life insights, the analysis first addresses **strategy development**, which integrates the first two components of a good strategy: **A diagnosis** explaining the nature of the challenges faced by a

car manufacturer in this decade, and the formulation of a **guiding policy** to address the identified challenges and to set the principles for business coordinate actions. Second, the analysis focuses on **strategy implementation**, centered on the **coherent actions** undertaken by the **Innovation** and **Operations** departments, as well as their cross-functional collaboration with all other departments, which were fundamental to achieving the final sustainable, financial, and commercial results.

1.2. Strategy development: Enovia's goal towards a competitive advantage

1.2.1 A Diagnosis: Laying the foundation for a strategic transformation

The transformation journey of Enovia was grounded in a rigorous strategic diagnosis that provided the analytical foundation for a strong and clear guiding policy (Rumelt 2012). Without a clear understanding of the external environment, industry dynamics, and the firm's internal capabilities and weaknesses, any attempt to navigate the challenges of the 2020s would have risked incoherence and inefficiency. By combining PESTEL, Industry Report Data, Porter's Five Forces, and SWOT frameworks, Enovia captured the complexity of its situation and identified the strategic levers that would define its path forward.

When analyzing the political, economic, and social environment in the automobile sector, the divergence across geographical markets on all these elements was immediately evident. To accurately identify the challenges, each market was analyzed separately, as this heterogeneity confirmed that global strategies without regional nuance would fail (Appendix 1). The **U.S.** presented a complex reality: a new foreign trade policy that affects supply chain allocations and puts pressure on margins. Significant federal support, which injects substantial stimulus into the electric vehicle (EV) manufacturing sector, while EV adoption remains sluggish, with only 10% of sales in 2024 and just 12% of consumers planning a future BEV purchase. **China** remained highly favorable for EV manufacturing due to supportive foreign trade policies,

subsidies, and low-cost financing, with a GDP growth rate of 5% in 2024 and clean technologies accounting for over 10% of national output. China led the world's EV demand, with EVs accounting for 50% of new car sales in 2024, and 45% of consumers intending to choose BEVs next. In **Europe**, the automotive sector remained an essential slice of GDP, supported by raw material agreements and targeted economic incentives. Europe showed slowing momentum, with 21% of new registrations electrified (14% BEV, 7% PHEV) and nearly one in four consumers planning to buy a BEV (McKinsey & Company 2025) (IEA, 2025). Europe also advanced as a global regulatory leader, with the Environmental Taxonomy, CSRD, and CSDDD directives setting new disclosure and sustainability benchmarks for companies.

Market dynamics further heightened the complexity (Appendix 2). Global EV sales surpassed 17 million units in 2024, representing a 25% year-on-year increase. China continued to accelerate, remaining the top-performing market, while Europe stagnated as subsidies were reduced, and the U.S. slowed its growth amid political uncertainty (IEA, 2025). At the same time, competitive pressures intensified. New entrants, particularly Chinese firms, leveraged vertical integration and cost innovation to undercut incumbents. Western and Japanese automakers struggled with legacy costs associated with combustion engines, forcing them to balance short-term profitability with substantial investments in electrification. Rapid advances in battery chemistry, digital connectivity, and artificial intelligence reshaped both product design and consumer expectations. Lithium-ion battery costs have fallen since 2013 (BloombergNEF, 2023), allowing affordable EVs across all segments. As Porter (1980) emphasizes, rivalry intensifies when entry barriers fall and incumbents face disruptive challengers (Appendix 3).

While external forces demanded radical adaptation, the internal diagnosis (Appendix 4) revealed that Enovia entered the simulation with significant assets. Eight factories operated at over 95% capacity utilization, supported by a diversified six-model portfolio and a loyal

customer base. Firm financial reserves provided liquidity for capital-intensive investments, while a skilled and knowledgeable leadership team secured governance stability. These resources, aligned with Prahalad and Hamel's (1990) concept of core competencies, gave Enovia the underlying capacity to pursue its transformation. Yet, weaknesses were equally evident (Appendix 5). Sustainability integration was absent, with 0% green CAPEX and a CSR score of only 50%. This exposed reputational risks and undermined long-term competitiveness in a context where ESG performance is increasingly a prerequisite for investor confidence (Miller, 2020). The product portfolio was also showing signs of maturity, and human capital also lagged: insufficient training and weak digital competencies threatened the effective adoption of new technologies and undermined operational efficiency.

1.2.2 A Guiding Policy: translating vision into coordinated strategic decisions

This comprehensive diagnosis set the stage for a clear and strong guiding policy (Rumelt 2012). Rather than producing an exhaustive list of initiatives, the Board was able to structure coherent strategic action around **five central pillars** (Appendix 6) stoned on the understanding that: Enovia's overarching ambition was not limited to maximizing profits or shareholder value but to creating shared value by integrating profitability with social and environmental responsibility (Porter & Kramer, 2011), in line with the triple-bottom-line approach highlighted by Miller (2020).

Full Fleet Electrification: Enovia decided to achieve full fleet electrification by phasing out all internal combustion engine (ICE) models and replacing them with advanced EVs across every customer segment. By setting a clear target of 100% EV sales within the first three years of the simulation, this ambition not only aligned the company with regulatory trajectories but also positioned it as a leader in sustainable mobility across a broad spectrum of car models. Industry peers such as Volvo, which aims for 50% fully electric sales by 2025 and net-zero emissions by 2040, offered a benchmark for grounding ambition in credible precedent.

Technology Leadership as Differentiation: The second pillar emphasized technology leadership as the foundation of broad differentiation (Porter, 1980). Enovia identified a gap in the industry positioning map and aimed to fill it by pursuing a deliberate first-mover strategy (Lieberman & Montgomery, 1988) (Figure 1).

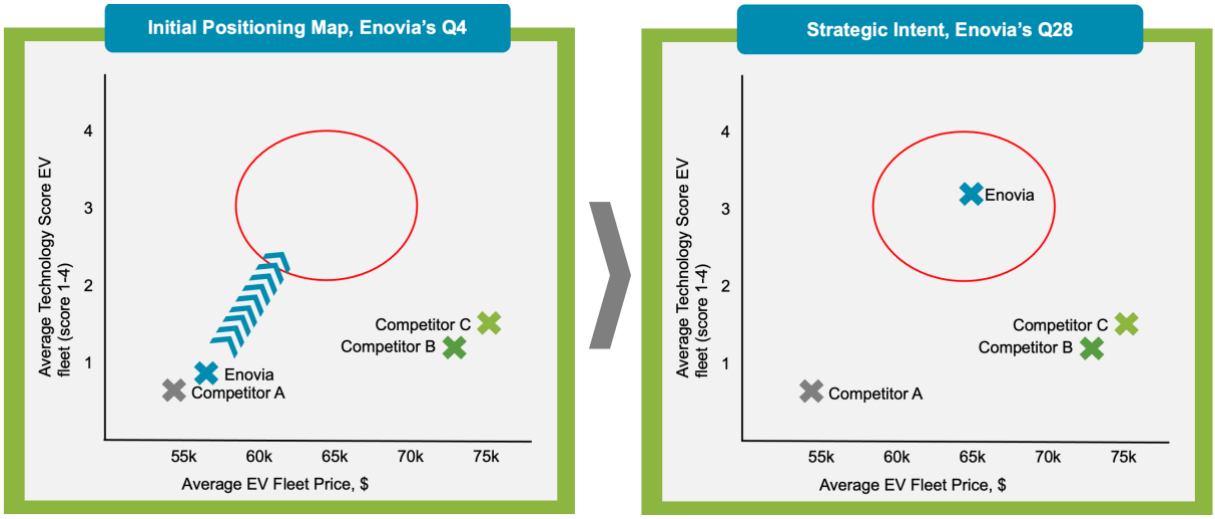

Figure 1: Enovia's Positioning Map

Significant R&D investments were to be channeled into improving EV performance, integrating advanced digital connectivity, and sustainability features across all models. The firm established a measurable objective of achieving an average technological fleet score of 3 out of 4. In line with Teece's (2018) argument that dynamic capabilities are decisive in fast-moving markets, Enovia positioned technological superiority as the driver of competitive advantage.

Comprehensive Segment Coverage: The third pillar centered on segment inclusivity. Enovia decided to maintain and improve its current portfolio while entering the microcar segment to meet rising demand in dense urban environments. The strategic target was ambitious: to secure a 45% share of EV sales across all regions, make a smooth transition according to product lifecycles, market expectations, pricing decisions, contribution margins, and factory utilization. This approach aimed to strike a balance between affordability,

technological depth, and brand reach, thereby reinforcing the firm's commitment to serving diverse consumer preferences.

Operational Expansion and Transformation: The fourth pillar defined the operational roadmap. China was designated to be the company's central production hub, leveraging economies of scale in the fastest-growing EV market. Europe was selected to be the second to shift to EV-only manufacturing, in line with the EU legislation of banning the sale of new ICE vehicles by 2035. The U.S. was tasked with maintaining healthy days of inventory (DOI) levels, full capacity utilization, and comfortable profit margins to fuel this transition. Alongside geographic specialization, Enovia was set to invest heavily in global green energy adoption and sustainable supply chain practices. The focus on scale and sustainability mirrored Renault's "Renaulution" program, which emphasized cost reduction, faster development cycles, and sustainability integration. Operational transformation was not simply about volume growth but about building a resilient and future-proof industrial base.

Sustainability, Talent and Financial Alignment: Enovia positioned sustainability at the core of its identity, taking an active part in the unprecedented global collective action set by the Paris Agreement (UNFCCC, 2016) and national/regional strategies such as the European Green Deal (European Commission 2019), the Environmental Taxonomy Regulation (European Commission 2020), China's mid-century low-carbon strategy (UNFCCC, 2021), and the U.S. Inflation Reduction Act (U.S. Department of Energy, 2025). Institutional forces strongly influence organizations as highly socialized entities, so Enovia committed to allocating at least 50% of total CAPEX to green investments, achieving a 100% CSR score, upskilling all its workforce within the simulation period, and prioritizing the UN sustainable development goals number 9,12, and 13 (United Nations 2015). Financial alignment was key to pursuing all these ambitions. Enovia established disciplined capital allocation, while leveraging green bonds and ESG-linked financing instruments to secure low-cost capital. Inspired by BMW's commitment

to the “Business Ambition for 1.5°C” initiative, Enovia treated ESG integration not as theoretical, but as a competitive and investor-driven advantage.

Together, these five pillars provided the coherence for coordinated strategic decisions across Enovia’s core departments (Appendix 7). Full electrification defined what Enovia would sell; technology leadership and segment coverage shaped how it would differentiate itself; operational, sustainability, and talent commitments set the framework for how it would operate; and financial alignment ensured how it would sustain its ambitions.

1.3. Strategy Implementation: Enovia’s steps to competitive advantage

1.3.1. Innovation Coherent Actions: Accelerating towards technological leadership

Innovation stood at the heart of Enovia’s transformation during the six-year simulation period. Guided by the strategic policy defined by the Board, the company’s survival depended on reinventing itself as a fully electrified and sustainable automaker. Scholars describe this as a paradigmatic case of disruptive innovation (Christensen, Raynor, and McDonald, 2015) and socio-technical transition (Geels, 2002), where firms must rapidly develop dynamic capabilities (Teece, 2018) for business model innovation. To understand this process, the analysis draws on Crossan and Apaydin’s (2010) framework, which consolidates determinants of innovation into three meta-constructs: leadership, managerial levers, and business processes.

Innovation leadership provided the initial direction. Building on Upper Echelon Theory, organizational outcomes are strongly shaped by the characteristics and behaviors of executives (Hambrick and Mason, 1984). For Enovia, the guiding policy for innovation was clear and direct: achieve a technological fleet score of 3 out of 4 while renewing its current portfolio and expanding into the microcar segment, addressing an overlooked market (Christensen, Raynor, and McDonald 2015). To deliver on this, investments were prioritized in advanced battery, autonomous driving technologies, and connectivity features.

Managerial levers, grounded in Dynamic Capabilities Theory, operationalized this ambition by enabling the organization to adapt and reconfigure resources in a dynamic environment (Teece, 2018). Enovia pursued five levers in particular. First, its innovation mission was clearly formalized (Appendix 7), creating clarity across departments. Second, structures were established to ensure alignment, such as the cross-departmental innovation councils, which were convened at the beginning of each quarter and comprised the heads of Innovation, Operations, and Marketing. Third, resource allocation was bold: $2,600 million was invested in scaling battery efficiency, developing autonomous driving and connectivity tools, and $8,229 million was allocated to creating the new fleet. Coordination between finance, innovation, and operations (the two departments with the highest level of investment) was crucial to synchronize investment flows with production readiness (Appendix 8). Fourth, organizational learning was promoted through workforce training in digital and sustainability skills, aligned with HR priorities, since specific investments could only be implemented if the company developed sufficient internal digital expertise (Appendix 9). Finally, culture was reshaped to prioritize calculated risk-taking, tolerance for failure, and long-term sustainability (Appendix 10), echoing findings that innovation-oriented cultures amplify firm performance (Amabile, 1998). All these levers created the capacity to turn ambition into execution.

The decisive element, however, lay in the **business processes**, which transformed innovative leadership intent and managerial levers into tangible outcomes. Product development processes, anchored in consumer preferences and strategic positioning, fueled Enovia's fleet transformation. Portfolio management allowed the company to diversify risk and opportunities across market segments, while commercialization tied launches directly to marketing campaigns and regional pricing strategies to maximize adoption rates and contribution margins.

Throughout the entire simulation period, these processes functioned in total coordination. New car models were developed according to the corresponding life cycles of the existing models, possible cannibalization effect, customer preferences, as well as the operational capacity and investment budgets. A clear example comes during the second and third year when six new EV models were launched, two factories were constructed, five relaunches were completed, and three car models were discontinued (Appendix 11). Every growth comes with pain, and during these years, factory utilization dropped due to a spike in DOI levels in some car models, exposing a misalignment between production capacity and sales volume. A deeper exploration of these operations and marketing challenges can be found in the next chapter. Still, these challenges underline the importance of resilience and learning, as innovation at scale is rarely flawless.

The final results were precise. By the end of the six years, Enovia launched ten EV models, reached a fleet technological score of 3.1 (Figure 2), and achieved regional market shares above 45% (Appendix 13). Innovation KPIs culminated in full fleet electrification and zero CO_2 fleet emissions in Q20 (Appendix 14).

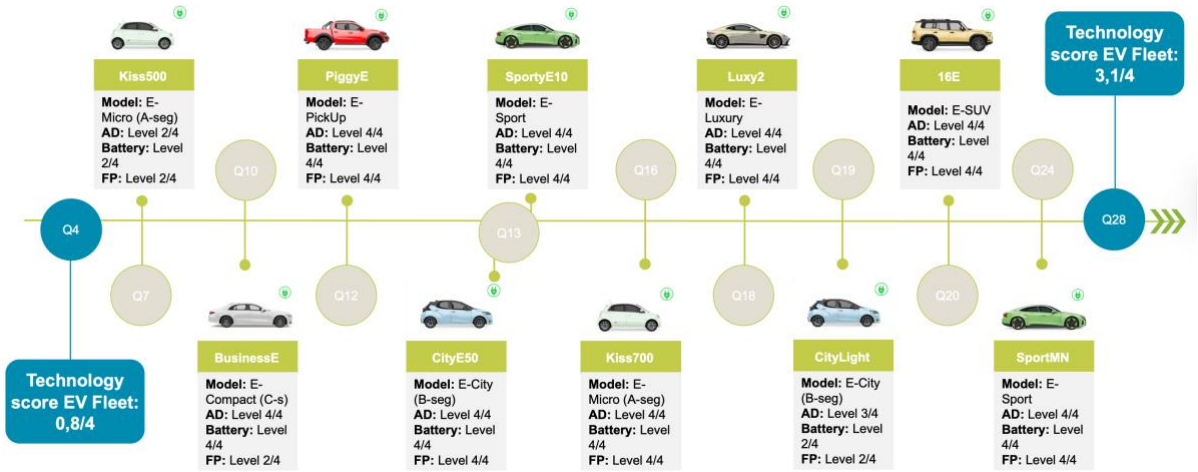

Figure 2: Enovia's Car Launches & Technological EVs Score

Enovia's innovation decisions were not only coherent with its guiding policy but also demonstrably effective. Real-world analogues illustrate these dynamics. Tesla demonstrates how innovation leadership and disciplined processes can converge in software-driven design and consumer storytelling, while BYD's vertically integrated model shows how process efficiency and scale can underpin rapid market expansion. Enovia's path, though fictional, reflects these cases: coherent innovation processes, supported by interdepartmental alignment, became a decisive source of competitive advantage.

1.3.2. Operations Coherent Actions: Importance of alignment and resilience

Enovia planned to build a distinctive set of capabilities that would allow the company to deliver a unique value proposition, surpassing that of any competitor, and establish a clear right to win. To win in business, you need to excel at transformation, and this section explores how effective operations enabled Enovia to thrive. Operations provided the means to scale, ensuring that electrification and sustainability goals could be achieved efficiently and reliably. Following the Board's guiding policy, Enovia's operational priorities crystallized around three objectives: minimize CO_2 emissions across production and suppliers; expand production capacity in the United States and China, with China to become the central production hub; and prioritize EV-only manufacturing in Europe. These defined the principles of Enovia's operational transformation.

Sustainability transformation: Over the first three years, Enovia made significant investments in sustainable operations (Appendix 8). These were categorized into three areas: production, energy, and supply chain. Production transformation aimed to reduce Scope 1 emissions through investments in water consumption reduction (Q6), waste reduction (Q8), and ISO 14001/EMAS certification (Q13). These efforts lowered negative environmental impacts and aligned with lean principles, showing that sustainability and lean manufacturing are positively linked (Burawat, 2019). Energy and supply chain efforts targeted Scopes 2 and 3 by

installing solar panels, implementing energy management systems, applying efficiency techniques, forming sustainable supplier partnerships, and recycling batteries externally, along with carbon offset schemes. These investments reduced total CO_2 emissions by more than half over six years and raised Enovia's CSR score to 100% by Q14 (Appendix 15). These actions not only benefited the environment and society (Miller, 2020) but also yielded substantial economic value for Enovia, including better product quality, lower operating costs, and higher product demand. Collaboration with HR and Finance was crucial: workforce upskilling in sustainability ensured that investments could be carried out effectively, while qualifying for green bond financing provided access to cheaper capital and increased budget allocation. This demonstrated that operational excellence relies as much on people and financing as on systems.

Expansion planning was shaped using the 4Vs framework (Slack et al., 2010) (Figure 3). Volume was addressed through the establishment of new factories in the U.S. and China, with China designated as the hub for mass production of city and micro models, thereby lowering per-unit costs and benefiting from economies of scale. Variety and visibility were managed by balancing standardized production for city/micro cars in China with customized, complex sports and luxury models in the U.S., ensuring coverage of all market segments. For Variation in demand, it was set to be lower as customer loyalty was assumed.

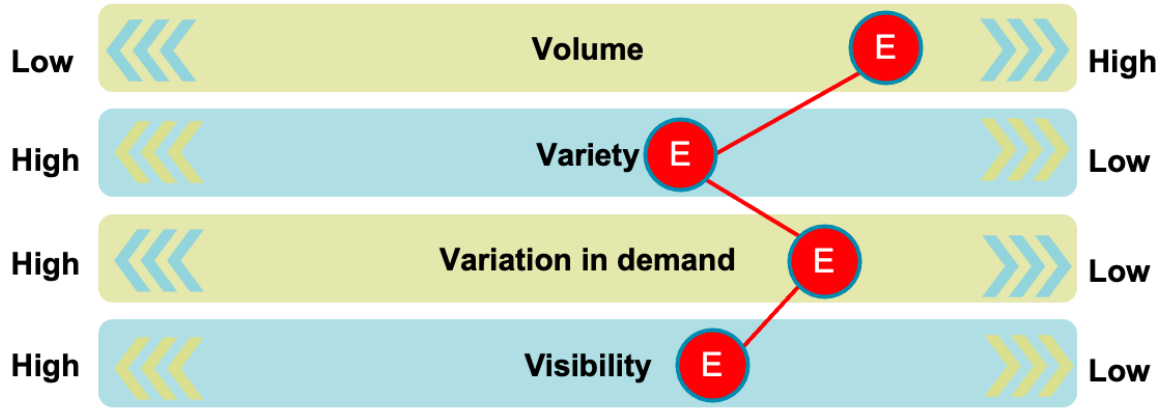

Figure 3: Enovia's 4Vs framework, own design in accordance with Slack et al. (2010)

Europe's transition to full EV production by Q16 illustrated the challenges of aligning capacity with demand. In years two and three, factory utilization dropped below 85% due to excessive DOI levels (Appendix 17), exposing a misalignment between production expansion and consumer adoption. In industries as capital-intensive and volume-driven as the automotive sector, it's imperative to align operations and marketing. Enovia faced several instances where production exceeded demand. This can be explained by the integration of three different factors: the rapid expansion of production facilities, setting price points that were too high, and inadequate marketing budgets. The efforts to reverse this trend in factory utilization led to the reintroduction and maintenance of the combustion model Business135H until Q16. This was a short-term decision made against the strategic guidelines, reflecting Einstein's sentence, "In theory, theory and practice are the same. In practice, they are not."

As Hausman et al. (2002) and O'Leary-Kelly & Flores (2002) demonstrate, integration between marketing and manufacturing is crucial. In Enovia's case, pricing decisions and marketing campaigns became essential levers to adjust demand and rebalance utilization, especially after year three (Appendix 16), showing how operational performance is inseparable from cross-functional cooperation. Operations were coordinated quarterly through top-management councils, ensuring alignment across fleet strategy, production capacity, and sustainability. By Q28, factory utilization reached 100% (Appendix 17), China emerged as the central production hub with five plants, and Europe and the U.S. stabilized at four each. CO_2 emissions in all scopes were more than halved (Appendix 18), operations became lean and green, and operating profits doubled by the end of Q28 (Appendix 19).

Real-world examples underscore the credibility of Enovia's path. Toyota's development of the Toyota Production System (TPS) for electric vehicle readiness demonstrates how lean principles can adapt to sustainability. Meanwhile, Polestar shows how a newcomer can achieve climate neutrality and full life-cycle accountability right from the start of its production model.

1.4. Key learnings from performance evaluation: Strong on coordination, strong on shared value creation

The study of Enovia's six-year transformation highlights several key insights into how strategic clarity, innovation, and operations interplay to deliver sustainable growth. First, the importance of diagnosis proved fundamental. By rigorously analyzing external pressures and internal strengths and weaknesses, Enovia avoided incoherence and was able to align actions to specific challenges across regional markets.

Second, the study showed the critical role of a coherent guiding policy in shaping direction. The five pillars: full electrification, technological leadership, comprehensive segment coverage, operational transformation, and sustainability alignment, created a unifying framework that cascaded from board-level vision to departmental execution. The comparative cases of Volvo and Renault underscore that highly ambitious but credible targets, when paired with operational feasibility, can generate both investor confidence and consumer trust.

Third, innovation emerged as a decisive driver of performance. Enovia's integration of managerial levers and business processes demonstrated that innovation was not an abstract goal but a system requiring structured coordination. The simultaneous launch of six EV models, factory construction, and portfolio relaunches in years two and three revealed the complexity of scaling innovation. The drop in factory utilization during this period highlighted the risks of misalignment between production and demand, demonstrating that transformation is an iterative process, marked by setbacks as well as breakthroughs.

Finally, operations proved the engine of resilience. Sustainable manufacturing investments halved CO_2 emissions, while the 4Vs framework allowed capacity expansion to be balanced with market coverage. Integration with marketing was particularly vital: aligning production volumes with pricing and demand ensured that utilization recovered and stabilized.

The Board set the goal, Innovation set the direction, and Operations set the road. Overall, Enovia's trajectory demonstrates that strategic success rests not on isolated actions but on the disciplined alignment of innovation, operations, marketing, finance and human resources, and the final results were impressive: over 3.7 million EVs sold (Appendix 20), a rise in CRS score to 100% (Appendix 15), and an expansion of value-added score from $1,992 to $3,981, with a significant confortable margin to its closer competitor (Appendix 21).

2. Personal Reflection

2.1. Introduction and overview of two critical incidents

Collaborating in groups during intense business simulations presents special chances for both career and personal development. These environments mimic the intricacy of executive decision-making, where significant decisions must be made quickly and involve cooperation from individuals with diverse objectives. As a result, they act as centres for interpersonal learning, revealing the biases, shortcomings, and strengths that people bring to team dynamics. It's essential to reflect on these events, as they can compromise the goals teams are trying to achieve if not recognized or handled correctly. In settings where interdependence influences every choice, trust and unity are not idealistic concepts but rather pragmatic requirements.

The importance of vulnerability in building team cohesion is highlighted in the first reflection, which I call the Sleeping Incident. What began as a lack of responsibility and presence turned into an open moment that reaffirmed the importance of organized alignment and psychological safety. This episode shows how openness about mistakes can turn a potential failure into an opportunity for growth. The discomfort of confrontation and true leadership are the main themes of the second reflection, about the China Expansion Setback. I had to balance my desire for harmony with the need to use professional judgment when I opposed a proposal that promised growth but involved serious operational risks. This episode demonstrates the

importance of emotional intelligence and principled disagreement in fostering conflict that helps team processes rather than undermining them. These reflections explore two key aspects of collaboration: constructive conflict as a way to achieve honesty and sound decision-making, and vulnerability as the foundation of trust. By doing so, they highlight the connection between individual growth and team performance, offering insights into the skills needed to navigate the complex realities of cross-functional collaboration in corporate environments.

2.2. The Sleeping incident: trust, Vulnerability, and Team Cohesion

As the member responsible for Operations, my quarterly responsibilities centered on factory utilization, production targets, and efficiency metrics, such as Days of Inventory. The Operations role was deeply interdependent with Marketing and Innovation: each new car launch required close coordination between production capacity, pricing, and market timing. Given these interdependencies, our team developed a system of annual strategic planning meetings that took place before each simulated year began. These meetings were designed to establish shared objectives, anticipate risks, and create alignment across functions. In short, they acted as the glue that bound the executive team together and ensured coherence across decisions.

During the planning session for Year 2, however, I made a critical mistake. Exhausted after a demanding preparation period, I fell asleep and missed the meeting. My absence disrupted more than logistics; it undermined alignment at a crucial intersection. Quarterly decisions were taken without Operations' perspective, leading to inconsistent objectives, rushed compromises, and visible frustration across the team. The absence of an integrated operational lens left the group reacting to problems rather than proactively addressing them. From my perspective, the episode was deeply embarrassing. Paradoxically, it became a turning point, forcing the team to recognize the irreplaceable value of structured alignment and reinforcing the importance of vulnerability and accountability.

This incident can be analyzed through Patrick Lencioni's Five Dysfunctions of a Team (Figure 4). According to Lencioni (2002), the most fundamental dysfunction is the absence of trust, often caused by an unwillingness to be vulnerable. Missing the meeting could have easily been interpreted as a sign of disengagement or a lack of commitment. However, by openly admitting my mistake, sincerely apologizing, and taking full responsibility, I modeled the vulnerability that Lencioni identifies as essential for building trust. Trust, in this sense, is not constructed through flawless performance but through the willingness to acknowledge imperfections honestly.

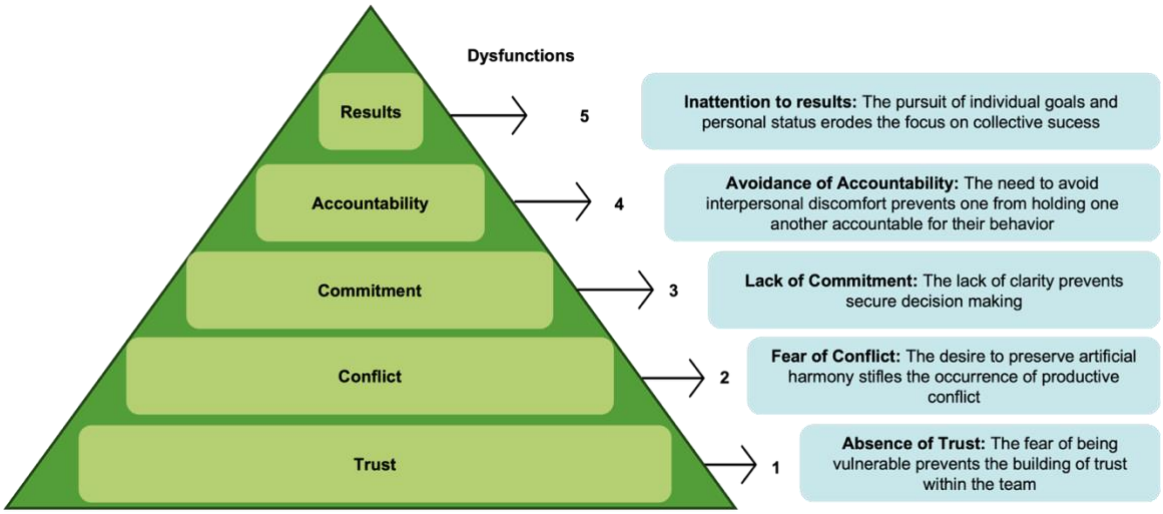

Figure 4: The Five Dysfunctions of a Team, own design in accordance with Patrick Lencioni (2022)

This insight aligns strongly with Edmondson's (1999) concept of psychological safety, which refers to a shared belief that the team is safe for interpersonal risk-taking. By admitting my mistake without defensiveness, I implicitly communicated that errors were acceptable as long as they were addressed constructively. Instead of allowing the situation to become a source of blame, my openness helped the group pivot toward shared accountability. In fact, this transformation confirmed that psychological safety is not built in the absence of mistakes but in how errors are handled.

The team's progression can also be mapped onto Tuckman and Jensen's (2010) stages of group development. The crisis following my absence marked a "storming" phase: frustration and conflict emerged due to misalignment. But by addressing the issue directly, the group transitioned more quickly into the "norming" stage, where shared rules and commitments became codified. From that point onward, annual planning meetings were treated as sacred by all members: a group norm institutionalized precisely because of the crisis. This demonstrates that conflict and dysfunction, when addressed transparently, can accelerate the development of team maturity. Cherniss and Goleman's (2001) framework of emotional intelligence provides further insight. Self-awareness allowed me to acknowledge the seriousness of my lapse, while self-regulation helped me communicate with humility rather than defensiveness. Social awareness, by understanding the frustration of my colleagues, and relationship management were equally important, as I needed to rebuild credibility and demonstrate commitment to the collective. Blanchard and Conley (2021) argue that credibility in leadership arises not from perfection but from the willingness to own shortcomings. This dynamic played out in practice: instead of diminishing my standing, my accountability enhanced the team's trust in me.

An essential element of reflection lies in considering alternatives. Had I chosen to minimize the incident or deflect responsibility, trust would almost certainly have eroded. Resentment could have festered, reinforcing a culture where mistakes were hidden rather than discussed. Instead, by choosing openness, I signaled to others that accountability was the norm. This, in turn, encouraged colleagues to be more transparent when they made errors in later rounds. From a personal perspective, the most significant learning was that vulnerability is not synonymous with weakness. On the contrary, it can be a source of strength that fosters credibility and cohesion. Moreover, the incident highlighted the necessity of structured alignment in managing complex interdependencies. Planning sessions were not optional add-ons but essential mechanisms of coordination.

Looking forward to my career in the financial sector, these insights are highly transferable. Like the simulation, wealth management is defined by interdependence: relationship managers, investment strategists, and compliance officers must align to serve clients effectively. Just as missing a planning meeting disrupted operations in the simulation, minor lapses in coordination in a financial institution can generate serious downstream consequences. Furthermore, the importance of trust is magnified in banking. Clients entrust not only their assets but also their confidence to advisors. Admitting mistakes transparently, whether to colleagues or to clients, is therefore not only a matter of integrity but a prerequisite for building durable relationships. This incident reinforced my conviction that accountability and vulnerability are foundational to professional credibility, a principle I intend to pursue in my future career.

2.3. The China Expansion Setback: Conflict, Authentic Leadership, and Self-Awareness

By Year 5 of the simulation, the Innovation department presented a bold proposal: expanding production capacity into China once again. The allure of long-term growth opportunities fueled their enthusiasm in a crucial market. Yet, as Head of Operations, I could not ignore the warning signals. Our existing factories were underutilized, inventory levels were already elevated, and demand forecasts did not justify additional capacity. The expansion carried significant financial and operational risks.

I expressed my disagreement strongly. Although the team initially appreciated Innovation's boldness, they ultimately trusted my operational analysis and decided not to expand. Looking back, this decision proved correct: demand in China stagnated, and adding capacity could have led to inefficiencies. However, the confrontation was personally difficult. It pushed me to step beyond my usual preference for harmony and to confront colleagues I respected directly. In this context, the episode connected with insights from my Discovery Insights profile (Figure 5).

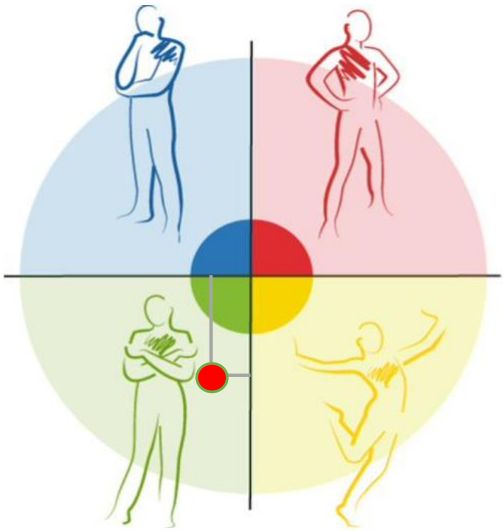

Figure 5: Personal allocation on the Discovery Insights Matrix

My questionnaire placed me in the Green energy, which highlights empathy, patience, and a strong desire for harmony in relationships. Even so, before taking the test, I would have identified more with the Yellow quadrant, which reflects sociability, enthusiasm, and a more extroverted style. Understanding the full model helped me see my experience in a clearer light: Blue energy relates to analysis and accuracy, Red to assertiveness and direct action, Yellow to energy and optimism, and Green to supportiveness and cooperation. My placement in the Green area explains both my natural tendency to avoid conflict and the discomfort I felt during the confrontation. However, the incident also showed me the value of stepping outside these preferences and balancing my Green drive for harmony with Red qualities, such as assertiveness and authenticity.

Scouller's Three Levels of Leadership (2016) (Figure 6) provides a valuable perspective for analyzing this experience. At the personal level, I faced the challenge of self-mastery, overcoming my discomfort with conflict to act consistently with my values of prudence and accountability. At the private level, which involves leading within a group, I needed to express my concerns in a way that maintained respect and cohesion. Finally, at the public level, my

responsibilities extended to the organization: ensuring financial sustainability and operational stability. These levels are interconnected: without authenticity at the personal level, I could not have spoken convincingly at the group level, nor could I have influenced organizational decisions credibly.

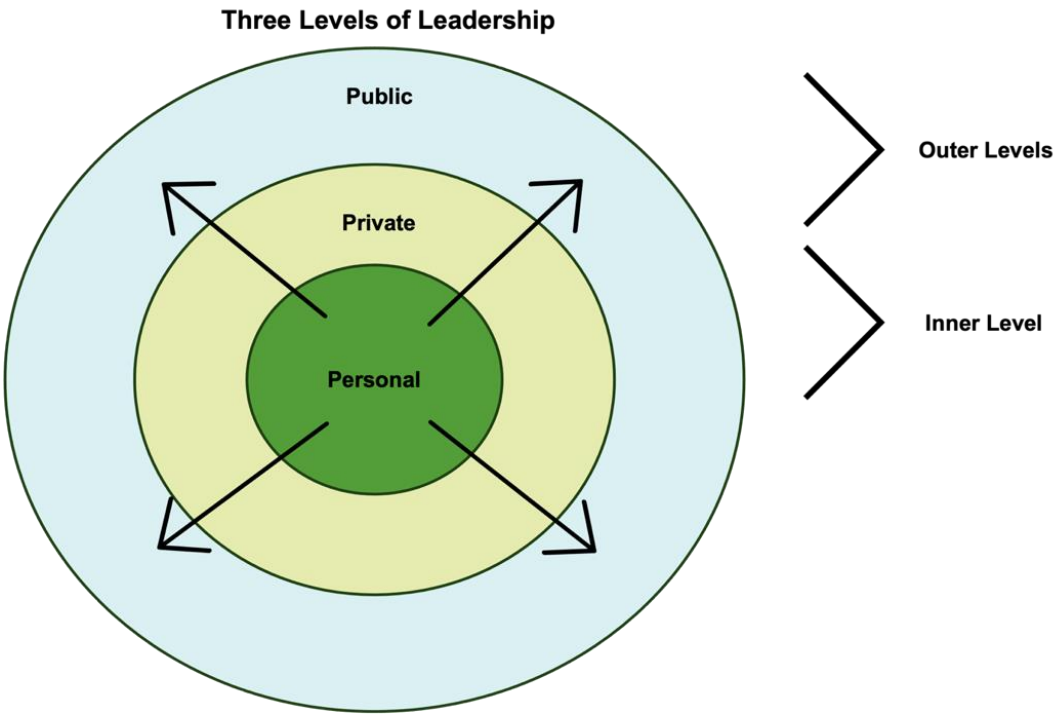

Figure 6: The Three Levels of Leadership, own design in accordance with James Scouller (2016)

The true challenge was in the confrontation itself. Bill George's (2003) concept of authentic leadership stresses that leaders must act according to their values rather than succumbing to external pressures. In this situation, my values of responsibility and caution compelled me to oppose the expansion. Staying silent would have undermined my authenticity and failed my duty to the organization. Cherniss and Goleman's (2001) model of emotional intelligence remains essential. By managing stress and expressing my concerns calmly, I avoided making the disagreement seem like personal opposition. Instead, I framed it as a contribution to collective success.

From a group dynamics perspective, this incident highlights the constructive role of conflict. Jehn, Northcraft, and Neale (1999) distinguish between task-related conflict, which can improve decision quality, and relationship conflict, which is often harmful. Our disagreement remained clearly within the realm of task conflict, enhancing decision-making by encouraging the group to consider both ambition and caution. Miller (2003) similarly argues that disagreements can strengthen teams by clarifying values and responsibilities. In this case, the conflict boosted the credibility of the Operations function and emphasized the importance of operational readiness in strategic decision-making.

My initial response was to provide empirical evidence: utilization rates, inventory levels, and demand forecasts. By anchoring my disagreement in data, I removed personal bias and highlighted that my concern was about organizational sustainability, not Innovation's creativity. This approach helped my innovation colleagues accept my argument without feeling dismissed. The others most probably saw me as principled and dependable, someone who prioritizes long-term responsibility over short-term harmony. Alternative possible responses emphasize the importance of authenticity. If I had stayed silent to avoid conflict, the expansion might have gone ahead, saddling the company with inefficiencies and financial stress. Even worse, my silence would have damaged my credibility as Operations lead, since I would have failed to fulfill my duties, as operations KPIs would have been highly negatively affected. The courage to speak up, though uncomfortable, strengthened both my professional integrity and the team's collective performance.

This experience highlighted that conflict, when approached constructively, is not opposed to trust but is, in fact, a vital part of it. Authentic leadership involves not only the courage to act according to one's values but also the ability to communicate those values respectfully within collective settings. For me, the main lesson was that harmony without authenticity is fragile. Genuine cohesion occurs when differences are addressed openly and incorporated into better

decisions. Looking toward my future, this lesson is highly relevant. Advising clients often entails challenging their assumptions, pushing back against unrealistic expectations, or refusing strategies that compromise long-term stability. These conversations are inherently uncomfortable, but silence would betray professional responsibility. Like the China expansion debate, they require calm articulation of reasoning, emotional regulation, and principled courage. Far from weakening trust, such honest conversations are the foundation of sustainable client relationships. Ultimately, this incident taught me that authentic leadership demands not only technical competence but also the willingness to embrace conflict as a pathway to integrity and collective success.

2.4.Integrated View of Peer Evaluation and Conclusion

These two incidents together highlight two key aspects of teamwork that are equally important: the need for vulnerability to foster trust and the importance of genuine leadership in resolving conflicts. The Sleeping Incident showed that being open about mistakes can actually boost psychological safety and team unity, rather than damaging credibility. On the other hand, the China Expansion Setback highlighted that being a true leader sometimes means being brave enough to deal with discomfort, speak up when you disagree, and stand by what you believe in, even if everyone else is enthusiastic about something else. Both episodes drove home the point that teamwork is not just about technical skills, but also about being courageous, vulnerable, and able to disagree with others.

My peers' evaluation process strongly backs up this interpretation (Figure 7). Across all five dimensions, contributing to the team, interacting with teammates, keeping the team on track, expecting quality, and demonstrating relevant skills, I consistently received the highest ratings. These results show that, despite occasional self-doubt or discomfort, my contributions were seen as reliable, skilled, and constructive. Notably, the only difference between my self-perception and peer evaluation was in "keeping the team on track.” While my peers gave me

the maximum rating, I rated myself slightly lower. This discrepancy highlights the value of feedback: what I saw as a weakness in coordination under pressure wasn't viewed the same way by others.

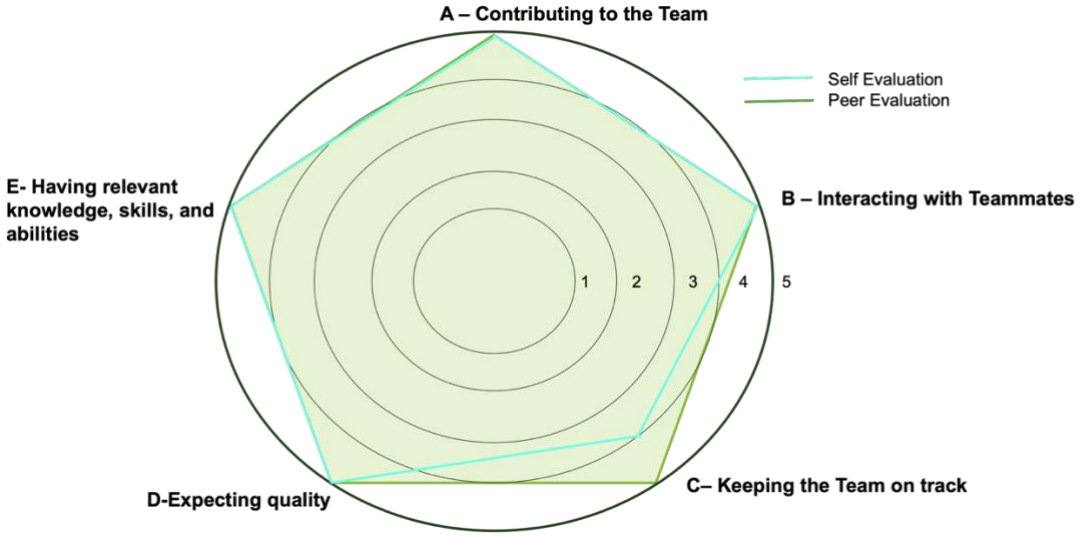

Figure 7: Self and Peer Evaluation, own design

The evaluation highlights two main insights. First, self-criticism can be a strong catalyst for growth, but it may also lead to blind spots by undervaluing one's actual influence on others. This echoes Argyris and Schön's (1978) distinction between "espoused theory" and "theory-in-use": the stories we tell about ourselves can differ significantly from how others experience our behavior. Second, the ability to admit mistakes and participate constructively in conflict not only improved team processes but also boosted perceptions of my reliability and authenticity. From a developmental standpoint, the feedback loop between self-reflection and peer evaluation illustrates the importance of multiple perspectives in professional growth. While self-awareness allowed me to identify areas for improvement, external validation reassured me that my fundamental approach, openness, commitment, and reliability, were visible to others.

Along with peer feedback, the Discovery Insights profile gave me a crucial insight into my teamwork style. According to my results, I'm mostly in the Green energy, which is marked

by empathy, patience, and a strong desire for harmony. However, before taking the assessment, I would have put myself closer to the Yellow quadrant, which stands for enthusiasm, sociability, and optimism. This realization helped me understand why I naturally seek consensus and avoid unnecessary conflict, while also showing that these strengths can, at times, limit my assertiveness. The Insights matrix reminded me that each energy plays a vital role: Red brings drive and decisiveness, Blue adds analytical precision, Yellow brings creativity and enthusiasm, and Green builds trust and collaboration. Embracing my Green orientation will stay key to how I build relationships and create inclusive environments. At the same time, my professional growth will depend on learning to draw from the other colors, applying Blue's analytical skills, Red's assertiveness, and Yellow's creativity to complement my harmony-seeking nature and adapt to different contexts. In the finance field, this balanced approach will allow me to maintain the relational strength of Green while working effectively with colleagues and clients who bring different perspectives and energies.

Looking forward, these lessons provide a foundation for my professional path. Success in highly dynamic fields relies on coordinating diverse stakeholders, balancing competing interests, and maintaining trust under pressure. The simulation demonstrated that small lapses in coordination can cause significant ripple effects, just as misaligned strategies in banking can affect client outcomes. At the same time, having the courage to admit mistakes and speak up in tough conversations, whether with colleagues or clients, will be crucial for building long-term credibility. The peer evaluation reassures me that, even when I feel uncertain, my natural tendencies toward openness and dependability are acknowledged by others. Likewise, my awareness of areas for growth, such as staying calm under stress and challenging my instinct for harmony when necessary, will remind me to keep developing resilience and leadership presence.

Ultimately, the simulation was never just about making strategic choices for a fictional car manufacturer. It was about shaping my identity as a professional, one who combines analytical competence with interpersonal courage, one who values trust as much as performance, and one who understands that leadership emerges not from authority alone but from authenticity, vulnerability, and integrity. In this sense, the lessons from both critical incidents, validated by peer feedback, extend far beyond this master's thesis: they are the principles I intend to carry into my career and the foundation of the professional I aspire to become.

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Appendix:

Appendix 1: Enovia's PESTEL Framework & Corresponding References

	Factors	United States of America	China	European Union
1	Political	• Real threat of increasing production costs under the new foreign trade policy of the Trump administration on vital U.S auto manufacturing supply chains partners[1] • Key Federal support: Bipartisan Infrastructure Law and Inflation Reduction Act[2]	• Foreign Trade Policy: Policies in favor of local assembly and trade zones to shift from the US market[10] • Key Incentives: Tax breaks, production subsidies, cheap loans, grants, and land.[11]	• Sector trilemma of decarbonization, competitiveness, and economic security.[16] • New trade agreements, raw material access, cooperation with Asia & economic incentives for the industry[16]
2	Economic	• Environment of persistently high interest rates. Pressure on consumer spending, auto sales, and financing margins.[3] • Automotive ecosystem drives $1.2 trillion into the U.S. economy each year, 4.8 percent of GDP, with future expectations linked to the political environment[4]	• GDP Growth: China hit its 5% target in 2024[12] • Clean tech made up >10% of GDP and 75% of growth; expected to keep leading due to strong policy support and rising global demand for EVs, batteries, and solar.[12]	• ECB maintains a low-interest rate environment.[17] • The automotive industry accounts for about 7% of the EU's GDP. Moderate growth is expected. Overall, EU GDP growth remains steady. [18]
3	Social	• Low consumer adoption and intent, with only 10% EV sales and 12% planning a BEV as their next car[6] • Higher acceptance among experienced users and multicar households, with growing willingness to replace ICE vehicles with BEVs.[5]	• Shifting preferences, high adoption and acceptance: In 2024, 50% of cars sold were EVs, the highest globally; consumer intent remains strong, with 45% planning a BEV as their next car.[5]	• Consumer preferences: EV adoption in Europe is growing, with 21% of new cars in 2024 being electric (14% BEV, 7% PHEV), and 23% of consumers plan their next car as a BEV.[5]
4	Technological	• R&D activity and incentives: Announcement of around 104,4 billion of investment in EV manufacturing since the passage of the Inflation Reduction Act in August 2022[6]	• China leads in EV & battery innovation, producing 62% of global EVs and 77% of EV batteries; holds 65% of top battery research and 27% of EV propulsion patents.[13] • Rapid Innovation Cycle: Chinese EV firms launch new models 30% faster than peers.[13]	• The EU is investing €1.8 billion to secure competitive battery supply chains and backing €1 billion in R&D (2025-2027) to accelerate innovation in connected, autonomous, and clean vehicles through the Strategic Dialogue and Action Plan[19]
5	Environmental	• In 2024, there were 27 weather disasters confirmed. The 1980–2024 annual average is 9.0 events, the annual average for the most recent 5 years is 23.0 events.[7] • Demand exceeds global reserve for critical minerals for car production[8]	• Extreme Weather Rising: In 2024, China faced its hottest summer since 1961 and a new era of extreme flooding[14]	• The European Climate Risk Assessment identifies 36 critical climate risks threatening Europe's essential systems and resources.[20]
6	Legal	• Health and safety laws: Ongoing compliance under OSHA, EPA, CAFÉ, and Clean Air Act remains critical to operate in the US landscape[9]	• New EV Charger Regulation: From March 2025, CCC certification is mandatory for all EV charging equipment.[15] • Market Access Rule: Non-compliant products banned after Aug 2026, affecting both local and foreign firms.[15]	• Compliance with European Environmental Taxonomy, CSRD, and CSDDD regulations shapes manufacturing practices and reporting requirements.[21, 22, 23]

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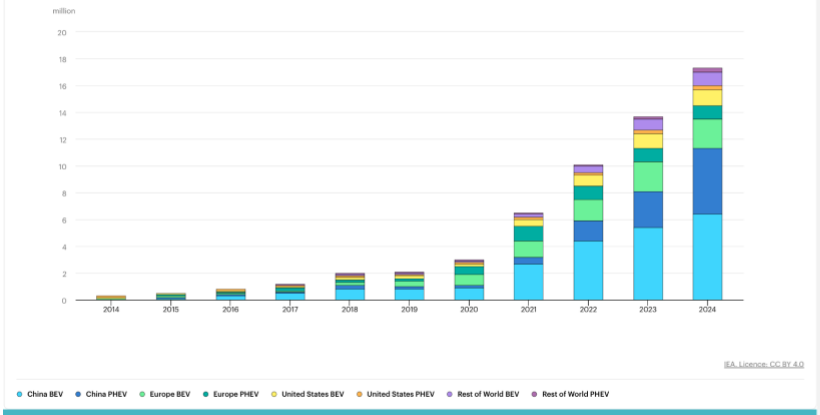
Appendix 2: Industry Report Data from IEA (2025) Global EV Outlook 2025

Global Electric Car Sales (2014-2024)[1]

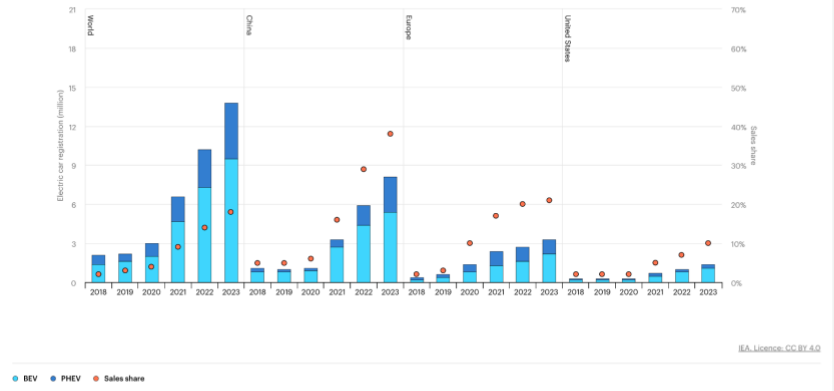


Key Insights

1. **Scale production to meet rising global demand**
   - EV sales surpassed 17 million in 2024, growing over 25% YoY, reflecting accelerated consumer adoption and pressing the need for production readiness
2. **Deepen positioning in China's booming market**
   - With over 11 million EVs sold in 2024, China remains the top-performing market, offering a critical growth driver for Enovia's future expansion.
3. **Monitor the EU market closely amid slowing momentum**
   - EV sales growth in Europe stagnated in 2024 due to subsidy reductions and unchanged CO2 targets, requiring a cautious and adaptive approach.
4. **Slowing growth in the U.S.**
   - EV sales grew in 2024 but at just a quarter of the 2023 rate, signaling cooling momentum.

1. Source: IEA (2025) Global EV Outlook 2025. Paris: International Energy Agency. Available at: https://www.iea.org/reports/global-ev-outlook-2025 . Licence: CC BY 4.0.
Notes: BEV = battery electric vehicle; PHEV = plug-in hybrid vehicle. Includes new passenger cars only. Includes new passenger cars only.

Electric car registrations and sales share in China, United States and Europe, (2018-2023)[1]

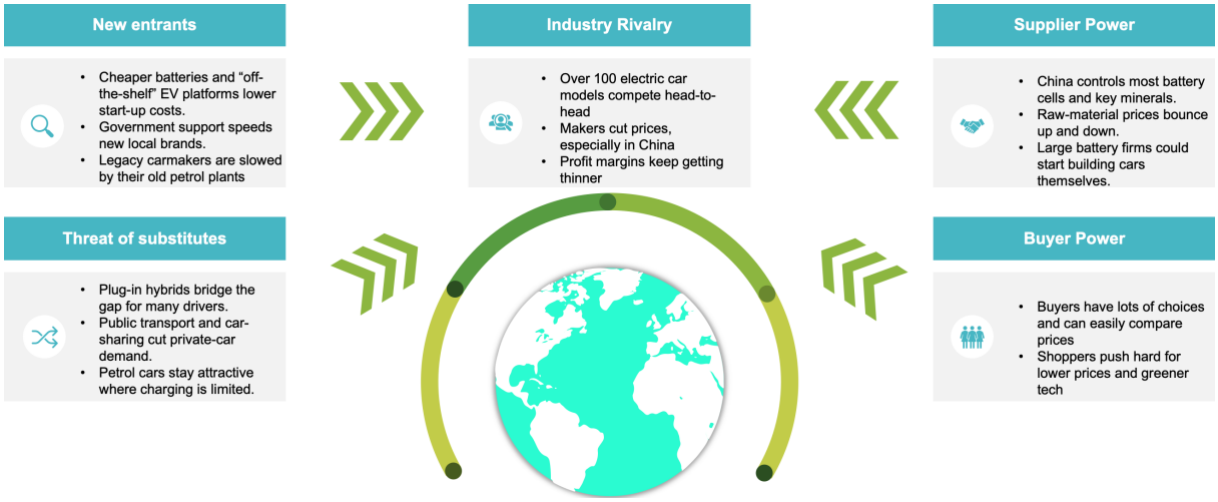


Key Insights

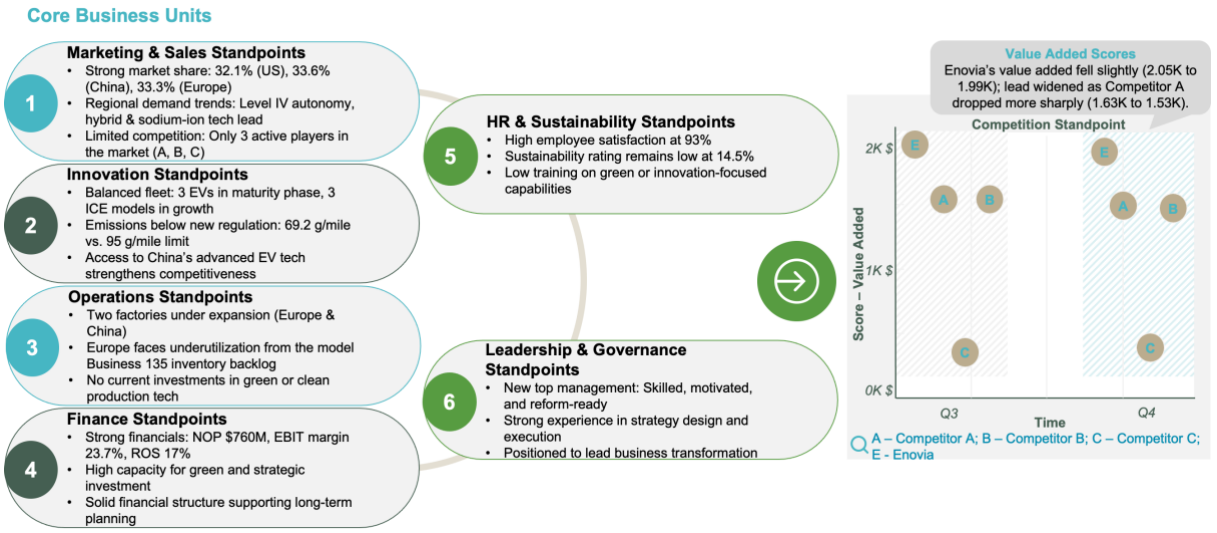
1. **Global rapid EV fleet expansion**
   - EVs reached 58 million registrations by the end of 2024, making up 4% of the global passenger fleet, more than triple the 2021 level
2. **China is leading the global transition**
   - EVs accounted for nearly 50% of all new car registrations in 2024, the fourth consecutive year of around 10 percentage point growth
3. **Europe is facing a mixed momentum across markets**
   - EV market share held steady at around 20% in 2024; growth stalled in key markets like Germany and France due to subsidy cuts and flat CO_2 targets
4. **The United States with a slower growth despite wider offerings**
   - EV registrations grew to 1.6 million, surpassing 10% market share, though growth slowed sharply from 40% in 2023 to 10% in 2024.

1. Source: IEA (2025) Global EV Outlook 2025. Paris: International Energy Agency. Available at: https://www.iea.org/reports/global-ev-outlook-2025 . Licence: CC BY 4.0.
Notes: BEV = battery electric vehicle; PHEV = plug-in hybrid vehicle. Includes new passenger cars only. Includes new passenger cars only.

Appendix 3: Porter's 5 Forces Framework

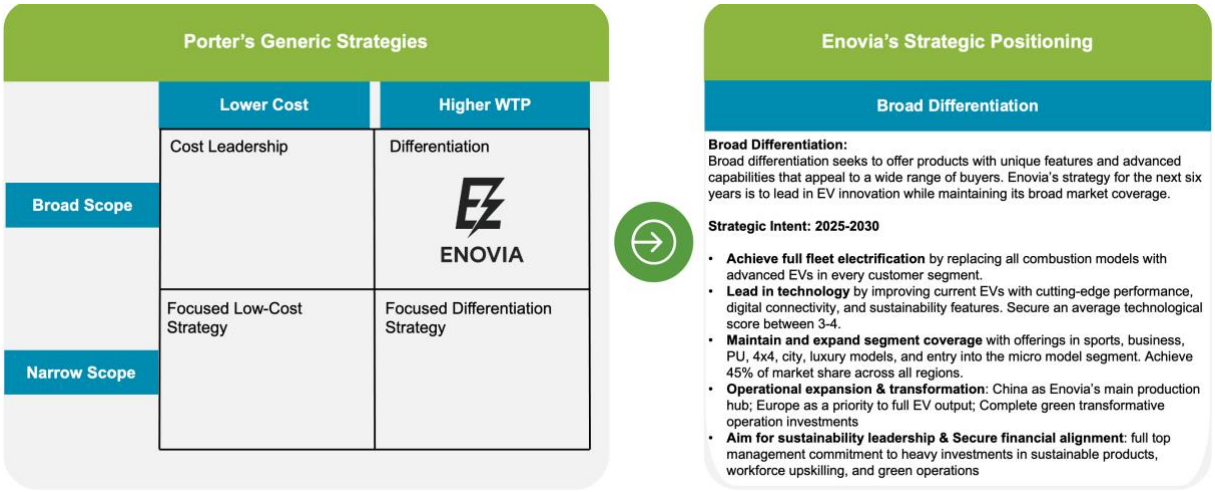


Appendix 4: Internal Capabilities Diagnosis

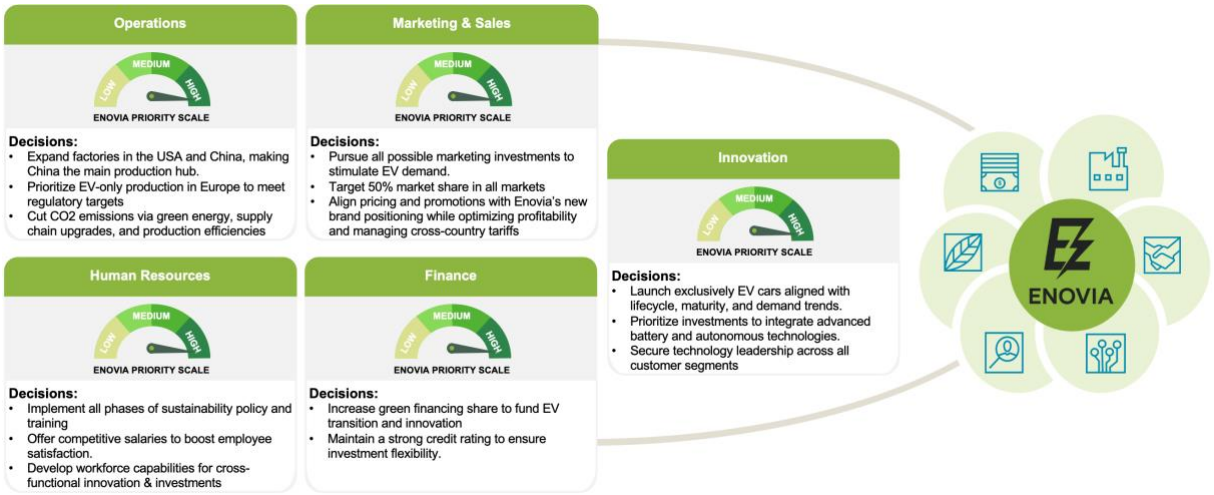


Appendix 5: SWOT Analysis

Appendix 6: Enovia's strategic positioning under Porter's Generic Strategies & the 5 strategic pillars



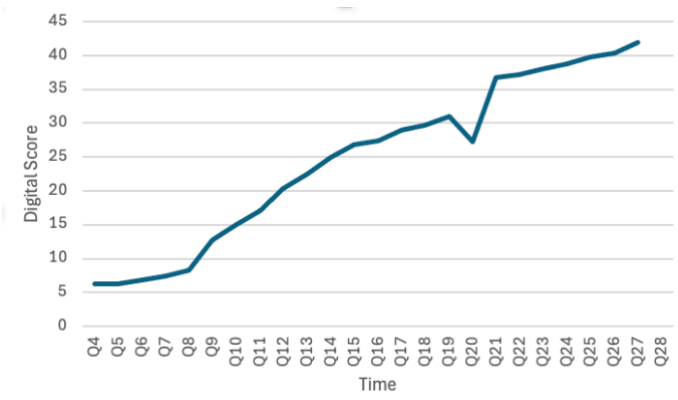
Appendix 7: Department-Level Strategy Decisions



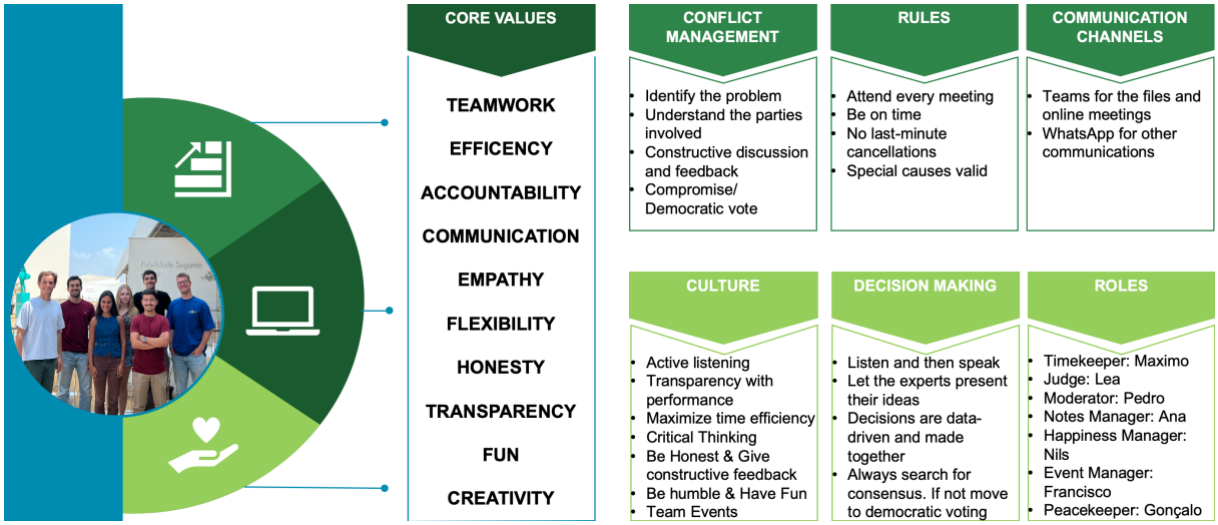
Appendix 8: Enovia Investment Schedule for Innovation and Operations

Strategic Planning & Control	Year 0	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6			
	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
INNOVATION - Investments																									
Autonomous Driving:																									
AI implementation		500 M																							
Connectivity:																									
Vehicle-vehicle (V2V) Communication				200 M																					
Cyber Security								400 M																	
Personalized Services (IoT)																250 M									
Charging Network Expansion										400 M															
Cloud Connection												300 M													
Batteries Technology:																									
Sodium-Ion Batteries	250 M																								
Features Packages:																									
Next Generation E-Drive Modules			300 M																						
OPERATIONS - Investments																									
Factories Expansions:																									
USA	800 M	Construction			Ready																				
China				800 M		Construction			Ready		800 M	Construction			Ready										
Production Green Investments:																									
Water Consumption Reduction			200 M																						
Waste Reduction					400 M																				
ISO14001/ EMAS Certificates										500 M															
Energy Green Investments:																									
Energy Efficiency Investment						150 M																			
Install Solar Panels								250 M																	
Energy Management System																100 M									
Supply Chain Green Investments:																									
Offset Suppliers CO2				16,18 M																					
Sustainable Suppliers							20 M																		
External Battery Recycling											200 M														

Appendix 9: Enovia's Workforce Digital Expertise Skill Level



Appendix 10: Top-Management Team Charter

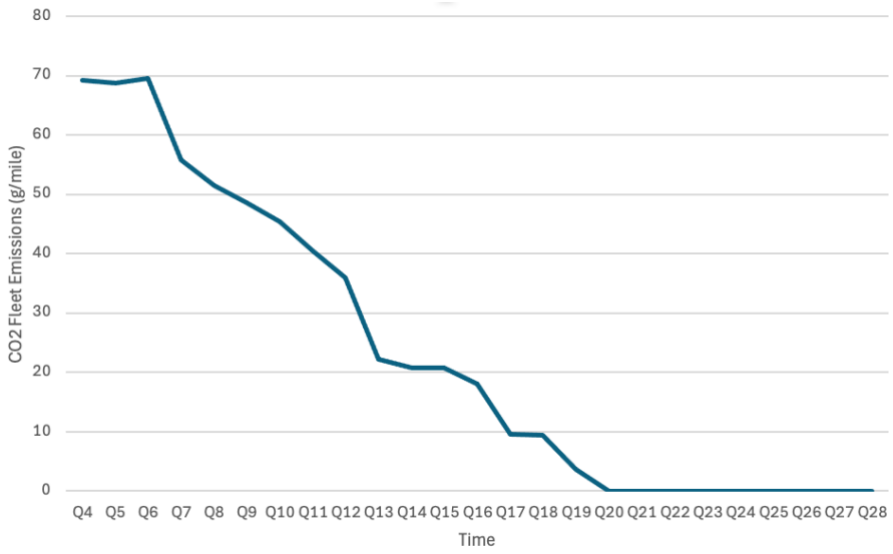


Appendix 11: Decision Schedule Year 2 & 3

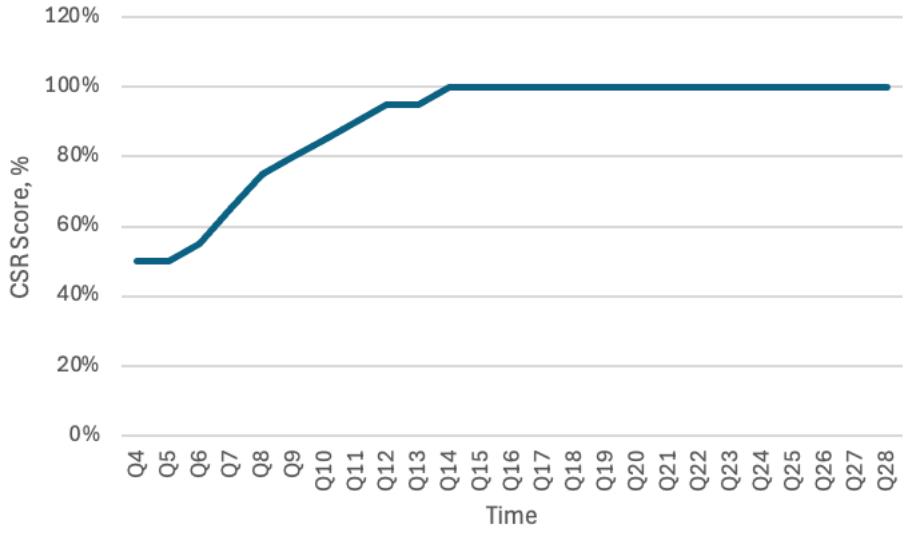
Strategic Planning & Control	Year 2				Year 3			
	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
OPERATIONS - Investments								
Factories Expansions:								
USA								
China	Construction			Ready		800 M	Construction	
Innovation & Operations & Marketing								
Car Launches & Management								
Kiss500				↓ Price	↓ Price	↓ Price	↓ Price	↓ Price & Marketing
BusinessE	Two production lines	Introduction	↑ Marketing		↓ Price	↓ Price	↓ Price	
PiggyE	Development			Introduction	↑ Price			
City E50		Development		Two production lines	Introduction	↑ Marketing	↑ Marketing	↓ Price
SportyE10		Development			Introduction			↑
Kiss700					Development			Introduction + Upsize Production
Luxy2							Development	
CityLight								Development
16E								↓
SportMN								
Original (Q4) Fleet Management				Relaunch in America				
CityE		↑ Price + Marketing	Relaunch	↓ Price & Marketing	↑ Price	↓ Marketing	↓ Marketing	
Business 135H	Stop Production	Started Production		↓ Price & Marketing	↓ Price	↓ Price & Marketing	↓ Price & Stop Production	Discontinue
Sport E	↑ Marketing	↑ Marketing	↑ Marketing & Stop Production	ice & Downsize Production		↑ Price + Marketing	Discontinue	
4x4 E		↓ Downsize Productio	Relaunch		↑ Price	Relaunch	↓ Price	↓ Price & Marketing
PU 225G			Relaunch	↓ Price	↓ Price	↓ Price	↓ Price	↓ Price & Marketing
Lux 225G			Stop Production			Discontinue		

Appendix 13: Enovia Market Share, by region Q28

Appendix 14: Enovia CO_2 Fleet Emissions (g/mile)



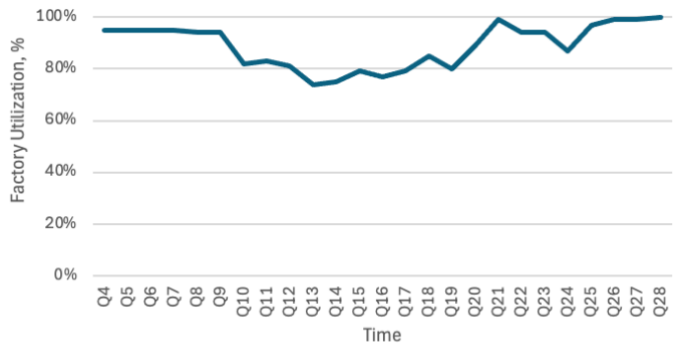
Appendix 15: Enovia Corporate Social Sustainability Score



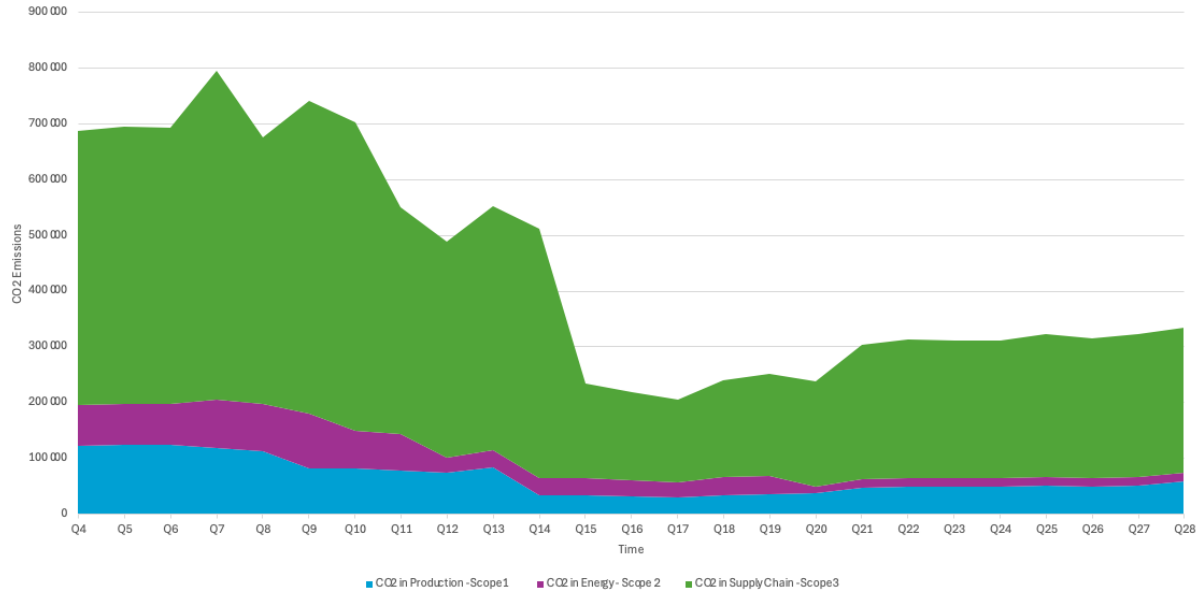
Appendix 16: Decision Schedule Year 4, 5, and 6

Strategic Planning & Control	Year 4				Year 5				Year 6			
	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28
Innovation & Operations & Marketing												
Car Launches & Management												
Kiss500	↓ Price	↓ Price	Relaunch	↓ Price		↓ Price			Relaunch			
BusinessE		↓ Marketing			↑ Price	Relaunch	↑ Price		↑ Price	↓ Marketing		
PiggyE		↓ Price	↓ Price	↓ Price	↓ Price	↓ Price	↓ Price	Relaunch	↑ Price	↑ Price + Marketing		
City E50	↓ Price	Downsize Productio	↓ Marketing	↓ Marketing	↑ Price + Marketing	↑ Price & Marketing	↑ Price		Relaunch	↓ Marketing	↓ Marketing	
SportyE10		↓ Price	↓ Price	↓ Price	↓ Price	↓ Price	↓ Price		Relaunch	↓ Marketing	↑ Price	
Kiss700	↑ Marketing	↓ Price	↓ Downsize Production				↑ Price + Marketing		↑ Price + Marketing	↓ Marketing	↓ Marketing	
Luxy2		Introduction	↑ Marketing	↓ Price	↓ Price	↓ Price	↓ Price					
CityLight		Two production lines	Introduction	↓ Price	↓ Price	↓ Price	↑ Marketing					
16E	Development			Introduction		↓ Price + Marketing	↓ Price + Marketing	↓ Price			↓ Price	
SportMN					Development			Introduction				
Original (Q4) Fleet Management												
CityE		Relaunch					↑ Price + Marketing	Relaunch				
Business 135H												
Sport E												
4x4 E				Relaunch			↑ Price + Marketing & Stop Production	Discontinue				
PU 225G		Stop Production	Discontinue									
Lux 225G												

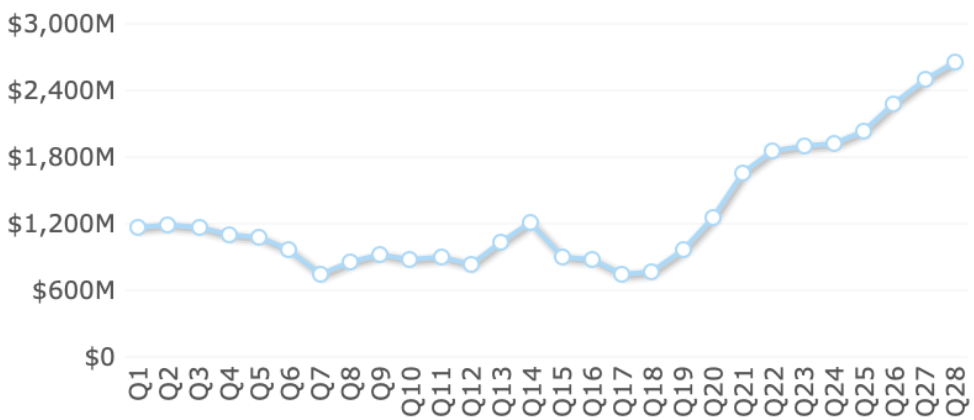
Appendix 17: Enovia Factory Utilization



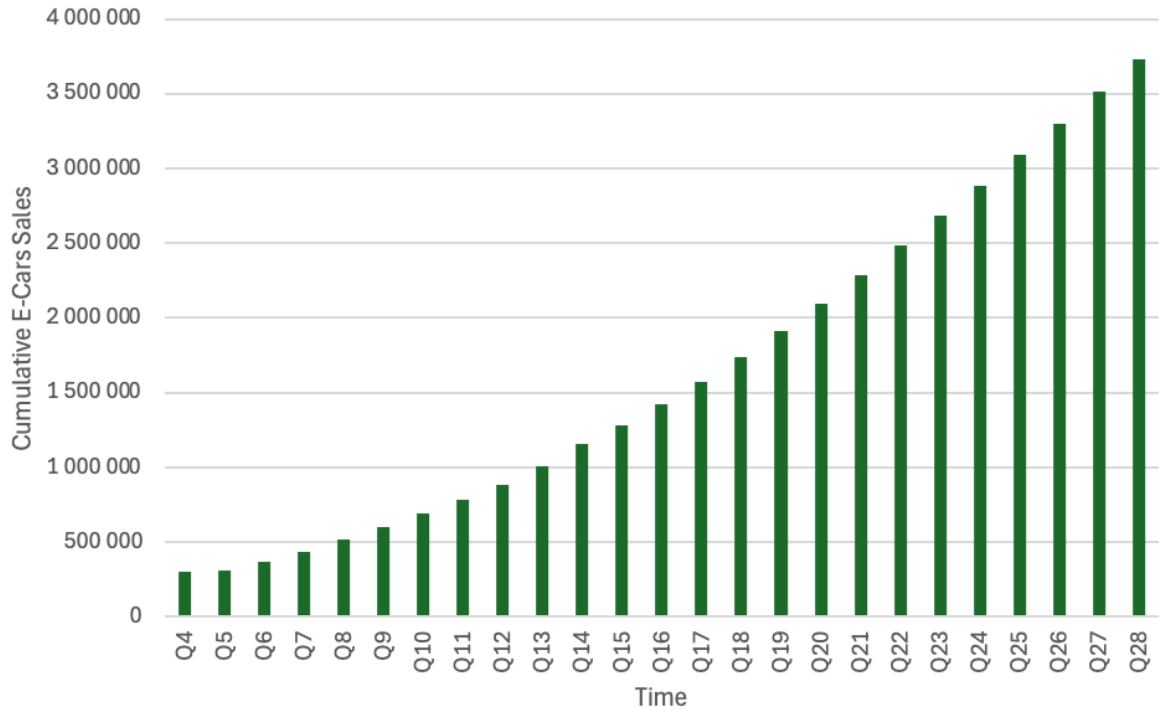
Appendix 18: Enovia CO_2 Operating Emissions



Appendix 19: Enovia Operating Profit (EBIT)



Appendix 20: Enovia Cumulative E-cars Sales, units



Appendix 21: Value-Added Scores; Enovia relative to its competitors