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BUSINESS IN PRACTICE

THE ROAD TO ELECTRIFICATION: STRATEGIC ANALYSIS OF ENIGMA MOTORS´ TRANSITION TO ELECTRIC VEHICLES

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Abstract:

This thesis explores the strategic transformation of Enigma Motors, a simulated automotive company, during its transition from combustion to electric vehicles. The first part provides a firm analysis, examining the company's strategic, operational and marketing decisions in response to market demands, competition dynamics, and operational processes. The second part offers a personal reflection on the leadership dynamics and interpersonal challenges encountered during this transformative process. The study illuminates the complexities of handling a major industry shift and the importance of adaptability and learning in strategic decision-making.

Keywords:

Automotive Industry; Strategic Decision-Making; Electric Vehicles; Transition from Combustion Engines; Leadership Dynamics; Interpersonal Challenges; Sustainability; Business Simulation; Personal Reflection; Strategic Integration and Coordination Across Business Functions; Business Management; Practice of Reflection; Dynamics within Teams; Teamwork

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I. Firm Analysis

A. Introduction

"Some people don't like change, but you need to embrace change if the alternative is disaster." These words from Elon Musk (2023), CEO of Tesla, encapsulate the essence of the automotive industry, a field where innovation and foresight are the keys to success. Enigma Motors, a simulated entity in this industry, embarked on a strategy that mirrors this attitude. As the Director of Operations at Enigma Motors, my role was instrumental in ensuring the company's operational efficiency and effectiveness throughout this transformative journey.

Enigma Motors found itself navigating through the complex landscape of the automotive industry, making strategic decisions that would ultimately shape its transformation. The company had to strike a balance between current market demands and future industry trends, understand the dynamics of competition, and manage the interdependencies of operational processes. The company's path is structured into three key areas: Strategy, Operations, and Marketing. The Strategy section explains the strategic decisions that determined Enigma Motors' market position, the range of cars it offered and the pace of its transition from combustion to electric vehicles (EVs). The Operations section provides an analysis of the company's operational efficiency and effectiveness, while the Marketing section examines the company's marketing strategies and their outcomes.

The introduction draws on the academic reading "The Electric Vehicle: Technology and Expectations in the Automobile Age" by Gijs Mom (2013). This book offers an in-depth look at the history of electric vehicles and the factors that influenced their popularity over time. It provides context for Enigma Motors' transition to electric vehicles, a transition that, as Carlos Ghosn, ex CEO of Renault said, "The time is right for electric cars - in fact the time is critical."

These academic readings, coupled with Enigma Motors' transition, provide a comprehensive understanding of the complex and rapidly evolving automotive industry.

B. Strategy

Strategic Analysis and Reflection of Automotive Business Simulation

Maneuvering through the complex landscape of the automotive industry in our simulation required making a series of strategic decisions that ultimately steered our company's transformation. The balance between current market demands and future industry trends, the dynamics of competition, and the interdependencies of operational processes emerged as central elements within our strategic planning. This reflective analysis uses two strategic frameworks - Porter's Five Forces and the Balanced Scorecard - to unravel our endeavor and to draw lessons from our triumphs and trials. As the simulation began, we coped with vital strategic choices: Determining our market position, identifying the range of cars to offer, and setting the speed and depth of our shift from combustion to electric vehicles (EVs).

The **Porter's Five Forces analysis** (Porter 2008) at that time revealed strong competition. Competitors A and B were close to our strategic profile, and thus presented a significant competitive force. They had already transitioned to producing electric vehicles and were selling more cars. The weak performance of Competitor C, despite their fully electric portfolio, suggested the market was not entirely ready for a full transition to EVs, reinforcing our belief in the high risk and uncertainties surrounding EVs' immediate market viability. Further research such as a consumer survey by Strategy& (2023) showed that Germans and Americans are skeptical purchasing an electric vehicle, mainly because of range anxiety and the usefulness of electric cars and autonomous driving (EY 2020). A mere 35% of Germans consider purchasing a BEV, in the United States, it is barely 50%, and only in China, it is 90%. Additionally, the Volkswagen group just announced they are forced to cut production in their main EV plant in Germany (Agatie 2023), due to low demand. Therefore, our decision was to continue with

combustion vehicles while only gradually transitioning to EVs. Although the simulation did not allow for **new entrants,** it is important to note that this doesn't mirror the realities of the evolving automotive industry. Real-world disruptors like Tesla have challenged the traditional high entry barriers, such as high capital costs, technology, and regulatory requirements, to this industry (Noar 2021), and thus our strategic decisions should be seen in the context of this protected simulation environment. As for the **power of suppliers**, the simulation did not allow us to choose our suppliers, but we understood the potential impact that suppliers could have on our strategic decisions. In terms of the **power of buyers**, our customers wielded considerable influence over our strategic choices. While we were able to dictate the features and technology of our products, we needed to align our offerings with customer demands to ensure market success. Despite this, predicting customer preferences proved to be one of our major challenges, indicating the significant control that buyers hold. The **risk of substitute** products was minimal. However, we recognized that changes in consumer tastes, progress in alternative modes of transportation, or major innovations in automotive technology could potentially heighten this risk in practical situations.

The strategic insight derived from Porter's analysis seemed to pay off as our company's value increased from Quarter 10 onwards while our main competitors' scores declined. However, upon reflection, the risk associated with potential delays in EV technology development and learnings due to this approach could have been substantial in a real-life scenario, possibly leaving us lagging behind in the technological transition race. This highlights the complex balance between satisfying current market demands and future-proofing the business in a rapidly evolving industry.

Balanced Scorecard

Complementing our strategic approach, the Balanced Scorecard (Pappenhausen 2006) played a pivotal role in defining our internal operations and broader strategic goals.

Financially, our main Key Performance Indicator (KPI) was 'Value Added', calculated by

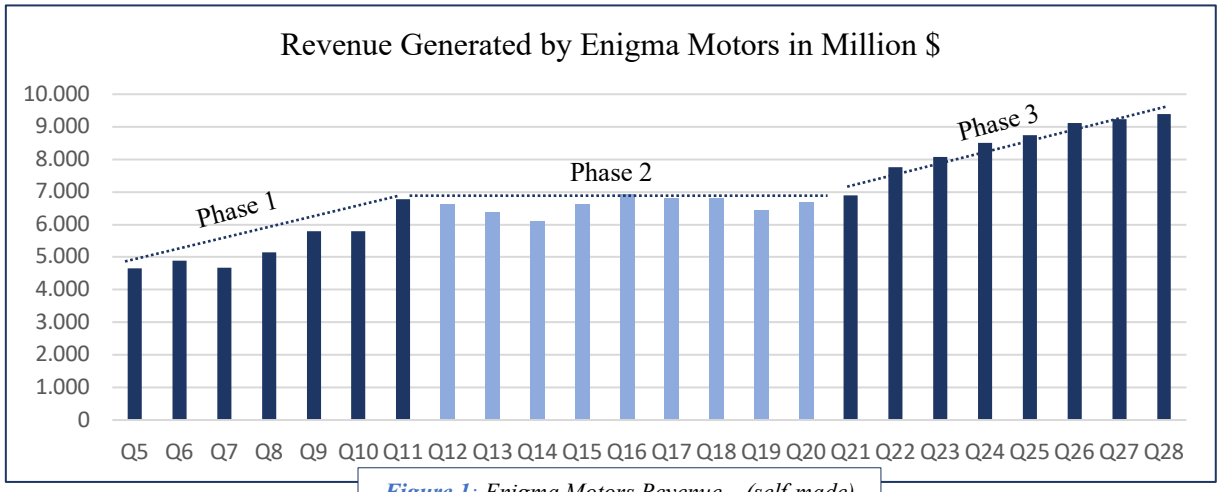

Figure 1: Enigma Motors Revenue – (self-made)

profit, growth, CO2 emissions and WACC. We primarily achieved our financial objectives by increasing revenues as seen in the chart below. Due to the gradual transition we managed to more than double our revenues over the seven years. In the initial years - Phase 1, thanks to the successful launch of new combustion cars and the restructuring of our plants, we experienced a 45% growth in revenue. During Phase 2 we started with the production of electric vehicles in Q14. While we did witness some initial growth with our electric vehicle line, it became apparent that other challenges still dominated this phase. Misjudgments in customer preferences, complexity costs, and a plateau in demand continued to pose significant hurdles. Although the electric cars showed some profit, it was relatively small compared to our expectations. However, we were committed to our vision and persisted in adapting our strategies. In Phase 3, by further adjusting our production and portfolio to align with evolving market trends and customer demands, we managed to regain momentum and achieved significant growth once again. Our strategic move of dominating the combustion vehicle segment before transitioning to electric vehicles significantly contributed to our financial performance, much like traditional automakers, such as Volkswagen and General Motors have done in reality (Gersdorf 2020). From a **customer perspective**, our goal was to cater to the broad market demand by offering a diverse range of products. We introduced entry-level products to allow customers to familiarize themselves with our brand, building both brand awareness and loyalty. Our strategy was to

capture market share across all segments and attract a wide customer base by delivering technologically advanced vehicles of high quality that exceeded customer expectations. **Internally**, we focused on maintaining low inventory levels and high factory utilization. We managed to reduce unit costs substantially, aided by our strategy to invest in factory expansion to achieve economies of scale. However, overestimation of demand at certain points led to excess capacity. The operations section delves deeper into this analysis and in particular the errors that were made. In the realm of **learning and growth**, we have seen significant progress, with a notable employee satisfaction rate of 98.5%. This mirrors successful companies like Toyota, which attribute their success to investing in human capital (Takeuchi 2008).

Critical Reflection and Lessons Learned

As we conclude this strategic analysis of our path through the simulation, it is evident that our ability to adapt and learn from our successes, as well as setbacks, shaped our company's course. Our strategic decisions, guided by the Porter's Five Forces and Balanced Scorecard, offered us a framework to work our way through the details of the global automotive industry, which was simulated in our exercise. Our choice to initially focus on combustion vehicles before gradually shifting to electric vehicles was largely successful. It catered to the existing customer preferences while also preparing us for the imminent industry shift towards sustainable transport. Nevertheless, our experience highlighted the importance of more accurately forecasting market trends and consumer behavior, as evidenced midway through the simulation. Our company launched two new diesel models to boost sales. However, these models did not perform at all, as we had to discontinue both models after just two quarters. This setback, while challenging, served as a valuable learning opportunity, reinforcing the importance of adaptability and resilience in our strategic approach. Lastly, our dual strategy of maintaining a premium brand while ensuring broad market accessibility was challenging but ultimately rewarding.

C. Operations

Automotive Operations: A Strategic Analysis

What does it take to manage operations in a complex automotive manufacturing organization? Operations management in a manufacturing organization is a complex system of activities. It covers various functions, including the production process, resource allocation, logistics, quality control, and capacity planning (Bamford 2010). Over six years, the operational strategy was carefully tailored, responding to the wide range of market scenarios, with a primary focus on maintaining profitability. This analysis examines the operational decisions made during the simulation using two strategic frameworks: the Operations Strategy Matrix and SWOT Analysis.

Operations Strategy Matrix

The Operations Strategy Matrix connects the competitive strategy with operational functions, focusing on four key elements: cost, quality, delivery, and flexibility (Deutsch 2005). **Cost:** Reflecting on our strategy, we mirrored BMW's workforce management approach, which balances labor costs and production demands (BMW Group 2021). We minimized costs by leveraging scale effects and geographical advantages, such as lower labor costs in China. The impact of this decision was a more cost-efficient operation, but it also introduced challenges related to managing a geographically dispersed workforce. As Porter (1985) suggests, cost leadership can provide a significant competitive advantage, but it also requires careful management of resources and capabilities. **Quality**: Our decision to incorporate advanced features like connectivity, autonomous driving, and high-capacity batteries was a strategic move to address quality concerns and differentiate our vehicles. This approach mirrored Mercedes-Benz's commitment to high-quality production (Theuri 2023). However, it also increased our production costs and complexity. **Delivery and Flexibility**: We drew inspiration from Tesla's customer-centric production approach, highlighting the importance of flexibility in response to

shifting demand (Furr 2020). However, we also recognized the need for flexibility in our operations. We attempted to emulate the Toyota Production System known for its lean manufacturing, Just-In-Time (JIT) production and keeping low inventories (Toyota 2023). While this approach could have improved our outcomes during periods of fluctuating demand, it also required a significant shift in our operational processes.

In reflecting on our Operations Strategy Matrix, we have balanced cost-efficiency and resource management. We prioritized high-quality production, incorporating advanced features to differentiate our vehicles, though with increased costs. We emphasized a customer-centric production and lean manufacturing, requiring significant operational shifts. Continuous refinement of our approach in response to market conditions and operational challenges remained crucial.

SWOT Analysis

As Barney (1991) suggests, understanding a firm's strengths, weaknesses, opportunities, and threats is crucial for developing a sustainable competitive advantage. The SWOT analysis (Puyt 1963) sheds light on the company's operations performance. As seen in Figure 2, we

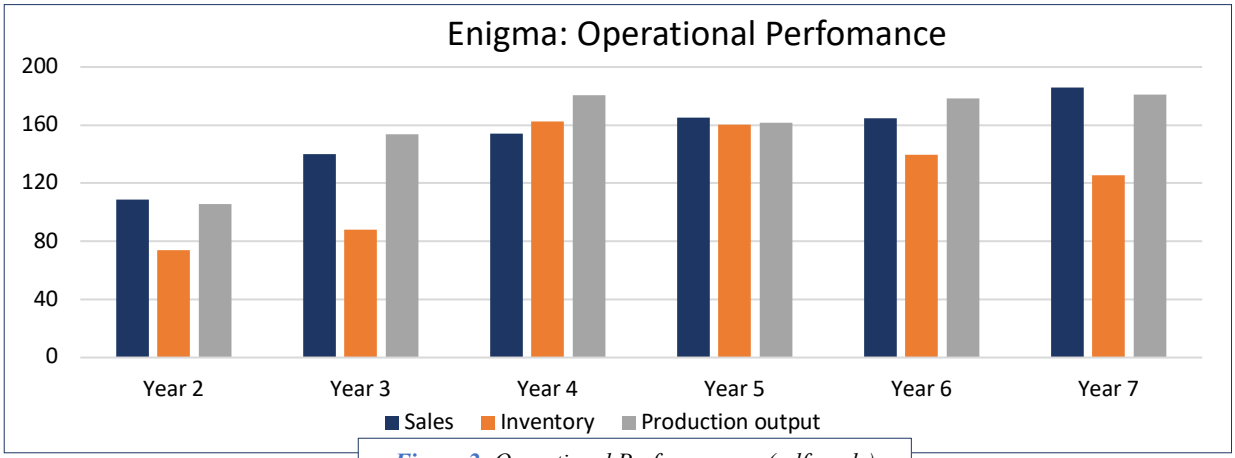

Figure 2: Operational Performance – (self-made)

began with robust sales, inventory, and production numbers, prompting us to expand our facilities. However, this rapid expansion led to overproduction and elevated inventory levels by year 4. While maintaining a certain inventory is essential to address unexpected demand spikes, it also tied up our capital and escalated storage expenses. As illustrated by year 5, we reduced

our production, which effectively lowered our inventory days. By discontinuing four models, minimizing complexity costs, and focusing our resources on fewer products, we managed to boost sales and reduce inventory while production capacity utilization was at 100%, showcasing our capability to efficiently scale operations in line with market demand. Our impressive sales figures stand as a testament to our company's solid market position and sharp manufacturing strategies, underscoring our core **strengths**. Additionally, we embraced sustainability, aligning with global eco-friendly trends, reducing resource consumption, and partnering with sustainable suppliers, enhancing our brand and ensuring legal compliance (Havila 2019). Our **weaknesses** became apparent as we catered to diverse customer preferences, offering both electric and combustion vehicles. This strategy increased operational complexity and costs, manifesting in issues like overcapacity and inflated Days of Inventory, especially during periods of reduced demand. Another weakness was our over-reliance on customer preference lists for innovation, which exposed us to dynamic market risks and potentially resulted in missed opportunities due to the lag time between preference identification and market launch. **Opportunities:** Our commitment to sustainability and investments in waste reduction and energy efficiency improved our sustainability rating and increased profits. Additionally, adopting lean manufacturing principles, such as those in the Toyota Production System presents a promising opportunity. **Threats** included changes in market and customer preferences, unfavorable reception of our products and rising CO2 penalties. The company addressed these threats by adjusting its vehicles and production to include more electric vehicles, resulting in zero CO2 emissions by Q24.

Strategic Location Analysis for Production

Drawing from academic insights, our production strategy was guided by market demand, operational factors, and regional preferences. Due to the high labor costs in Europe, we strategically chose to manufacture city cars there, as these vehicles require less labor and can

be produced more efficiently given the larger production capacity, aligning with the market trend towards car sharing (Zhao, Langendoen & Fransoo 2011). In China, we manufactured executive cars and convertibles, capitalizing on lower labor and material costs, and catering to the status-conscious consumer base (McKinsey 2021). In the US, we produced SUVs and luxury cars, reflecting the preference for larger vehicles. Our strategy evolved over time, introducing new models in regions that best fit their characteristics, optimizing economies of scale and cost efficiency. This approach was informed by academic literature on production allocation strategies (Garcia-Sabater, Maheut & Garcia-Sabater 2012), and ensured operational continuity and efficiency across our global factories.

Critical Reflection and Lessons Learned

In **conclusion**, our experience in managing operations in the automotive industry has been a journey of strategic balance and adaptability. We navigated the interplay of market demands, operational capacities, and cost efficiencies, while maintaining profitability and accommodating sustainability and expansion needs. However, the challenges we faced underscore the necessity for continuous learning, adaptation, and the application of theoretical frameworks in decision-making. In the automotive industry, success is not merely about manufacturing vehicles, but about making informed, strategic decisions that drive growth and resilience (Cole 2020). As Teece (2009) suggests, dynamic capabilities, including the ability to sense and seize opportunities, and to reconfigure operations in response to changing conditions, are crucial for long-term success.

D. Analysis of Marketing Strategy

In the dynamic and competitive world of automotive manufacturing, a robust and adaptable marketing strategy is crucial for success. This section investigates the marketing strategy we adopted during the simulation, drawing on established marketing theories and practices, and comparing our approach with real-world automotive companies. We will explore our decisions

and tactics concerning market segmentation, targeting, positioning, and the marketing mix (4Ps). We will also analyze our performance using key marketing metrics and reflect on the lessons learned. Our path through the simulation was a blend of strategic planning, calculated risks, and continuous learning, all of which contributed to our overall success. This section aims to provide a comprehensive understanding of our marketing strategy and its impact on our performance in the simulation. Based on the academic reading from the Journal of Strategic Marketing titled "Market Segmentation Strategies for Complex Automotive Products" (Taylorwest et al. 2018), the automotive industry is undergoing rapid changes with the introduction of advanced technologies such as electric and autonomous vehicles. The study suggests that marketing departments should focus on collecting more relevant consumer information, particularly on their level of familiarity with products through previous experience and exposure.

Market Segmentation, Targeting, and Positioning

Taking a leaf out of BMW's book (Dudovskiy 2017), we **segmented** our market based on regional differences, different car types and the specific needs of customers within these segments and adjusted our prices according to the average monthly income of customers in each region. This strategy was effective in increasing our market share in each region. Our **targeting** strategy was differentiated marketing. By offering a deep portfolio we aimed to reach a broad audience considering different needs, price sensitivities and regional differences (Huang 2007). **Positioning** was the final step. We positioned our cars as high-quality and innovative products. This positioning was consistent across all segments. Analyzing our approach in light of the academic literature, it is clear that our segmentation and targeting strategies were effective in capturing a significant market share. However, there may have been missed opportunities due to the broad nature of our segmentation. More detailed customer profiling, focusing on their familiarity and experience with our products, could have revealed

niche segments or specific customer needs that we could have addressed more effectively. Insight from the academic literature suggests that a more nuanced understanding of our customers could have allowed tailoring the marketing mix more effectively, potentially leading to increased market share and customer satisfaction (McKinsey 2014).

Marketing Mix (4Ps)

Taking a leaf out of Mercedes-Benz's book, our **product** strategy was centered around innovation and quality, aiming to make our vehicles the prime choice for consumers (Mercedes-Benz Group 2022). In line with this, we adopted a skimming **pricing** approach, as suggested by Robotis (2011), setting our initial prices high to correspond with the premium quality and innovative features of our products. This strategy, which involves gradually reducing prices from a high starting point, is especially effective when the unique attributes or advantages of a product warrant a premium price. We choose this strategy to maximize profits from early adopters and then capture the next level of customers with price reductions. The effectiveness of this strategy was evident in our increasing market share, which grew from 29% to 40% over the six years on average across all markets. It also allowed us to maintain a high contribution margin of 34%. Reflecting on this strategy, it was a calculated risk that paid off. The high initial prices could have discouraged potential customers, but the superior features and quality of our cars justified the cost. The subsequent price reductions ensured we captured different segments of the market, contributing to our increasing market share. However, this strategy required careful monitoring of market trends and customer responses to ensure the timing of price reductions was optimal. Our **distribution** strategy (Place) was consistent across all markets, ensuring that our products were accessible to our target customers. This is in line with the findings of Hult (2012), who suggest that a strong distribution strategy can significantly enhance a firm's performance. In line with established marketing principles (Kotler 2018), our **promotional** strategy was closely tied to each product's life cycle stage. We strategically

allocated our promotional budget across various channels, such as Customer Promotions/POS, Training/Service, Print and TV Campaign, with a dynamic approach. This approach meant higher marketing spendings for newly launched or relaunched cars to drive awareness and sales, while older models received less as they neared the decline stage of their life cycle. This strategic allocation, reflective of product and market dynamics, ensured optimal utilization of our marketing resources.

Performance Analysis Using Marketing Metrics

Evaluating our marketing performance, we leaned on key metrics such as market share, contribution margin, and sales. These metrics provided valuable insights into the effectiveness of our marketing strategy and the efficiency of our operations. For instance, the increase in market share indicated that our pricing and promotion strategies were effective in attracting customers, while the high contribution margin suggested that our pricing strategy was successful in maximizing profits. We adopted an economical approach to marketing expenditure, starting at 1.02% of revenue and peaking at 2.56% halfway through year six. This restrained spending was based on our confidence in the quality and appeal of our products. We conducted an experiment with varying marketing spend on mature products, which confirmed our approach by showing a minimal impact on sales. This cost-effective marketing strategy boosted our profitability and earned us the marketing award in the simulation. Reflecting on our journey, these metrics proved to be invaluable, shaping our marketing decisions and providing a measure of our performance. Our marketing strategy shares similarities with real OEMs like Tesla, which also uses the same pricing strategy for its electric cars (Ding 2022) and emphasizes the quality and features of our products to attract customers (Cezim 2023).

Critical Reflection and Lessons Learned

Reflecting on our marketing mix strategy, it was instrumental in achieving our market share and profitability objectives. The high-quality products justified our high prices, while our

consistent distribution strategy ensured market presence. Our flexible promotional strategy allowed us to adapt to changing market conditions and product life cycle stages. However, upon reflection, there could have been opportunities for improvement in tailoring our promotional strategy more specifically to each product and market segment. For instance, research suggests that promotional strategies should be customized based on the characteristics of the target market segment (Kotler et al. 2016). In our case, a more tailored promotional strategy might have allowed catering to more specific needs and preferences of our target customers in different market segments.

E. Conclusion

The simulated odyssey of Enigma Motors through the complex landscape of the automotive industry has been a profound exploration into the complexities, challenges, and opportunities that define this dynamic sector. This endeavor has not only enriched our understanding of the industry but also underscored the importance of maintaining an integrated perspective across various organizational functions.

Strategically, Enigma Motors successfully navigated the delicate balance between current market demands and future industry trends. The company's decision to initially focus on combustion vehicles before gradually transitioning to electric vehicles was a testament to its foresight and adaptability. This strategic move catered to existing customer preferences while preparing for the industry's inevitable shift towards sustainable transportation. However, this experience also underscored the importance of accurately forecasting market trends and consumer behavior, a lesson that resonates beyond the simulation and into the real-world automotive industry. Furthermore, this transition to electric vehicles was not just a strategic move to gain a competitive advantage, but also a response to the global call for sustainable transportation solutions, demonstrating the company's commitment to social responsibility. From an **operational** perspective, Enigma Motors managed a complex system of activities,

including production, resource allocation, logistics, quality control, and capacity planning. The strategic location analysis for production, inspired by academic literature, ensured operational continuity and efficiency across global factories. Yet, the challenges faced underscored the necessity for continuous learning and adaptation in decision-making. The company's ability to adjust its strategies and operations in response to shifts in customer preferences, regulatory changes, and technological advancements was a key factor in its success, emphasizing the importance of adaptability and resilience in the face of changing market conditions. In terms of **marketing**, the company adopted a robust and adaptable strategy, focusing on market segmentation, targeting, positioning, and the marketing mix. The marketing strategy, though effective, highlighted the potential for more detailed customer profiling and a more tailored promotional strategy. This understanding was not confined to the marketing department but permeated all functions, informing strategic decisions and operational processes. Each decision made by the company had a domino effect on various stakeholders, from customers and employees to regulators and the broader community, underscoring the importance of stakeholder management in marketing strategies.

A crucial aspect of Enigma Motors' path was the intersection across these functions. The simulation provided a unique opportunity to understand how strategy, operations, and marketing are interconnected facets of a successful business model. Strategic decisions had significant implications for operational and marketing activities, emphasizing the need for cross-functional collaboration and communication. This understanding of the interconnectedness of business functions is crucial in today's complex and dynamic business environment. The achievements of Enigma Motors, including achieving the highest net operating profit and successfully transitioning to net zero CO2 emissions, were not solely the result of strategic decisions. They also reflected the company's ability to integrate and coordinate across various functions. The coordination between strategy, operations, and

marketing was achieved via continuous communication and collaboration, setting the company apart in the simulated landscape.

II. Personal Reflection

A. Introduction

The Business in Practice simulation served as a catalyst for personal and professional growth, offering a unique opportunity to tackle the complexities of a simulated business environment. This personal reflection will probe into two critical incidents that significantly influenced the team's performance and dynamics, and consequently, my approach and behavior within the team. These incidents will be examined through various theoretical frameworks, including Tuckman's stages of small group development (1965), Lencioni's five key factors of high-performing teams (2005), Baran & Scott's model of shared responsibility (2010), and the principles of Servant Leadership, among others.

The first incident revolves around the decision to introduce two diesel cars into our portfolio, a move that was initially perceived as strategic but eventually led to a decline in sales and a drop in our ranking. The second incident pertains to the preparation of a sales pitch presentation, a task I voluntarily led, expecting support from my team members that unfortunately did not materialize.

In addition to these incidents, this reflection will also address the critical success factors and challenges related to our team dynamics. Our newly formed team, as per Tuckman's was in the 'Forming' stage, characterized by high expectations, excitement, and a degree of guardedness due to unfamiliarity. The aspiration of every team is to succeed, and according to Lencioni, there are five key factors that contribute to high-performing teams: trust, conflict, commitment, accountability, and results. A functional team is built on a foundation of trust, which creates a safe environment for healthy conflict. However, the path towards becoming a

high-performing team is often filled with challenges, as was the case with our team during the simulation.

B. Incident #1: The Personal Growth from Diesel Dilemma

The decision to introduce two diesel cars into our portfolio marked a pivotal point in our simulation experience. This proposal was initiated by me, based on market preference lists that indicated a high demand for conventional cars and unused factory capacity. It seemed, at the time, a strategic move to enhance our product line and boost sales. However, the aftermath of this decision painted a drastically different picture.

As the diesel cars rolled into the market, the anticipated demand failed to materialize. Our sales figures began to decline, and the decision that I had so confidently advocated for began to look like a complete disaster. The immediate impact was a drastic fall in our ranking, a direct hit to our collective pride and a personal blow to my confidence.

The experience brought to light the principles of Baran & Scott's (2010) model of shared responsibility in team decision-making. This model underscores that every decision in a team setting is a collective responsibility, regardless of who initiated the idea. It suggests that the emotional burden of a decision's outcome should not fall disproportionately on the initiator, emphasizing the importance of shared accountability. As the initiator of the proposition to introduce two diesel cars, I found myself in the eye of the storm when the decision led to unexpected outcomes. Despite the decision being a collective one, I was overwhelmed in a wave of disappointment and helplessness, struggling with feelings of guilt and shame over the ramifications of the decision. Reflecting on this incident, I realized that I should have recognized the shared responsibility for the decision and its consequences. This understanding could have helped me manage my feelings of guilt and shame more effectively, maintaining a more balanced perspective on the situation. The experience served as a strong reminder of the

weight of shared accountability when decisions lead to unexpected outcomes, providing valuable lessons for future team-based decision-making processes.

Response and Impact on Team Dynamics

The reaction from my team members was a mixture of disappointment and frustration. Some were more vocal in expressing their displeasure, blaming me for leading the team down a path that had now proven detrimental to our business. This incident created a sort of chasm within the team dynamics, leading to a wave of negative emotions that I had not anticipated. The criticism from my teammates was hard to digest, making me feel cornered and defensive. My confidence began to wane, and feelings of guilt, shame, and regret began to dominate my mindset. In response to this situation, I chose to engage in open communication with my team, aligning my approach with the principles of the 7 C's of Communication (Clothier 2017). This model emphasizes clarity, conciseness, concreteness, correctness, coherence, completeness, and courtesy in communication. I strived for clarity and conciseness in expressing my thoughts and feelings, ensuring that my messages were concrete and correct. I aimed for coherence in my communication, ensuring that my messages were logically consistent. I sought to address all relevant issues, ensuring completeness in my communication. Following the incident, the team's disappointment was evident, which shook my confidence and dented my self-esteem. This shift in team dynamics was a stark contrast to our previous cheerful interactions. As the team's 'vibe officer', I was usually the one making jokes and trying to uplift everyone's mood. However, the serious turn of events led me to adopt a more serious attitude, impacting the overall team atmosphere.

This experience underscored the power of emotional contagion in a team setting, as outlined by Barsade's model (Aldag 2015), and highlighted the importance of maintaining a positive emotional state for the benefit of the team's dynamics and performance. I realized that my mood and attitude were significantly influencing the team's emotions, and despite the

turmoil, I maintained courtesy, respecting the feelings and perspectives of my team members. The incident taught me the importance of managing my emotions effectively to prevent negative contagion within the team and underscored the value of open communication in addressing and resolving negative emotions. Moving forward, I am committed to fostering a positive and supportive emotional environment in future team interactions.

Reflection on Personal Performance and Peer Feedback

The incident provided a significant opportunity for self-reflection and growth. Goleman's model of emotional intelligence emphasizes five key components: self-awareness, self-regulation, motivation, empathy, and social skills (Goleman 1995). In the aftermath of the incident, I found that my self-perception as a competent team member was not aligning with my teammates' perceptions, highlighting a gap in my self-awareness. My team's feedback revealed that they had high expectations of my knowledge, skills, and abilities, and they valued my interactions with them. This discrepancy between their expectations and my self-perception was a wake-up call. In terms of self-regulation, I openly communicated my emotions to the team, maintaining control over my reactions despite the challenging circumstances. However, the drop in our ranking and the shift in team dynamics affected my motivation. Initially, my motivation levels dipped, but I was determined to bounce back stronger and make up for my mistake. Empathy and social skills were tested during this period. I had to show understanding and patience when a team member struggled to grasp the workings of hybrid vehicles. I also had to manage my relationships effectively during this challenging time, maintaining open communication and allowing the situation to cool off. This experience underscored the importance of emotional intelligence in team dynamics and performance, providing valuable lessons for future team interactions.

Personal and Professional Development

Robbins, Coulter & DeCenzo's (2020) work, "Fundamentals of Management," emphasizes the critical role of communication and networking skills in any cross-functional management role. This incident has indeed improved my resilience and ability to manage disappointment, but it also highlighted the need to further develop my skills in active listening, patience, empathy, and effective communication, especially when dealing with work that does not meet my expectations. Corsino and Fuller's research on "Educating for Diversity, Equity, and Inclusion: A Review of Commonly Used Educational Approaches" (2021) underscores the importance of fostering a favorable environment for diverse ideas and being receptive to others' perspectives. This incident served as a stark reminder of this principle, teaching me that creating a positive emotional contagion within the team requires being open to diverse ideas and perspectives. In light of these models and the lessons learned from this incident, I need to enhance my ability to foster an inclusive team environment that values diversity of thought and encourages open communication. This commitment not only pertains to the diversity of team members but also to the diversity of ideas, thereby creating a positive emotional contagion within the team.

C. Incident #2: The Teamwork Trial

Introduction: Undertaking the Sales Pitch Challenge

The second incident occurred in the preparation of the sales pitch presentation, a crucial component of the simulation that required a high level of planning and teamwork. In order to gain additional revenue for our company and increase gross profit, we had to persuade the customer, that we are the ideal company for them. Our end-goal was to gain the prospect’s agreement to stock and sell our brand, as a partner that will help them make the move to electrification and expand their portfolio to electric cars, aligned with their geographic expansion goals. In order to be successful we had to demonstrate knowledge on how to lead an

impactful conversation, identifying and communicating their value proposition and structure an effective sales pitch. I voluntarily took on the responsibility of leading this task, driven by a sense of confidence in my abilities, obligation and an expectation of support from my team members. After taking on the lead role for the sales pitch, I sought to understand my performance and contribution using the Comprehensive Assessment of Team Member Effectiveness (CATME), a self and peer assessment tool. This was a step to better understand my strengths and areas for improvement from both my perspective and that of my team. However, their lack of contribution and apparent indifference towards the task left me feeling disappointed and let down, leaving me to shoulder the responsibility and work alone. This unexpected turn of events, which starkly contrasted with the team camaraderie I had anticipated, marked a pivotal moment in my understanding of teamwork, responsibility, and trust. In hindsight, applying the principles of great teamwork as outlined by Haas and Mortensen (2016) could have improved the process and outcome of the sales pitch task. They emphasize the importance of clearly defined roles, mutual trust, and effective communication in achieving successful teamwork, elements that were unfortunately lacking in our team during this task.

Unveiling Blind Spots and Analyzing Motivation

The Johari Window created by Joseph Luft and Harrington Ingham (Halpern 2009), is a model that helps people better understand their relationship with themselves and others by dividing personal awareness into four quadrants: open, hidden, blind, and unknown. In this context, my team members' lack of support fell into the blind quadrant, aspects of myself that others are aware of, but I am not. This incident revealed a blind spot in my perception: an overestimation of my team's commitment.

The decision-making process that led to this incident was based on voluntary participation. My decision to lead the sales pitch was based on my belief in my abilities, as also reflected in the CATME results where I scored myself 4 out of 5 for 'contributing to the team' and 'expecting

quality'. Furthermore, I chose to present the sales pitch, believing that my team members would assist in the preparation. This belief was rooted in the initial team dynamics where everyone seemed eager and ambitious. However, their lack of involvement and indifference towards the task, justified by their perception of the simulation's outcome as insignificant, left me feeling unsupported and alone. This was a strong departure from the team spirit I had initially observed and expected. This incident highlighted the importance of understanding team members' motivations and work ethics before placing trust in them. It was a harsh lesson in the realities of teamwork and the potential pitfalls of voluntary decision-making without clear expectations and equitable distribution of work. This situation can be analyzed using the Expectancy Theory by Victor Vroom, which suggests that individuals are motivated to perform if they believe their efforts will result in a desirable outcome (Hsu et al. 2014). In this case, my teammates did not see the importance of the pitch, thus, their motivation to contribute was low. The Expectancy Theory consists of three components: expectancy, instrumentality, and valence. My teammates' lack of contribution can be attributed to low expectancy (belief that effort will result in performance) and low instrumentality (belief that performance will result in outcomes).

Servant Leadership and Personal Responsibility

Despite feeling abandoned, I decided to shoulder the responsibility and complete the task independently. As a leader who aspired to serve the team, I felt it was my duty to deliver on the sales pitch. My self-evaluation of 5 out of 5 for 'keeping the team on track' in the CATME reflects this commitment. Additionally, this decision was influenced by a previous mistake I had made in the simulation, which had already strained the team dynamics. I felt a strong sense of obligation to make up for my past error, even if it meant bearing an unfair share of the workload. This incident, viewed through the lens of Servant Leadership, showed me the challenges of this leadership style, particularly when the collective vision and effort are lacking in the team. The concept Servant Leadership, developed by Robert K. Greenleaf (Greenleaf et.

al, 1998), emphasizes that leaders should be servants first, and the needs of followers should be placed above their own. In this situation, I embodied the principles of Servant Leadership by prioritizing the team's needs and success over my own comfort and fairness. I chose not to escalate the situation by starting a conflict, instead focusing on completing the task at hand.

The immediate outcome of the incident was a mix of frustration and disappointment. However, it also led to a sense of accomplishment when we achieved the positive confirmation for the workshop, primarily due to my efforts. This validation of my capabilities reinforced my belief in my ability to make sound decisions and deliver quality work. It boosted my self-confidence but also made me realize the potential risk of overburdening myself in future team situations. This can be seen through the lens of the Self-Efficacy Theory by Albert Bandura (Bandura 1993), which suggests that belief in one's abilities to succeed in specific situations affects one's actions and outcomes. My success in this task, despite the lack of support, increased my self-efficacy, which according to Bandura, can influence choice of activities, effort, persistence, and resilience.

The Role of Communication Accommodation in Team Dynamics

In the aftermath of the incident, I communicated my feelings to my team members, expressing my disappointment in their lack of contribution. I believe my team members appreciated this open form of communication, since they gave 4.75 on ´interacting with teammates´. This reflects my calm and constructive feedback. The incident also highlighted the importance of trust and reliability in a team setting. Trust is essential for effective teamwork as it provides a sense of safety, allowing team members to take appropriate risks and expose vulnerabilities. However, this incident showed that trust can be easily broken when team members do not fulfill their responsibilities. I learned the importance of building trust gradually, based on consistent actions and proven reliability, especially in a team setting. Additionally, I understood the value of open communication and shared responsibility in a team. This aligns

with the principles of the Communication Accommodation Theory by Howard Giles (Giles 2016), which emphasizes the importance of effective communication in maintaining professional relationships. According to this theory, individuals adjust their communication style to accommodate others, which can lead to increased understanding and rapport. In this case, my open communication about my disappointment served to bridge the gap between my expectations and my teammates' contributions.

Transformational Leadership and Personal Growth

Reflecting on this incident, I recognize that it led to a significant evolution in my leadership approach. One consistent element throughout the simulation was the high assessment of my ability to keep the team on track as reflected in my CATME peer evaluation. However, the incident taught me the importance of resilience in leadership. I learned that while I can strive to influence and guide my team, I cannot change everyone's opinions or behaviors. This understanding helped me focus more on what I could control - keeping the team on track and maintaining our focus on our shared goals. I also learned to separate work and personal relationships and to understand people's motivations before placing my trust in them. This incident, although challenging, provided valuable lessons that will undoubtedly benefit me in my future professional journey. This transformation can be understood through the lens of the Transformational Leadership Theory by James V. Downton (Downton 1973), which suggests that leaders can inspire followers to transcend their own self-interests for the good of the organization. Transformational leaders motivate their followers by creating a vision of the future, developing a strategy to achieve that vision, and building trust and respect. In this incident, I had to transform my leadership style to adapt to the situation and inspire my team towards success.

Conclusion: Reflections and Future Perspectives

In conclusion, the hurdles I encountered, while tough, have imparted priceless insights that will undoubtedly enrich my professional path in the future. They highlighted the importance of clear communication, equitable work distribution, and the necessity of setting and managing expectations effectively. Schön's (1983) model of reflection offers a profound tool for learning, enabling an individual to assess their actions during and after an event. It divides the process of reflection into two stages: reflecting-in-action and reflecting-on-action. As such, it encourages adaptive learning and promotes the development of professional competence through consistent self-evaluation and reflection. In the context of the incident I experienced, this framework provides a structured lens through which I can analyze my decisions and responses. During the reflecting-in-action phase, I showcased an ability to adapt in real-time, making crucial decisions despite my team's lack of support. Reflecting-on-action, I gained critical insights about teamwork, trust, and personal responsibility. The incident underscored the delicate and essential nature of trust and shared responsibility within a team environment. Through this lens, I have come to understand the potential pitfalls of trusting too quickly and the importance of clear communication. These realizations have reinforced my resilience and sense of self-efficacy, both of which align with the concept of Positive Psychology by Martin Seligman (2011), which emphasizes the study of strengths and virtues that enable individuals and communities to thrive. Despite the challenges, my ability to make sound decisions and perform well has boosted my self-confidence. The knowledge and skills gained from these experiences fostered my personal growth and resilience, showing me that even in the face of adversity, one can leverage personal. As I move forward, I plan to be more cautious, taking the time to understand their intentions and motivations, while striving to communicate openly to ensure everyone is on the same page regarding expectations and responsibilities.

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