

Milestone Two: Strategic Plan for Innovation Implementation

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Abstract

After assessing various innovation options, analyzing market competition, and evaluating our capabilities, I confidently presented a well-informed recommendation to our stakeholders. The recommendation involves two paths: Option A, which leverages disruptive technology with a new electric vehicle with self-driving capabilities, and Option B, a more conservative approach focused on incremental innovation. I strongly advocate for Option A to keep pace with our dominating competitors in this disruptive market. With the CTO's acceptance of this recommendation, our next step is to develop a comprehensive strategy to successfully launch this innovative product. This includes evaluating our competitors' strengths, benchmarking our performance, assessing market size and growth, and creating contingency plans for uncertain business conditions. We must remain adaptable and forward-thinking, considering various scenarios and adjusting our plans to respond effectively to unforeseen circumstances. With our business landscape being in constant flux and transformation, our success will depend on our ability to anticipate and adapt by bringing cutting-edge innovation to the market.

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Milestone Two: Strategic plan for Innovation implementation

Our company holds a prominent position as a manufacturer of high-end and mainstream automobiles and trucks within the United States. We have excelled in integrating advanced car technologies and are strongly dedicated to maintaining our competitiveness in this expanding market. Although our projected growth for connected cars falls just below the industry average at 10.2%, we are resolute in seizing leadership opportunities and staying on par with not only our main luxury rival, BMW, but also other prominent players such as VW and Toyota. Our unwavering commitment drives us to deliver cutting-edge automotive solutions that exceed customer expectations.

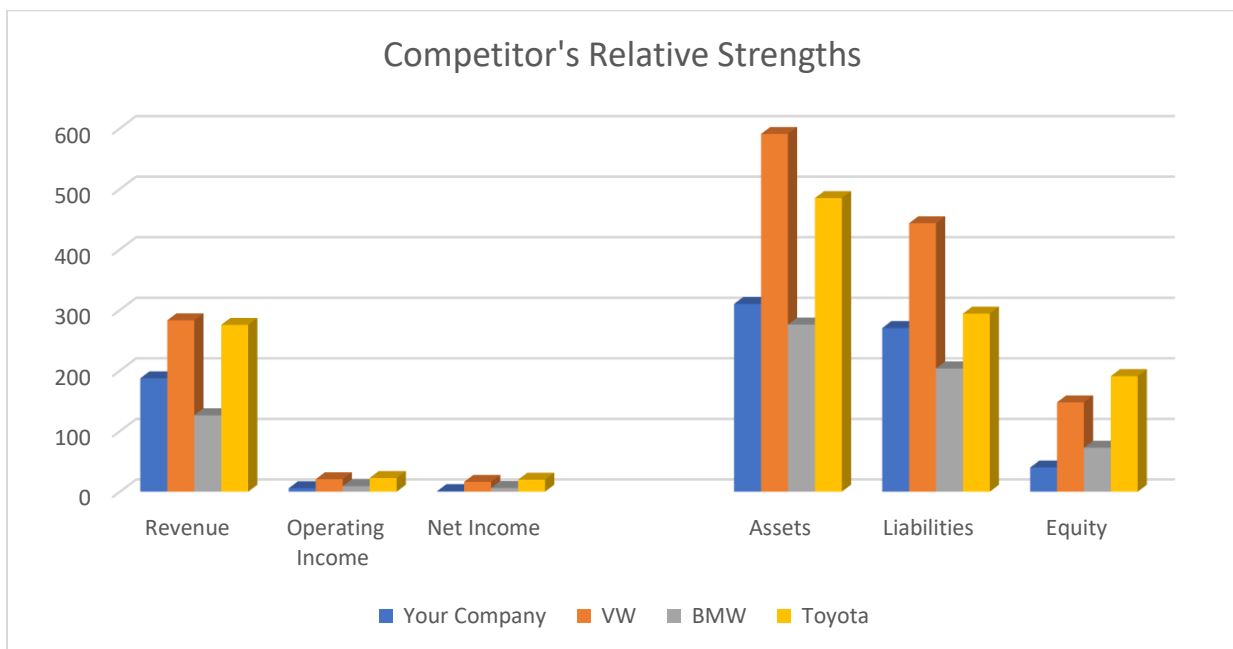
BMW offers an extensive array of connectivity and information services, including cutting-edge driver-assist features like automated parking and lane-keeping. Furthermore, BMW has set its sights on the future, striving to introduce fully autonomous driving vehicles within the next 12 years. Embracing technological advancements, BMW remains committed to enhancing the driving experience with innovative solutions for customers worldwide (Schroeder, 2023). On the other hand, Toyota has demonstrated proficiency in integrating social media functionality in Japan and seeks to extend this offering to the European and U.S. markets (Nkomo, n.d.). However, the expansion is contingent upon the availability of 5G wireless technology. By adopting innovative approaches and keeping pace with evolving technologies, both BMW and Toyota strive to deliver cutting-edge solutions and elevate the driving experience for their customers across the globe.

Apple is poised to revolutionize transportation with its upcoming ventures in autonomous vehicles. By the mid-2020s, Apple plans to introduce a cutting-edge fully autonomous delivery vehicle. Furthermore, the company aims to launch a passenger car equipped with autonomous

capabilities within the next decade. These groundbreaking technologies will undoubtedly reshape the automotive industry and redefine our perception of mobility (Gurman, 2022).

Here at our company, we have two innovative plans: incremental innovation and radical innovation. However, we have made the decision to embrace disruptive innovation and utilize recent technology to create a completely new product line. We are excited about the future and committed to staying at the forefront of the industry by continuously pushing the boundaries of innovation.

Know Our Strengths and Weaknesses Compared to Our Competitors



According to our comparable growth data spreadsheet, Toyota stands out with a significant net revenue of \$19.7 billion. Volkswagen follows closely with \$16.1 billion, and BMW takes third place with \$6.1 billion. Unfortunately, our company trails behind with a modest \$0.9 billion. When it comes to debt-to-revenue ratios, Toyota carries a burden of 94%, while our company follows closely at 69%. Comparatively, VW and BMW have lower ratios of

64% and 62% respectively. In a comprehensive financial assessment, BMW emerges as the leader, with VW securing second place. Regrettably, our company falls behind in all categories as it relates to our competitors (*MBA 580 Comparable Growth Data*). We must have a commitment to improving our situation if we are to remain competitive and relevant with our customer base.

Our comprehensive analysis provides a deep dive into the ever-evolving market landscape. Using the interactive Power BI, we have created four pie charts that are showcased in Figures 1, 2, 3, and 4 that are presented at the end of this paper. From those pie charts, we have gained invaluable insights into the projected market share for cars and trucks until 2030. We uncover the dominance of VW, with Toyota trailing closely behind, while our company, which is in last place, strives to surpass BMW. Right now, we are on a journey to play catch up so we can eventually establish industry leadership.

It's intriguing to see that market projections for 2030 show a bleak outlook for most companies, except for VW. Volkswagen (VW) is projected to strengthen its position in the market, aiming for a growth in market share from 8.77% to 9%. On the other hand, our company is projected to see a decline from 8.54% to 8.4% (*MBA 580 Comparable Growth Data*). Additionally, the market for connected cars and trucks is on a downward trend for all competitors. For example, our current market share of 7.1% is expected to decrease to 3%, resulting in a significant difference of 4.1% (*MBA 580 Comparable Growth Data*). This shift in the market calls for a critical evaluation of our strategies and a proactive response to maintain competitiveness in the changing landscape.

A comprehensive examination of the automotive industry reveals promising prospects for growth and highlights areas that require enhancements amidst market share and performance

fluctuations. This in-depth analysis offers valuable insights that can guide strategic decision-making and drive impactful improvements.

Market Share Position Compared to Competitors

As you will see in figures 1, 2, 3, and 4 showcased in the appendix of this paper, our company is currently ranked third in the light car and truck industry, holding a market share of 5.80% (*MBA 580 Comparable Growth Data*). However, we expect a slight decrease to 5.28% by 2030. IoT-connected car and truck market presents an even greater challenge, as we anticipate a significant decline from 7.10% to 1.98% by 2030. This decline is significant because we will be surpassed by BMW, who is projected to reach 3.07% market share.

Our competitors are rapidly gaining market share through aggressive innovation strategies. BMW is leading the way by incorporating driver-assist functions and aiming to produce fully autonomous vehicles within twelve years. Toyota plans to expand social media integration, starting in Japan and expanding to other markets. Volkswagen has formed a strategic partnership with Microsoft. Even non-traditional manufacturers like Apple are entering the connected car market.

Despite these challenges, we believe our company has significant growth potential in the IoT-connected car and truck market. As you will see in figures 3 and 4 in the appendix of this paper, our combined market share with competitors is 34.50%, although it is expected to decrease to 26.87% by 2030. In the car and light truck segment, our combined share is 27%, projected to reach 26.47% by 2030 (*MBA 580 Comparable Growth Data*).

Although we have the lowest net income among our competitors, we are determined to secure a larger portion of the global market share. Embracing innovation and staying ahead of

the competition are crucial for us to regain our position as an industry leader. Together, let's drive towards a successful future.

Unlocking Our Potential: Discovering Untapped TAM Opportunities

When it comes to evaluating investment opportunities, understanding market share and the potential total available market (TAM) is absolutely crucial. Key metrics such as compound annual growth rate (CAGR) and rate of return play a significant role in assessing performance.

TAM represents the revenue potential if a company were to achieve 100% market share. It's a guiding factor that helps decision-makers allocate funding and make strategic business moves. Let's dive into the numbers to get a clear picture.

In the global market, the TAM for cars and light trucks amounts to a staggering \$3,227.70 billion (Fortune Business Insights, 2022). Our company holds a promising position with a TAM of \$187.10 billion, while BMW follows closely behind with \$126.10 billion. Toyota and VW also demonstrate strong presence with TAMs of \$275.40 billion and \$282.90 billion respectively (*MBA 580 Comparable Growth Data*).

In the realm of IoT-connected cars and trucks, the estimated TAM is \$53.9 billion. Our company stands out with a TAM of \$3.83 billion, while BMW claims \$1.62 billion. Toyota and VW have TAMs of \$4.80 billion and \$8.36 billion respectively. These figures highlight the potential of this emerging market.

Analyzing projected CAGR and TAM is essential for assessing market share and revenue potential. In the car and light truck segment, the projected CAGR percentages are as follows: the global market at 4.1%, our company at 3.10%, BMW at 3.7%, Toyota at 3.90%, and VW leading

the pack with 4.30%. These percentages provide insights into each player's growth trajectory (*MBA 580 Comparable Growth Data*).

The projected compound annual growth rate (CAGR) in the domain of IoT-connected cars and trucks is a paramount consideration. When it comes to IoT-connected cars and trucks, the projected CAGR figures for the same entities are as follows: our company at an impressive 25.20%, BMW at 10.20%, Toyota at 25.50%, and VW at 24.80%. These figures indicate the potential for substantial growth in this sector (*MBA 580 Comparable Growth Data*).

VW emerges as a formidable competitor, with a TAM revenue of \$282.90 billion in 2020, capturing the largest market share at 8.76%. With a projected CAGR of 4.30% over the next 10 years, VW outperforms the global market's projected share of 4.10%. It's expected to reach a revenue of \$433.1 billion by 2030, demonstrating its growth potential (*MBA 580 Comparable Growth Data*).

When it comes to IoT-connected cars, VW leads the pack with a TAM of \$8.36 billion and an impressive market share of 15.50%. BMW and Toyota may have higher projected CAGR figures, but VW still showcases remarkable growth potential. By 2030, it's anticipated to reach a revenue of \$67.30 billion, capturing 13.19% of the market share.

By understanding market share, TAM, CAGR, and revenue projections, businesses can effectively evaluate the competitive landscape and capitalize on growth opportunities. It's these insights that pave the way for success and drive businesses forward.

Seizing the Future: Our Quest for Market Domination

Currently holding a 5.8% market share in the highly competitive automotive industry, our company faces a challenge. Over the next decade, we anticipate a slight decline to 5.28%,

signaling a reduction in our market presence. Despite maintaining a lead of 1.89% over BMW, we project a significant drop to a mere 1.98% for connected cars and trucks by 2030.

To compound matters, industry giants Toyota and VW pose fierce competition, armed with substantial resources for innovation. It is crucial that we acknowledge this reality and take our efforts to the next level.

We have an exceptional opportunity to gain market share in the next ten years. How can we achieve this? By relentlessly pursuing disruptive innovation across our product line. Presently, our growth rate is lackluster with a projected sales increase of just 35.7%, lagging VW's impressive 52.8% rise. This suggests that our growth may be driven more by repeat customers than by groundbreaking products that embody quality, connectivity, and luxury.

To make a lasting impact, boost revenue, and drive income, we must revitalize our brand and forge stronger connections with our customers. Understanding their behaviors and habits is critical. Gradually improving our connectivity and leveraging existing technological capabilities as a foundation for disruptive innovation is key. As Almog (2022) suggests, focusing on product innovation enables us to conduct extensive research and develop truly groundbreaking innovations that will shape our future.

By prioritizing the present and future, we can enhance our current products while positioning ourselves for long-term growth and technological advancement. Let's embark on this transformative journey together and solidify our position as the industry leader.

The Global Car and Light Truck Market: A Lucrative Opportunity

The car and light truck market is a lucrative industry valued at a staggering \$53.9 billion. Our company is currently impressively positioned, holding the third spot with a 5.8% market

share. We're just behind BMW at 3.91%, while Toyota leads with 8.53% and VW follows closely with 8.76%.

Our presence in the connected cars and trucks industry is solidified with a robust market share of 7.10%. Toyota secures the second spot with 8.90%, while VW emerges as the dominant force with a commanding share of 15.50%.

Securing a spot in the top three is no small achievement; it's a testament to our hard work and dedication. Let's not underestimate the significance of this accomplishment. Moreover, we have ample opportunities to expand our Total Available Market (TAM) by targeting IoT-connected cars and continuing to produce cars and light trucks. So, let's push forward and explore the immense potential ahead of us.

We expect the cars and trucks segment to experience a steady growth rate of 3.10% over the next 10 years. While BMW, Toyota, and VW are projected to have higher growth rates, we are not far behind. In the exciting world of IoT connected cars and trucks, our growth rate is expected to soar to an impressive 10.20%, positioning us as a significant player in the market.

Maintaining a strong compound annual growth rate (CAGR) is crucial for our innovation, reputation, production, labor, and sales revenue. It allows us to secure necessary funding and pave the way for future advancements. However, it's important to recognize our fastest-growing competitor, VW. They currently dominate the market share and have impressive financial strength with equity of \$190.8B and assets totaling \$590.6B. Their commitment to customer satisfaction solidifies their reputation as a reliable and customer-friendly automotive manufacturer.

What Happens if Business Conditions Change?

To secure long-term success for our revolutionary product, we can develop a comprehensive strategy that embraces incremental innovation. By enhancing our existing model with cutting-edge features, we aim to provide an exceptional value proposition to our valued customers. While there may be instances of slow customer adoption, we propose the implementation of a loyalty program that incentivizes purchase behavior to expedite their acceptance. Our goal is to ensure swift engagement and enduring satisfaction among our esteemed customer bases. By leveraging the potential of customer loyalty, we can establish a steadfast and recurring customer base that is primed for ongoing engagement. Through this approach, we cultivate enduring relationships with our customers, fostering continued involvement and satisfaction. (Yegertek, 2023).

In this fiercely competitive automotive industry, it is crucial to devise effective customer retention strategies. An increasingly popular approach in recent years has been the adoption of automotive loyalty programs, aimed at incentivizing customer loyalty and fostering brand preference for all automotive requirements. These programs are thoughtfully designed to reward customers for their unwavering commitment while effectively encouraging future purchases when new models come out (Yegertek, 2023).

If one of our competitors begins to outpace us, it becomes imperative to leverage our unique strengths and exploit their weaknesses. Every competing company possesses vulnerabilities, and our goal is to identify these weak points and showcase how our innovation addresses them. By highlighting these points in our marketing strategies and presentations, we can articulate the significance of our selling propositions and position ourselves as the superior choice. Additionally, targeting large clients can significantly bolster our business and augment

our revenue streams, providing us with increased resources for marketing and expanding our team (Dyer et al., 2020).

In essence, by leveraging incremental innovation, implementing a rewards program, and effectively strategizing against competitors, we can secure a competitive edge in the market and ensure sustained growth and success for our company (Dyer et al., 2020).

Launching Our New Concept: A Comprehensive Approach

To embark on our journey of innovation, we must immerse ourselves in a comprehensive understanding of our target audience, devise a compelling marketing strategy, continuously evaluate our competitors, and pivot if necessary. The development of our new electric car depends on the triumph of its launch, and rather than starting from scratch, we will leverage an existing foundation to propel us forward. By adhering to the principles of object-oriented programming (OOP), such as inheritance and composition that facilitate code reuse by promoting modularity and extensibility, our developers can create scalable and maintainable software solutions. By exceeding our competitors' offerings, we will not only captivate our loyal customer base but also attract new patrons, ushering in a fresh wave of clientele. To maintain our focus, we will adopt the Discover-Iterate-Pivot process. Our brand's unique voice will resound powerfully in our markets, contributing significantly to our success. Identifying and promptly addressing our strengths and weaknesses will be pivotal in our growth strategy. Additionally, we can entice new customers through preorder incentives and free connectivity trials, effectively capturing their interest and introducing them to our world of innovation. With these initiatives, we can unlock limitless possibilities for growth and expansion.

Our team of experts will wholeheartedly commit to this project, without any distractions from other tasks, to maximize its potential. Throughout regular milestone meetings, we will conduct comprehensive evaluations and closely monitor their ability to handle disruptive innovation before their involvement in the project. Together, we will create an extraordinary product through a well-structured and captivating process from start to finish.

Securing Additional Capital Will Be Required

To remain competitive with our competitors, securing additional capital will be crucial to the successful development of this revolutionary electric car concept integrated with autonomous driving capabilities. To drive forward these innovative advancements, our stakeholders should be approached with a compelling pitch, highlighting the immense potential for funding. By doing so, we can ensure the acquisition of the necessary resources to meticulously plan and execute this groundbreaking project.

Timeline From the Beginning of Development Until Initial Product Launch

To ensure an effective determination of the timeline from development initiation to the initial product launch, it is imperative to adopt a systematic approach. Before the launch, meticulous evaluation of customer insights and comprehensive analysis of marketing data will be crucial for refining the project scope to make sure it remains in alignment with our strategic plan. Moreover, seeking valuable feedback and conducting engaging beta tests will also play a pivotal role in providing the necessary direction and ensuring that we uphold our commitments to ourselves, investors, and customers, thereby facilitating a successful product launch that fulfills the needs of our valued customers. By adhering to this approach, we will establish a firm foundation for future achievements.

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Appendix

Market Share Percentages by Market and Competitors

Figure 1: *Market share percentage for car and truck now by market and competitors*

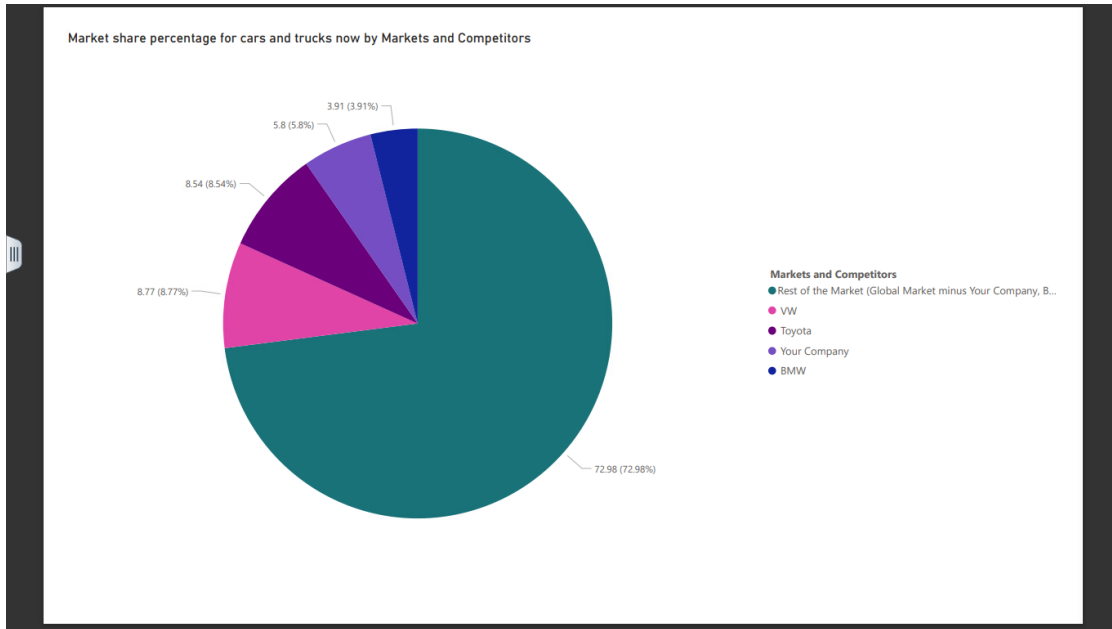


Figure 2: *Market share percentage for car and truck in 2030 by market and competitors*

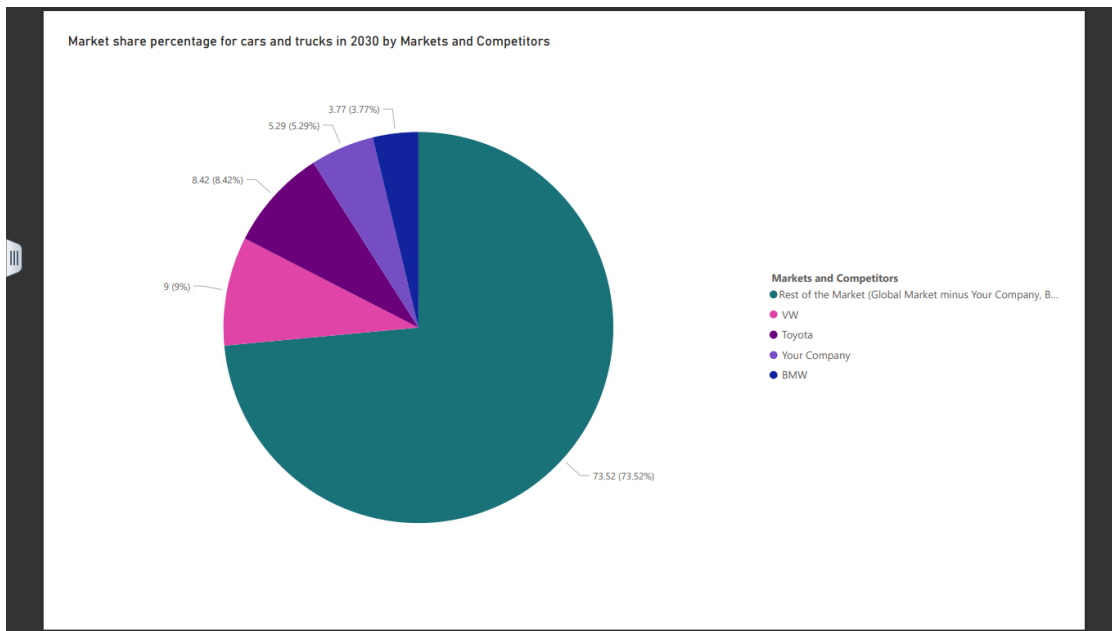


Figure 3: Market share percentage for connected cars and trucks now by market and competitors.

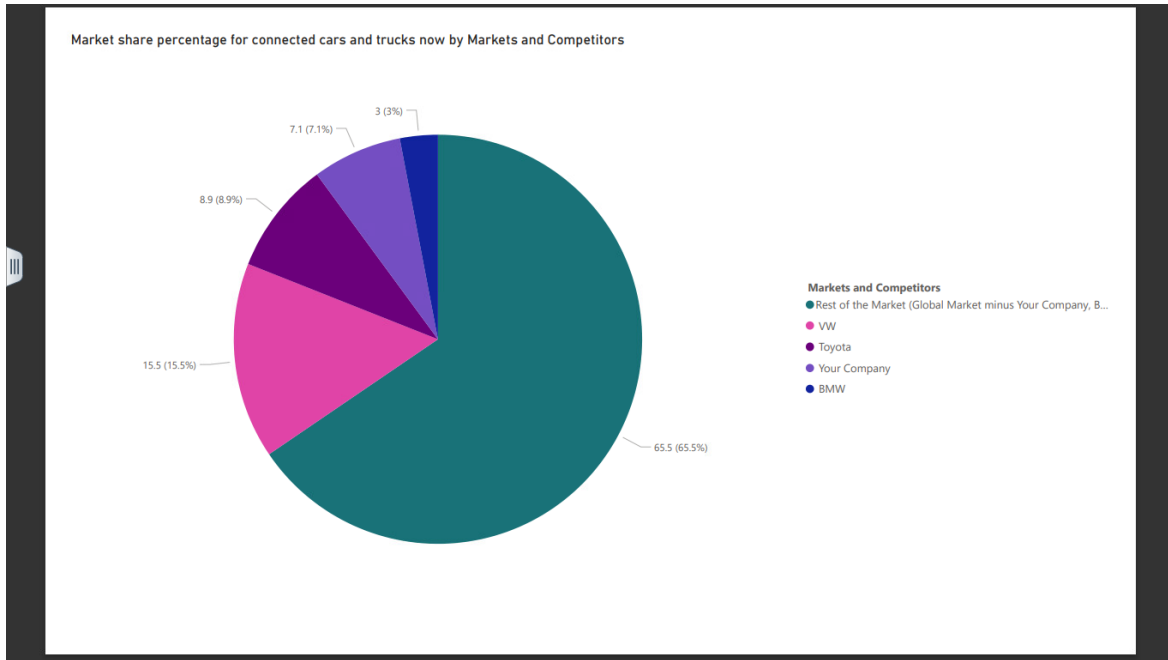
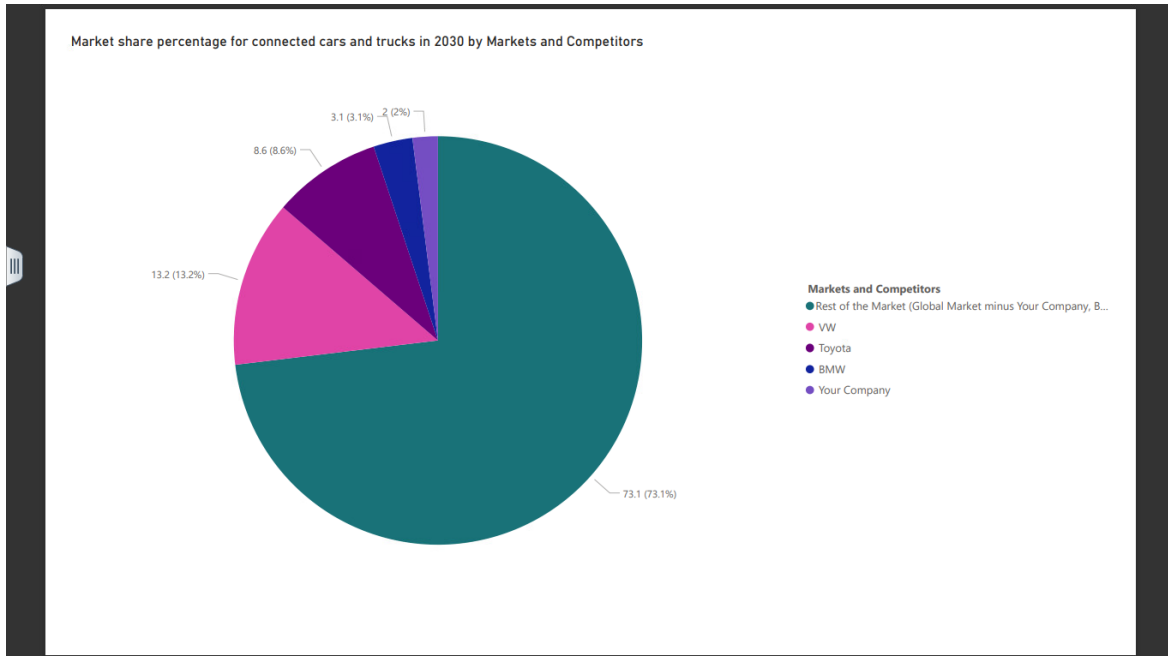


Figure 4: Market share percentage for connected cars and trucks in 2030 by market and competitors.



Competitor's Relative Strengths

Figure 1: Competitor's Relative Strengths

With the exception of BMW, our company is lagging behind in revenue. We are also lagging behind our competitors in terms of operating income and net income. Now, in terms of assets, liabilities, and equity, VW and Toyota are leading the pack. Our company actually has more assets and liabilities when compared to BMW.

