

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. Upon receiving approval from the Chief Technology Officer, our immediate course of action entails formulating a meticulous and all-encompassing strategy to effectively propel the launch of this groundbreaking new 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.

Table of Contents

Milestone Two: Strategic plan for Innovation implementation	4
Analyze the competitors’ relative strengths in the marketplace	5
Explain how your company’s market share compares to your competitors’	6
How do your company’s financials look compared to your competitors’?	7
Identify future potential total available market (TAM) and growth for each chosen product/service and technology	8
Identify ways to adjust if business conditions change	10
Describe the steps your company needs to take from concept outline to launch.....	11
Securing Additional Capital Will Be Required	12
Timeline From the Beginning of Development Until Initial Product Launch	12
Appendix.....	15
Market Share Percentages by Market and Competitors	15
Figure 1: Market share percentage for car and truck now by market and competitors	15
Figure 2: Market share percentage for car and truck in 2030 by market and competitors.....	15
Figure 3: Market share percentage for connected cars and trucks now by market and competitors.....	16
Figure 4: Market share percentage for connected cars and trucks in 2030 by market and competitors.....	16

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.

Analyze the competitors' relative strengths in the marketplace

The automotive industry is a dynamic landscape, and among the key players, Toyota shines with an impressive net revenue of \$19.7 billion. Volkswagen follows closely with \$16.1 billion, while BMW secures the third spot with \$6.1 billion. Unfortunately, our company trails behind with a modest \$0.9 billion. When we evaluate the debt-to-revenue ratios, Toyota carries a significant burden of 94%, whereas our company follows closely at 69%. In comparison, VW and BMW have lower ratios of 64% and 62%, respectively. Analyzing these figures in detail, we find that BMW emerges as the industry leader, with VW securing the second position. Though we regrettably fall behind in this ranking, our commitment to growth and progress remains steadfast (MBA 580 Comparable Growth Data).

Moving forward, our comprehensive analysis takes a deep dive into the ever-evolving market landscape. Leveraging the power of interactive Power BI, we present four eye-catching pie charts in Figures 1, 2, 3, and 4, which unveil valuable insights into the projected market share for cars and trucks until 2030. The charts highlight the dominance of VW, with Toyota closely on its heels, while our company eagerly aims to surpass BMW. Our journey to industry

leadership is fueled by an unwavering determination to surpass expectations and seize opportunities.

The projections for 2030 paint an intriguing picture of the market's future, albeit not without its challenges. VW is expected to witness growth, increasing its market share from 8.77% to an impressive 9%. On the other hand, our company faces a slight decline, with a projected decrease from 8.54% to 8.4% (MBA 580 Comparable Growth Data). Additionally, the market for connected cars and trucks shows a downward trend for all competitors. Our current market share of 7.1% is anticipated to shrink to 3%, representing a considerable difference of 4.1% (MBA 580 Comparable Growth Data). These shifts in the market demand a critical evaluation of our strategies and an agile response to maintain our competitiveness in this evolving landscape.

This comprehensive examination of the automotive industry illuminates promising prospects for growth while underscoring the need for enhancements amidst market share and performance fluctuations. By harnessing these valuable insights, we can steer strategic decision-making in the right direction and drive impactful improvements that secure our position as an industry frontrunner.

Explain how your company's market share compares to your 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. The IoT-connected car and truck market presents even greater challenges, 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.

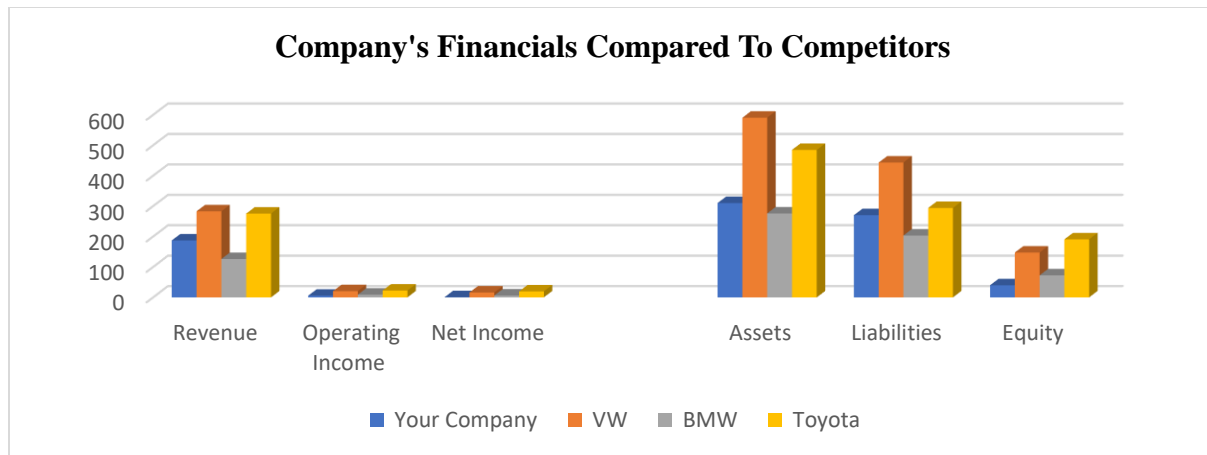
Our competitors are rapidly gaining market share through aggressive innovation strategies. BMW is leading the way by incorporating driver-assist functions and aiming to produce fully autonomous vehicles within 12 years. Toyota plans to expand social media integration, starting in Japan and expanding 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*).

Despite having the lowest net income compared to our competitors, we are resolute in our pursuit to capture a larger slice of the global market. Our unwavering determination fuels our drive to improve and establish a stronger foothold in the industry. 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.

How do your company's financials look compared to your competitors'?

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 the leaders in our industry. Our company actually has more assets and liabilities when compared to BMW.



Identify future potential total available market (TAM) and growth for each chosen product/service and technology

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). SNHU Motors 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 light trucks, the estimated TAM is \$53.9 billion. SNHU Motors 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 percent, SNHU Motors at 3.10 percent, BMW at 3.7 percent, Toyota at 3.90 percent, and VW leading the pack with 4.30 percent. 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 light trucks which is 4.10 percent is a paramount consideration. When it comes to IoT-connected cars and trucks, the projected CAGR figures for the same entities are as follows: SNHU Motors at an impressive 25.20 percent BMW at 10.20 percent, Toyota at 25.50 percent, and VW at 24.80 percent. 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 percent. With a projected CAGR of 4.10 percent 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 percent. 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 percent 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.

Identify ways to adjust 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 a highly competitive automotive industry, we need to develop strategies to keep their customers coming back. One such strategy that has gained popularity in recent years is the implementation of automotive loyalty programs. Reward programs are supposed to be strategically crafted to acknowledge and incentivize our esteemed customers, influencing their preference towards our brand for their next automotive investment (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).

Describe the steps our company needs to take from concept outline to launch.

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 achieve a prompt and successful product launch, it is crucial to embrace a systematic approach that effectively determines the timeline from development initiation. By adopting this approach, we can ensure a smooth transition from the concept stage to the market introduction, maximizing efficiency and minimizing delays. 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*

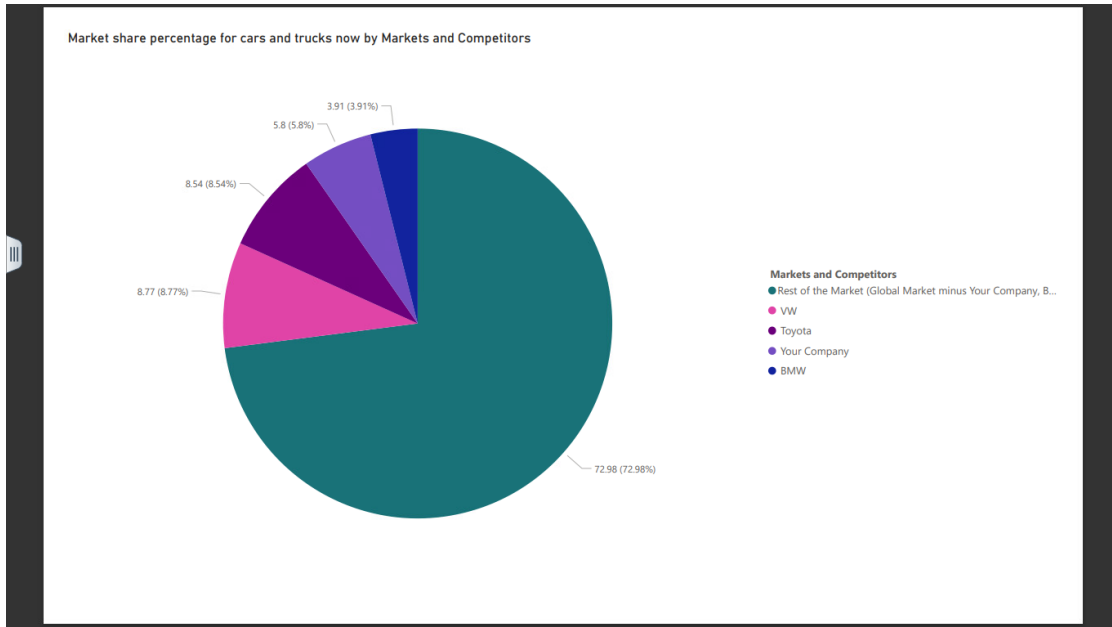


Figure 2: *Market share percentage for car and truck in 2030 by market and competitors*

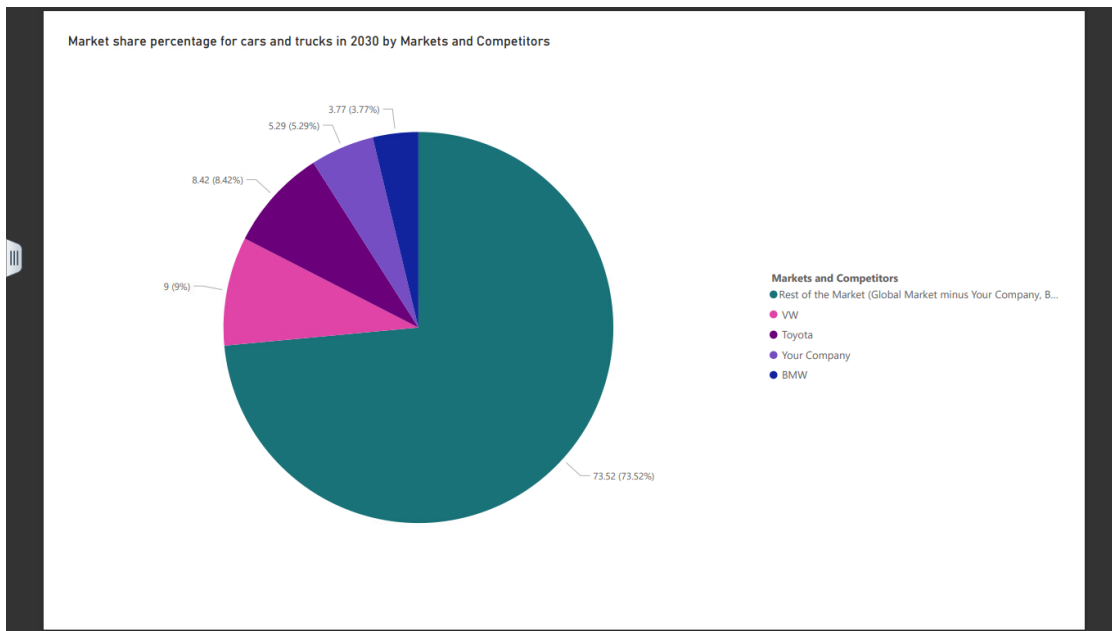


Figure 3: Market share percentage for connected cars and trucks now by market and competitors.

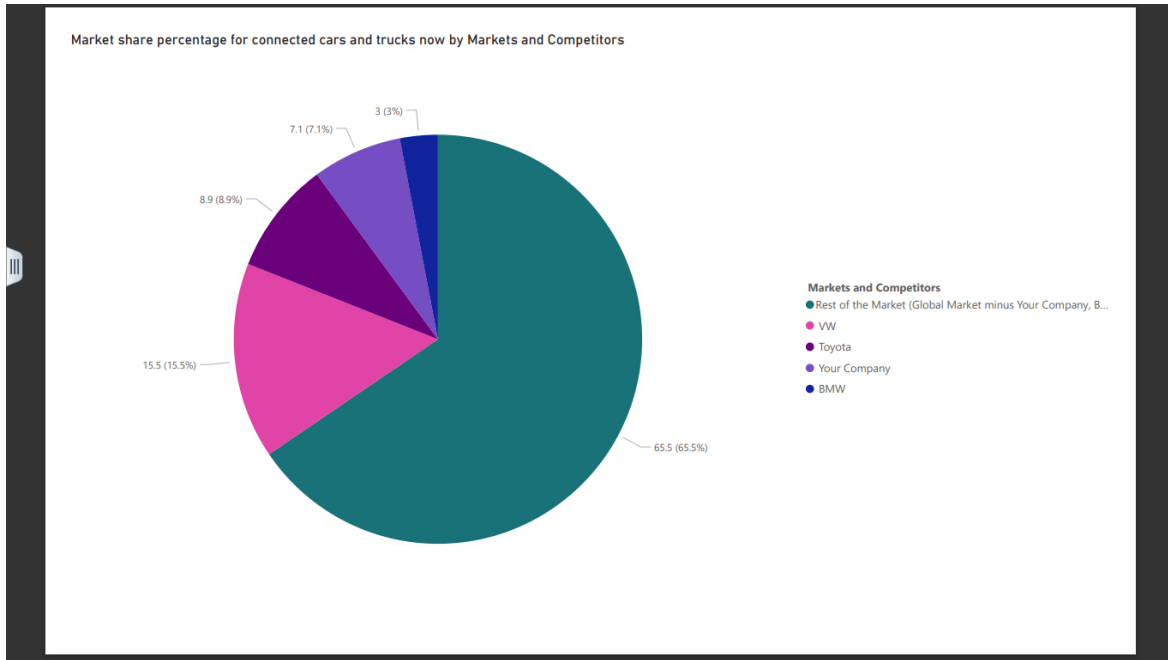


Figure 4: Market share percentage for connected cars and trucks in 2030 by market and competitors.

