

Rebirth and evolution of RAF2021

Business case
July 2021



Meet RAF2021 CEO

John Smith, newly hired CEO of RAF2021, studies charts, documents, reports showing situation of RAF2021 – vision and goals, available financial resources and capacity, existing incentives to increase supply and demand of different types of vehicles all over the world, etc.

John and his management team are facing challenges to decide what type of vehicle to produce to ensure company will be able to operate successfully and compete with automobile manufacturers globally.

Moreover, the team must develop the sales strategy and market research for this product.

Also, John, in July 2021, could now see that, nevertheless, the market recovers from the COVID-19 coronavirus, tendencies in the automotive industry and market experienced significant changes.

Objective of the case and questions to be answered:

In order to compete with large automobile manufacturers, business challenges and opportunities analyse the type of vehicle RAF2021 must produce supporting with arguments why it is the best choice and develop its sales strategy supported with respective market research.

Questions:

1 What type of vehicle must RAF2021 produce, why?

2 What is RAF2021 sales strategy, market opportunities and challenges for the new vehicle to be produced?



Key assumptions:

Growing safety concerns, evolving technology trends, regulatory push and launch of ride-hailing services provides ample opportunities for suppliers in the connected mobility market....



RAF2021:

government-owned enterprise (GOE) with key goal to give rebirth to the factory successfully operating in Latvia from year 1949 to 1998 as producer of vans and minibuses



What:

to produce one type of vehicle



Where:

production of vehicle planned to be in Latvia;



How:

ensured availability of all the capacity needed to ensure efficient production process of this type of vehicle. Financing is 100% support and actions of the local government to promote economic growth and development (technical progress as commercially-oriented research in form of financial aid – rebirth of RAF2021).

The Business Case solution requirements (cont.):

- Business case solution consists of several parts. Here are competencies contestant should demonstrate that will be evaluated by the jury, related to those parts:
 - **analytical thinking:** the ability to structurally approach the solution of a complex business problem, correctly dividing it into streams (into directions within which the solution of the problem may lie). As a rule, the team should divide the case into some large blocks, which, in turn, are further divided and so on to the level of specific problems. A good structure corresponds to the *MECE* principle (mutually exclusive, collectively exhaustive), that is, it covers all possible solutions, but each individual stream does not intersect with others;
 - **conceptual thinking:** the ability to build correct hypotheses based on the resulting structure, made by analysis. Here the team checks how ideas respond to the necessary request and correctly address these or other problems of the enterprise, the team also makes sure that these solutions are feasible and have a common and business sense;
 - **quantitative thinking:** no case can be solved without simple but fast calculations and more complex models that illustrate certain analyses.
 - **communication skills:** the ability to correctly build a presentation and to answer questions.



The Business Case solution requirements (cont.):

The PC recommends the following literature.

Useful literature for case solving:

- The Pyramid Principle, Barbara Minto;
- Crack the Case, David Ohrvall;
- The Trusted Advisor, D. Maister, C. Green, R. Galford.

for data analysis:

- The McKinsey Way, Ethan Rasiel;
- Strategic Management, Thompson Strickland;
- The Fifth Discipline, Peter Senge;
- Thinking Fast and Slow, Daniel Kahneman;
- Case in Point, Marc Cosentino;
- BCG on Strategy, C. Stern, M. Deimler.

- Say it With Charts, Gene Zelazny;
- Unfolding the Napkin, Dan Roam;
- Visualize This, Nathan Yau;
- The Pyramid Principle, Barbara Minto;
- Slide:ology, Nancy Duarte.

Useful literature

Useful literature for presentations: