

***REPORT TO VW AG***  
***BOARD OF DIRECTIONS***

**TEAM GRIFFINS**

**Vaishanth Chami | Keshav Maharaj | Cameron Staples**

# Prioritisation of Strategic Decisions

- ▶ E-Mobility
- ▶ MEB Platform
- ▶ Strategy & Cost Optimisation
- ▶ Navistar Acquisition

# E-MOBILITY STRATEGY

<b>Recall all problem vehicles</b>	<b>Recall some vehicles</b>	<b>Compensation</b>
<ul style="list-style-type: none"><li>• Most ethical option</li><li>• Will maintain the lowest recall rate in the electric vehicle sector</li><li>• Most expensive - 1.5 billion</li></ul>	<ul style="list-style-type: none"><li>• Still a possibility for future incidents</li><li>• Need to be steadfast in our ethical approach - risk of incidents should be red flag</li><li>• 750 million</li></ul>	<ul style="list-style-type: none"><li>• Waiting for a disaster before action is taken</li><li>• Short-sighted and unwise</li><li>• Cheapest option of 250 million</li><li>• Bad reputation will be spread out over a longer period</li></ul>

**Recommendation: Recall all vehicles with possible problems and implement strategies to prevent this problem in the future**

# MEB PLATFORM

Advantages of BYD Agreement	Disadvantages of BYD Agreement
<ul style="list-style-type: none"><li>• BYD is the 2<sup>nd</sup> largest EV producer globally behind Tesla</li><li>• The MEB platform can be incorporated into our other segments</li><li>• Shared vision of overtaking Tesla and utilising similar technology in production</li><li>• The R&amp;D and MEB platform will help jumpstart e-mobility</li></ul>	<ul style="list-style-type: none"><li>• VWAG cannot sell compacts in China</li><li>• Working with Chinese could tarnish German reputation</li><li>• NPV could take a large hit</li><li>• Cash flow low in first 3 years</li></ul>

**Recommendation: Enter into the agreement with BYD to develop compact EVs as this will advance Transform 2025+ goal and push VW to become a global leader in EV production**

# NAVISTAR ACQUISITION

INFORMATION	STRATEGIES AND BENEFITS
<ul style="list-style-type: none"><li>• VW is entering an IPO of their trucks and buses brand - Traton SE valued at 16,5 billion</li><li>• Open new agreements and to develop product range in new markets</li><li>• Expressed desire to fully acquire Navistar International from 16.8% control in the near future</li><li>• Goal of increasing share prices and improving profitability</li></ul>	<ul style="list-style-type: none"><li>• Newer undeveloped market access</li><li>• Have been collaborating in the past, easier process</li><li>• Combined value increases from 19.08 billion to 28.08 billion</li><li>• Offer appealing to Navistar with a total net % shareholder gain</li><li>• Improves VWAG's share prices</li></ul>

**Recommendation: Move forward with the plan to acquire Navistar International as this will be mutually beneficial, improves VW's brand image, extend market reach and increases share price - 225% total gain for Navistar, 27% total gain for VWAG**

# Strategy & Cost Optimisation

- Agree with the centralization of the units over and above the group in exception to the MARKETING DIVISION
- Human Resources should remain decentralized for more involvement in regional offices and clear communication between employer and employee

## Reconsider centralization and decentralization of certain function

- Unethical for re-employing of the employees that were rendered redundant from the premium and super premium vehicle categories.
- We are benefiting in a boost of production of the volume segment to the detriment of employees
- Drastically underpaying employees
- Exploitation

Respectfully retrench employees under our company values  
OR employ them as official employees of the volume segment

# Ethical Dilemma

- ▶ Most importantly Artificial intelligence, used in driverless technology is still developing, and VW should not be responsible for putting the lives of our customers at risk due to technology not being full proof
- ▶ We cannot face the risks as we are under pressure due to us using carcinogenic components in our electric cars and we cannot afford to betray the customers' trust once again after Dieselpgate and now the issue of using carcinogenic metals

**THANK YOU**

**QUESTIONS?**