

Introduction to Business (LCBB4007)



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

GROUP PRESENTATION

Team:

Desislava Yovcheva ID: 2321718

Ventsislav Karov ID: 2321719

Dayana Anachkova ID: 2224251

Denis Nikolov ID: 2326063



CONTENT OF THE PRESENTATION

An overview of AUDI

- ☐ **The organisation's structure, size, and functions. By Desislava**
- ☐ **SWOT framework By Ventsislav**
- ☐ **PESTLE framework By Denis**
- ☐ **The company stakeholders BY Dayana**

Introduction

- AUDI AG, is a subsidiary of Volkswagen AG, is engaged in the development, production, assembly, and distribution of vehicles, including cars and motorcycles.
- Audi AG (Audi) was established in 1910 by founder August Horch in Zwickau (Central-Eastern Germany).
- Audi AG operates and distributes cars worldwide, manufacturing cars in 22 production facilities in 13 countries worldwide. Audi AG Group currently employs 87,000 members of staff with a revenue of 64.934 Billion USD (MarketLine, 2024).



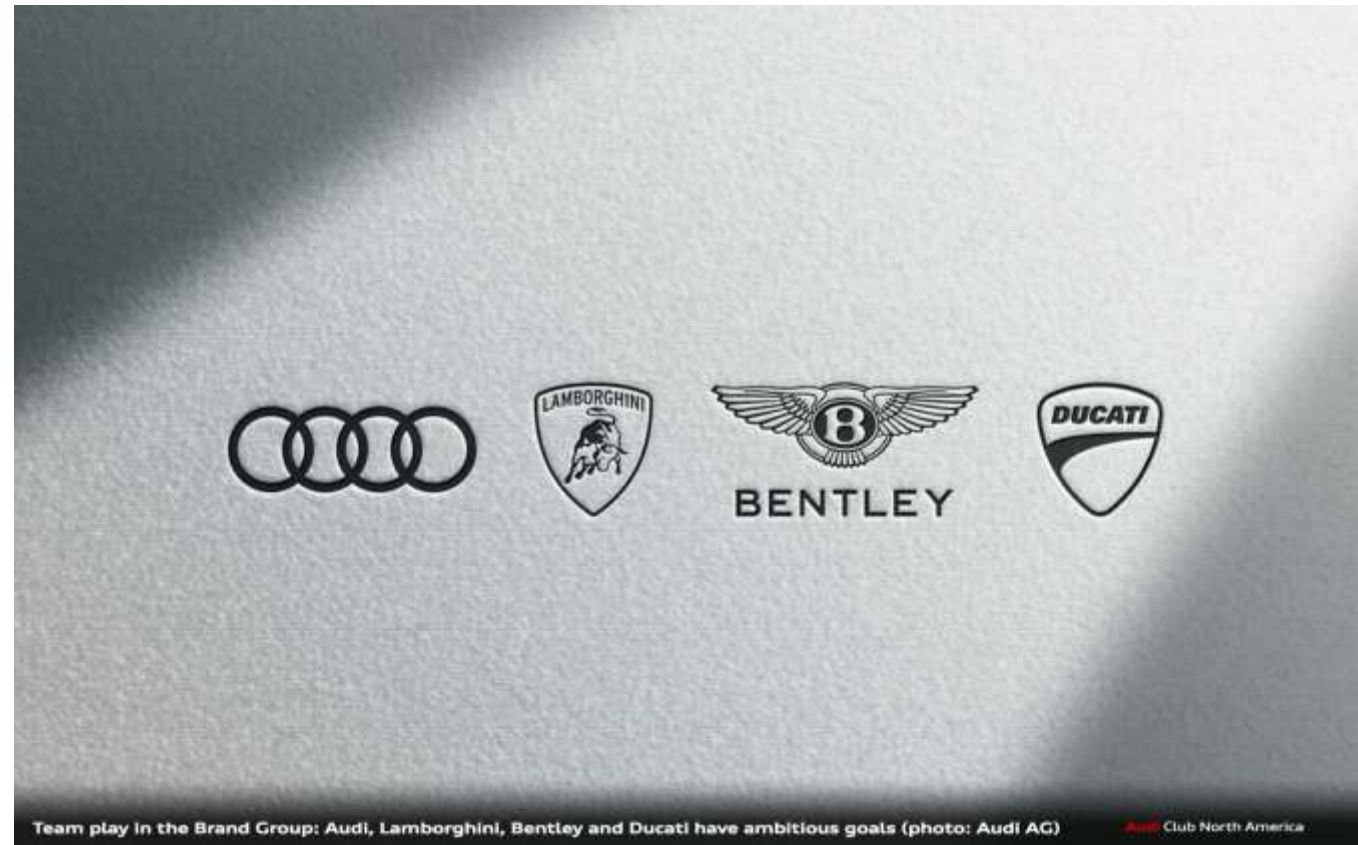
Products and services:

Products:

- Premium passenger cars
- Super cars
- Motorcycles
- Engines
- Accessories
- Spare parts
- Super SUV

Brands :

- Bentley
- Audi
- Lamborghini
- Ducati





Organization Structure of AUDI AG

AUDI AG has a
two-tier Board of
Management

Board of Management
and

The Supervisory Board

Functions of the structure (reference)

Level	Structure Element	Description
Top Tier	Supervisory Board	- Oversees the Board of Management and represents shareholders and employees.
	* 10 representatives from shareholders (including Volkswagen AG)	
	* 10 representatives from employees (reflecting co-determination principle)	
Middle Tier	Board of Management	- Responsible for day-to-day operations and strategic direction.
	* Chairman	
	* 6 Members (each responsible for a specific division)	
Bottom Tier	Divisions	- Functional units specializing in specific areas of the business. Examples include:
	* Technical Development	* Research and development of new technologies and vehicles.
	* Production	* Manufacturing of Audi vehicles in various locations worldwide.
	* Sales & Marketing	* Global sales and marketing activities for Audi products.
	* Finance & Controlling	* Financial management and resource allocation within the company.
	* Human Resources	* Recruitment, training, and development of employees.

WHAT IS SWOT ANALYSIS ???

Strengths

Weaknesses

SWOT

Opportunities

Threats



STRENGTHS

- **Highly focused on research and development**
- **Strong parent position**
- **Revenue growth**

(MarketLine, 2024)

WEAKNESSES



Private ownership

Dependence on Premium Market

High maintenance & handling cost of Audi cars compared to a few competitors

Limited presence in emerging markets where some other brands have taken over the market

(MarketLine, 2024)



Opportunities

- **Expansion Initiatives**
- **Positive outlook for the global automotive industry**
- **Heavy demand for electric vehicles**

(MarketLine, 2024)

Threats

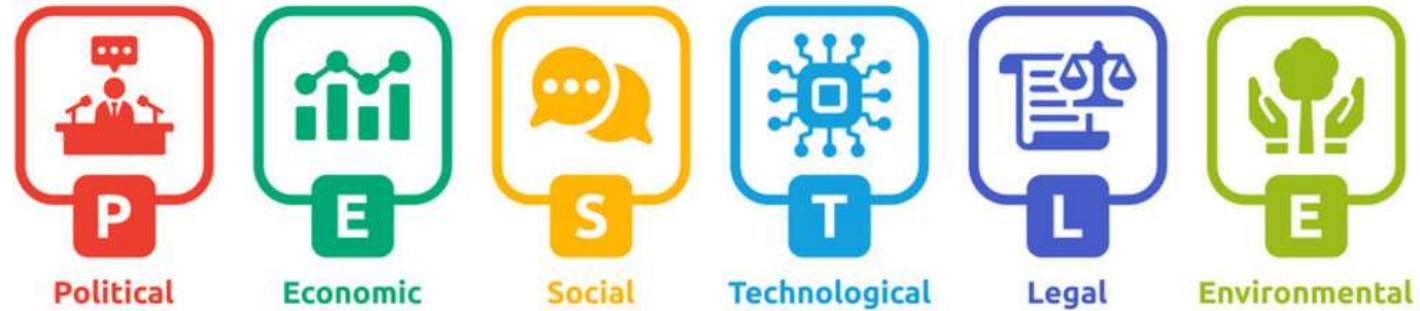


**INCREASE IN COSTS
OF INPUT**

**AUTOMOTIVE
EMISSION
STANDARDS**

**INTENSE
COMPETITION**

PESTLE Analysis



PESTLE Framework - Political and Economic Factors



Political:

- ☐ Government regulations on emissions standards affecting the automotive industry.
- ☐ Trade policies impacting international operations.

Economic:

- ☐ Fluctuations in exchange rates affecting production costs.
- ☐ Economic downturn impacting consumer purchasing





PESTLE Framework - Social and Technological Factors

Social:

- Shifts in consumer preferences towards sustainability and electric vehicles.
- Demographic trends influencing target markets.

Technological:

- Advancements in autonomous driving technology.
- Shift towards electric vehicles and investment in battery technology.

(Reference)



PESTLE Framework - Legal and Environmental Factors



Legal

- ❖ Compliance with safety and environmental regulations.
- ❖ Intellectual property protection and patent issues.



Environmental

- ❖ Pressure to reduce carbon footprint and increase sustainability efforts.
- ❖ Risks associated with climate change affecting supply chain and operations.

Company Stakeholders - Shareholders and Customers



Shareholders:

- ❑ Investors seeking returns on their investment in Audi.
- ❑ Influence corporate decisions through voting rights.

Customers:

- ❖ Individuals and businesses purchasing Audi vehicles.
- ❖ Expect high-quality products and excellent customer service.

Company Stakeholders - Employees and Suppliers

Employees:

- ☐ Workers across various departments and functions.
- ☐ Key to innovation and maintaining brand reputation.

Suppliers:

- ☐ Provide components and materials for Audi vehicles.
- ☐ Ensuring timely delivery and quality standards are met.



Company Stakeholders - Community and Government

Community:

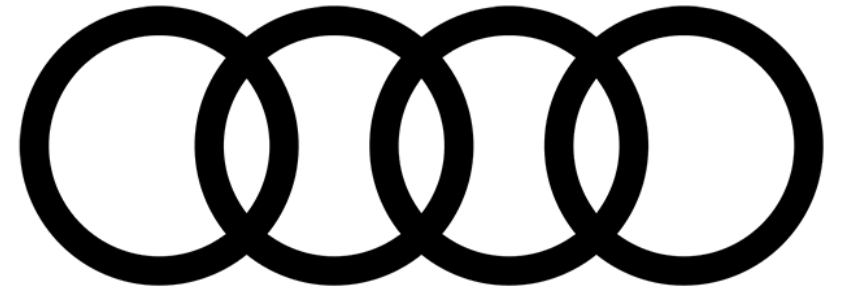
- ❖ Local communities surrounding Audi manufacturing plants.
- ❖ Impact of operations on the environment and community well-being.

Government:

- ☐ Regulatory bodies overseeing compliance with laws and regulations.
- ☐ Influence on policies affecting Audi's operations and industry standards.

Conclusion

- ❖ Audi's success is built on innovation, brand strength, and efficient production processes.
- ❖ Its organizational structure facilitates quick decision-making and operational efficiency.
- ❖ Strategic advantages stem from a commitment to research and development.
- ❖ SWOT and PESTLE analyses identify growth opportunities and potential risks.
- ❖ Stakeholder engagement remains pivotal for decision-making and strategy formulation.



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