

Strategic Management for Business

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1. Executive summary

Strategic direction, an overarching vision, plan, and the roadmap, stands as a pivotal guiding source for all the organisations, directing their goals, and making sure that each and every organisational activity is in line with the purpose of the organisation. In this way, the strategic direction holds a fundamental importance to stimulate the future success of the organisation. In particular, strategic direction has a huge significance for the small and medium sized enterprises (SMEs), offering them a roadmap for concentrating, and progressing forward. Via turning the SMEs from hard working to smart working, this direction plays a notable role in prompting the SMEs from merely surviving in the industry to strategic attainment, empowering the teams and setting out clear goals. The aim of this report is to provide the key strategic recommendations to a family owned motor retailer SME called the Bridgend Motor Group for the future developments and the implementation, taking into account the challenges confronted by the SMEs when it comes to the administration of the strategic direction.

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2. Introduction

According to Lal et al. (2023), the vitality of strategic planning has been emphasised in a significant manner for the SMEs, and this is extremely true in the industries that are as swiftly altering and competitive as the automotive retail sector. Evidence highlights that a range of multiple challenges are commonly encountered by SMEs in the form of lack of monetary resources, volatility of the market, and the impediments related to the operational capacity (Naradda Gamage et al., 2020). Due to these challenges, the long-term strategic development of the organisation gets complicated. This report carries out a strategic analysis of a well-established Scottish SME that works in the automotive sale and services sector, known as the Bridgend Motor Group. The report will be assessing the SME's current strategic direction, examine its competitive climate, evaluate the options of the growth, and offer a set of strategic recommendations for inducing sustainable development in the future.

2.1. Company overview:

Bridgend Motor Group is a small and medium sized business enterprise (SME) operating inside Ayrshire, Scotland as a long-standing and the family owned retailer of cars, which was founded in the year 1930 (Bridgend Motor Group, 2019). Selling the used cars, commercial vehicles and vans, servicing of the vehicles, and offering maintenance, and the accident repairing of automobiles, this SME has been serving the region for more than 90 years, and currently, the SME's operations are also handled by the fourth-generation members of the family, showcasing the firm's legacy. Hence, at present, Bridgend Motor Group has gained the strong position and brand reputation as a firm well-known for its familial legacy, local concentration on providing the vehicle-related services, and the satisfactory customer service. The company functions across certain locations, in which the Kilmarnock, Irvine, and Ayr are primarily included.

Among the firm's products and services, a diversified portfolio of the services are delivered, such as the new and used car sales, the van and the commercial vehicle sales, parts, tyres, and the accessories, the car servicing and MOT testing, the car leasing and the rental services, the vehicle finance and the packages of the warranty, and the accident repair centres. For the brands like the Maxus vans, Suzuki, and the Fiat Professional, franchises are operated by Bridgend, while simultaneously running the dealerships of the used cars of the large multi-brands (Baranowski et al., 2023). This indicates that the business model on which Bridgend operates is a multi-service automotive retail and aftersales model, in which the following elements are included:

- a) Vehicle sales revenue model: The profit through the new/used vehicle margins.
- b) Aftersales model: The recurring income from the repairs, servicing, parts, and the MOTs.
- c) Leasing/contract hire model for the business and the private customers.
- d) Finance and insurance (F&I) model in collaboration with the providers of the credit.

Not only this, the company is also capable of having a powerful regional identity of the brand and a base of the loyal customers who value uniqueness. Such that the uniqueness and the value proposition of the Bridgend group is rooted in its noteworthy attributes, such as the extending 90 years of the local trust as a family-run business. Secondly, the firm has a competitive pricing for its wide spectrum of the service portfolio related to the motor sales, rental, and the servicing, all of which are supported by the financing options of considerably flexible nature (Bridgend Motor Group, 2020). The SME also exhibits a considerable dedication to the customer service, and the engagement of the local community. Apart from that, the Bridgend Motor Group's unique also lies in its holding of the stock of the large used vehicle as compared to the typical SMEs.

3. Appraisal of Current Strategic Direction

Certain general strategic intentions have been communicated by the Bridgend Motor Group via the SME's official website, the statements of the public, and the advertising materials. The strategic direction of this SME can be interpreted, despite no formal strategic documents published by it, similar to the large corporations.

- 3.1. **Vision:** To be acknowledged as Ayrshire's most dependable and the client-centred motor trader, with worth, reliability, and excellence being supplied.
- 3.2. **Mission:** To furnish the outstanding motoring goods and the assistance through a family-guided enterprise structure that is built upon local dedication, honesty, and patron support.
- 3.3. **Objectives:** Formulated from the observed practice of the organisation, the Bridgend group has the following objectives:
 - a) The regional supremacy in pre-owned automobile transactions is sought to be upheld.
 - b) The electric automobile (EV) and hybrid selections are planned to be broadened.
 - c) Customer loyalty is expected to be elevated by scaling up the post-purchase provisions.
 - d) Multiple-site accessibility for purchasing, maintenance, and restorations is intended to be offered.

- e) Sustained, lucrative advancement as an autonomous small enterprise is projected to be continued.

These goals of the SME mirror that the overall strategic direction of Bridgend is centred upon the client-care differentiation, the local predominance rather than the nationwide progression, the expansion of the variety of the services (retailing, leasing, mechanical assistance), and the steady incorporation of the EVs within the SME's collection of the merchandise. This approach of Bridgend is regarded as consistent, although the digital renewal, cooperative alliances, and the extended innovation planning are noted as absent (Bridgend Motor Group, 2019).

4. Environmental Scan

The environmental scan of the chosen SME is carried out using the SWOT and the PESTLE analysis in this section.

4.1. Internal environment- SWOT Analysis

The inward landscape of Bridgend Motor Group is depicted as containing a number of the strengths, frailties, prospects, and threats by which its competitive stance is being shaped (Saari, 2022).

Strengths:

Bridgend's powerful district identity is regarded as having been cultivated across numerous years, with devoted client service and heightened local confidence being sustained through a family-operated framework and an individualised service ethos. A varied set of the offerings including the pre-owned motor transactions, restorations, mechanical upkeep, the statutory inspections, the financial arrangements, and leasing is recognised as being supplied, assuring several income channels are generated and dependency on a solitary provision is diminished, while the steady presence of a high-grade second-hand automobile stock is observed as maintaining the constant interest of the purchasers (Bridgend Motor Group, 2020).

Weaknesses:

Despite these strengths, multiple frailties customary to small and medium enterprises are experienced by Bridgend, such as restricted monetary and technological assets in contrast with the expansive national operators, the inadequately evolved digital capacities in which the online retail interface is acknowledged as not having been fully refined, and also an absence of the nationwide visibility (Lal et al., 2023). The vulnerability to the regional economic oscillations is

likewise noted, and slower incorporation of the electric-vehicle infrastructure alongside reduced investment in the specialist training for emerging technologies has been evidenced (Prakhar et al., 2025).

Opportunities:

As far as opportunities are concerned, the numerous prospects are presented for the firm, including the progressions in the digitalised automotive commerce, rising enthusiasm for electric and hybrid models, and the avenues for the fleet leasing, mobility collaborations, and spatial enlargement within Scotland (Bathla et al., 2022).

Threats:

Concurrently, substantial hazards are confronted by Bridgend Group, involving the macroeconomic instability, the escalating overhead costs, the logistical disturbances molding the availability of the used cars, and the more stringent mandates of the sustainability. In addition, Lewandowski and Olszewska, (2020) highlight that this SME is risked to be facing the powerful opposition from the major networks of the dealership such as the Arnold Clark and Evans Halshaw. This opposition is accompanied by a mounting pressure from the exclusively digital traders like Cinch and Cazoo (Baranowski et al., 2023). Research reveals that these elements are extremely influential in heightening the risk exposure of the SME sector.

4.2. External environment- PESTEL Analysis

Through a PESTEL appraisal, the manner in which political, fiscal, societal, technological, ecological, and the legal determinants influence Bridgend Motor Group's external setting is showcased, which is as follows:

Political factors:

Politically, the governmental inducements for the electric vehicles, the reinforced directives of the emissions, and the post-Brexit trading impediments are observed as exerting substantial influence upon the acquisition of the inventory and the statutory adherence (Saari, 2022).

Economic factors:

Economically, Bathla et al. (2022) show that the crisis connected with the living-cost, the fluctuations in the rates of the borrowing, and the surging inflation are recognised as impacting the purchasing capability held by the clientele, affordability of the finance, as well as the general

appetite for the pre-owned vehicles. Meanwhile, the incrementing operational expenditures are perceived as pressuring the margins of the profit.

Social factors:

From a social viewpoint, the rising environmental consciousness, expanding inclination toward the electric and hybrid transport, and a divergence to the online automobile purchasing is changing the expectations of the buyer. These expectations are also being reshaped by the digital-based consumer engagements.

Technological factors: Technologically, the quick progressions in the EV engineering, AI-prompted mechanisms of the sales, online monetary applications, and the digital systems of the retail are regarded as demanding the investment to be put in scaled up knowledge, processes, and apparatus (Zentani et al., 2025).

Environmental factors:

From an environmental point of view, the anticipations for the sustainability, the stricter standards of the statutory inspections, and the reinforced obligations of the reduction of the carbon are understood as prompting the small firms to be making upgrades in their equipment and adopt the greener routines more commonly (Bathla et al., 2022).

Legal factors:

From a legal viewpoint, the supplementary complexity is introduced via the rules of the financial-conduct, which regulate the automotive lending, and the mandates of the data protection (GDPR). In addition, the explicit quality and reimbursement standards are necessitated by the consumer-protection frameworks. In particular, Peacher, (2020) highlights that the GDPR demands the protection of the customer information, because of which the Bridgend motor group is utmost required to be complying with these legal obligations.

4.3 Porter's Five Forces

In terms of the Porter's Five Forces, Bridgend Motor Group's placement in a fiercely contested arena of the automotive retail is characterised as being influenced by the pronounced buyer standing and the noteworthy digital upheaval (Fedotov, 2022). The analysis reveals the following:

Competitive Rivalry: High

The firm's competitive rivalry is categorised as being elevated, owing to the existence of the major nationwide dealership groups such as Peter Vardy, Evans Halshaw, Arnold Clark, and Lookers, within which the advantages in the scale, the promotion, and the technological capacity are possessed (Lewandowski and Olszewska, 2020; Baranowski et al., 2023).

Threat of New Entrants: Medium

The menace of the incoming entrants is classified as moderate for Bridgend Motor Group. This is because the substantial investment is required for the traditional dealership establishment. This is true despite the digital-exclusive merchants like the Cazoo and the Cinch are viewed as having lesser barriers of the entry via enabling the motor purchases to be conducted online without the physical premises, as indicated by Baranowski et al. (2023).

Bargaining Power of Buyers: High

The buyer negotiating strength is noted to be high, as the price, the specifications, and the financing comparisons are easily performed by the customers, rendering them more cost-aware and knowledgeable.

Bargaining Power of Suppliers: Medium to High

The supplier's power is interpreted as ranging from moderate to forceful, because the pricing and the inventory quantity are under the influence of the manufacturers and the wholesalers, and the logistical interruptions are capable of diminishing the stock which is accessible to the smaller traders (Fedotov, 2022).

Threat of Substitutes: Medium

As far as the threat of the substitutes is concerned, it is revealed as moderate, with the mobility alternatives, including the schemes of the car-sharing, the enhanced public transport, the subscription-based services, and the adaptable leasing models, being perceived as increasingly appealing to the individuals prioritising the convenience and the diminished expense over outright ownership (Bridgend Motor Group, 2020).

So, the analysis collectively reveal that Bridgend Motor Group's position is demanding, wherein the digital reshaping and the evolving consumer attitudes are considered as altering the competitive mechanics. This clearly indicates that the ongoing innovation is required for the firm to be undertaking, so that it can preserve its position in the sector (Fedotov, 2022).

5. Growth Strategy Options for SMEs

According to Qomaro et al. (2024), a range of strategic growth alternatives are existent for the SMEs in the market. Since, these firms operate with the scarce resources, the growth choices they have are focused, low-cost, and feasible tactics. Typically, the four main categories are there in which the strategic growth choices for the SMEs fall into, as per the Ansoff Matrix. These growth strategies are:

5.1. Market penetration:

Market penetration is a lowest-risk strategy of the growth, attentive on incrementing the current goods' sales inside the prevalent markets (Gurcayllilar-Yenidogan and Aksoy, 2018). Examples comprise the special offers/discounts, and the competitive pricing etc.

5.2. Market development:

Market development revolves around the sale of the pre-existent services and goods in the new markets. For example, expanding the business in a new town, region, or the country.

5.3. Product development:

Coming up with new or majorly modified items to the current markets characterise the strategy of product development (Fedotov, 2022). For example, introducing a new flavor or size.

5.4. Diversification:

This strategy is defined as being highest-risk strategy (Qomaro et al., 2024). It involves the crafting of the new items for the completely new markets. Example include making an entry into a completely new market or the industry.

From these Ansoff Matrix growth strategies, the strategy of market penetration, and the product development are proposed for Bridgend Motor Group. A combination of these two strategies are proposed in the form of suggesting the firm to be taking on the digital transformation and expand the EV. This mean that the SME should expand the EV, hybrid, and the mobility products, and offer nationwide online sales which must be accompanied by the home delivery options. This new strategy would be sustainable for this company for its long-term future (Fedotov, 2022). Firstly, this strategy would bring enormous revenues for the Bridgend group, with heightening services of the leasing and the subscription. Secondly, it would bring down the excessive reliance on the local footfall (Zentani et al., 2025). Thirdly, the experience of the SME's clientele will be extremely enhanced by the online retailing experience. Apart from that,

the firm will be able to have a stronger competitiveness against the digital-only dealerships through deploying this proposed strategy.

6. Stakeholder Analysis

Stakeholder analysis is a procedure of recognising the influential individual or groups for a project, followed by examining their power, interest, and anticipated impact on a given project, decision, or an organisation (Heslinga et al., 2019). In the case of the current SME, Bridgend Motor Group, the key stakeholders are the:

- a) Owners and family directors
- b) Customers
- c) Employees and technicians
- d) Local community
- e) Vehicle manufacturers and suppliers
- f) Regulators (FCA, DVSA)
- g) Financial institutions

6.1. Mendelow's Matrix

Stakeholder Group	Power	Interest	Position
Owners/Directors	High	High	Manage closely
Customers	Medium	High	Keep satisfied
Employees	Medium	High	Keep informed
Manufacturers	High	Medium	Manage closely
Regulators	High	Low	Monitor
Community	Low	Medium	Keep informed

Task	Responsible	Accountable	Consulted	Informed
Website redesign	IT vendor	Managing Director	Sales Managers	Staff
EV product expansion	Sales team	Operations Director	Manufacturers	Customers
Marketing digitalisation	Marketing team	Managing Director	Finance	Staff

6.2. RACI for Digital Transformation

As per the Mendelow's Matrix, in this appraisal of stakeholders within the Bridgend Group, the manners in which the differing anticipations and the degrees of power are moulded by the practicality and acceptability of the strategic alternatives concerning the digital reinvention and EV enlargement, are emphasised. The utmost authority and concern are retained by the owners and directors, so preferential pathways are required to be aligned with their objectives for the sustained advancement, the extended competitiveness, and the expenditure regulation. Considerable influence is likewise exercised by the manufacturers on account of the supply reliance, whereby initiatives necessitating technological revision or the EV diversification are rendered achievable solely when the strong cooperation and the advantageous conditions are fulfilled (Zentani et al., 2025).

Elevated concern but moderate authority are exhibited by the customers and the staff members, but their anticipations, such as refined online platforms, and strengthened technical proficiency are exerted directly upon the service calibre and the organisational image, thereby reinforcing the demand for the approaches through which the client experiences are upgraded without excessive strain being placed upon the capability of the workforce (Fedotov, 2022). Considerable influence with minimal concern is maintained by the supervisory bodies, thus any directional choice is obliged to be kept compliant, notably in relation to the financial-conduct safeguards and vehicle-safety directives, in order to be deemed admissible (Peacher, 2020). Although the limited power is held by the local community, the ethical conduct and the occupational steadiness are anticipated, causing alternatives that encourage regional progression to be favoured. Ultimately, the most fitting and the permissible strategic pathways are viewed as those in which the modernisation of the website and the promotional digitalisation are incorporated alongside the incremental EV growth, since the balanced stakeholder anticipations are thereby preserved while also sustaining the operational practicality.

7. Strategic Recommendations

Several recommendations would be fruitful for Bridgend Motor Group in order to be witnessing developments in the future via implementing the strategy proposed in this report as a result of the discussed challenges the SME grapples with. These strategic recommendations are:

- i. Expanding the product range of EV and the infrastructure of the EV.
- ii. Putting significant volume of the funds in the training of the staff for EV-oriented skills.
- iii. Administrating a complete digital retail platform
- iv. Strengthening the diversification of the supply chain.

- v. Elevating the retention of the clientele through the subscription services.

8. Conclusion

This report appraised the present strategic direction and the goals of an SME firm known as the Bridgend Motor Group, followed by conducting an environmental scan and analysing the competitive positioning possessed by the organisation through SWOT, PESTLE analysis, and the Porter's five forces model. The analysis revealed that despite holding a loyal base of the clientele and powerful historical roots, the shift to the electric mobility, digital disruption, and rising competition is necessitating the SME to have a revamped strategic direction. A fusion of the EV expansion, the training of the staff, digital revolution, supply chain strengthening, and the subscription services are recommended for Bridgend. The environmental analysis, assessment of the SME strategies through Ansoff matrix, and the Mendelow's matrix portray that such strategies will be feasible for the SME to match itself with the emerging trends in the automotive sector. Hence, it is anticipated that the adoption of the recommendations proposed in this report will make the SME have a notable boost in its competitiveness, while simultaneously safeguarding its long-term future.

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