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**Assignment Title: Strategic Management and
Sustainability of Volkswagen**

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Introduction

Volkswagen is a motor vehicle manufacturer that is founded in 1937. This company admitted that they are the introducer of transporter van and they sales their products in most of the countries of the world. The purpose of this study is to identify various strategies of this company and also to identify different resources and capabilities of this company. Analysis of the aligning resources and capabilities with present business strategies is also done in this present assignment. In this present assignment, different business strategies of Volkswagen were identified, and also discussed different important key strategies of Volkswagen and also discussed and the reason for changing the strategy of this company. Resources and capabilities of the Volkswagen wagon company are also analyzed in this assignment. The evaluation of processes or ways of being competitive and sustainable to the environment is also evaluated in this present study. Different practices for making the company sustainable in the future and some important recommendations are also discussed in this assignment. The purpose of the study is to explore different additional elements of Volkswagen Company.

Background of the company

Volkswagen was established in Germany by Adolf Hitler in the year of 1937. This company owns many automakers that include luxury car brands like Lamborghini, Audi, and Bentley. In 2014 Volkswagen accounted for one out of 10 sold in the world's vehicle records. As per the information in 2015 Volkswagen was the top seller of automakers all over the world. This company is the one of world's biggest employers. This company sold over 21.5 million vehicles as per the selling records of the 20th century (volkswagen.co.uk). This Volkswagen company is very unique in their performance and also very aesthetics about the installation of their cars. In 2015 this company erupted in a scandal that leads the company towards facing various litigations in many countries of the world (volkswagen.co.uk). This company had to pay fines compensations for civil settlements and also for buyback schemes. But this car company does continuous work for rebuilding their customer's trust as well as their business. In 2015 a scandal was admitted against Volkswagen that this company installed devices that cheat on the emissions of vehicles which became the cause of a high amount of regulatory science in different countries of the world but much more in the United States. A federal court of justice in Germany ruled the

judgment of the diesel scandal against the car manufacturing company Volkswagen. For this scandal, this company had to pay compensation to the vehicle owner of this company. This scandal misled the sustainability rating of the Volkswagen car and this scandal also affects the margin of the value of different vehicles company. This company works on rebuilding the trust of customers in England and Wales to buy by installing two modes of software in their vehicles. By making the settlements this company avoid complex trial process and apologize to they are customers and execute different strategies and software installation in their vehicles.

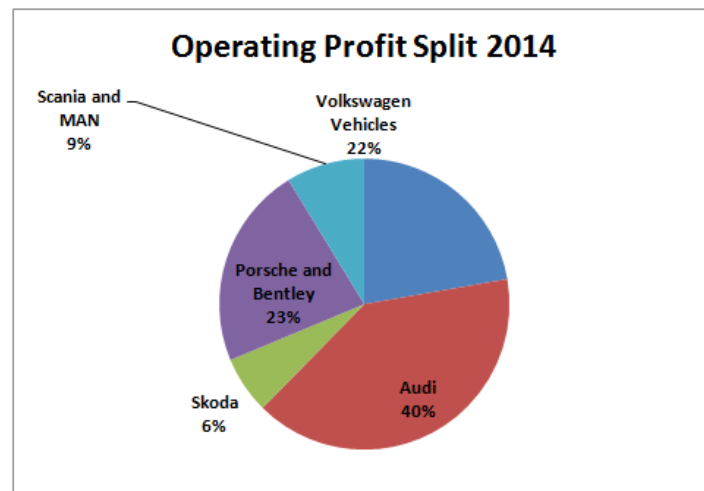


Figure 1: Volkswagen earning review

(Source: Hassan *et al.* 2022)

Main body

1. Identify with evidence the key business strategies of VW over the past five years.

Some important business strategies are followed by Volkswagen company that helps them to make their company sustainable company. These strategies help them to capitalize on their business and also help to improve the weak aspects of the business. Key business strategies of Volkswagen are adjusting the campaign budget as per car buying trends is a traditional marketing strategy of the Volkswagen group. Through this strategy, this company boosts its sales with corporate responsibility reporting (Hassan *et al.* 2022). This strategy helps to convince customers for purchasing a car. This company uses this strategy for predicting its future trends and used to drive the buyer's journey to Volkswagen Company.

Effective management for operations is another business strategy of Volkswagen Company. By using effective management this company is able to produce over 30000 cars per day while other different companies faced many struggles in managing suppliers and in collecting raw materials for production.



Figure 2: Framework of developing business strategies in Volkswagen Company

(Source: Hassan *et al.* 2022)

A great partnership is the most important business strategy of Volkswagen. Partners of Volkswagen are very reliable and give a great contribution to the success of the Volkswagen Company. Microsoft, Amazon, and Siemens are the leading technology company that helps Volkswagen to expand its service of this company with developing a best sustainability.

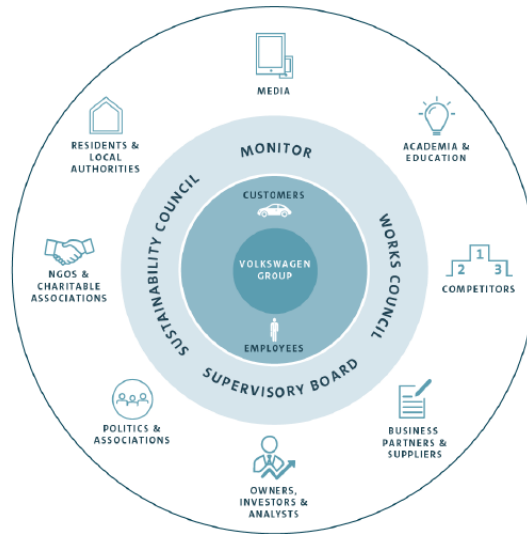


Figure 3: Related framework of sustainability in Volkswagen Company

(Source: Hassan *et al.* 2022)

Volkswagen invests hugely in R&D (Chen *et al.*, 2021). This strategy helps to make enable the auto manufacturer in delivering high performance and also helps to maintain high-quality cars consistently. These investments also help to maintain different advantages of technology all over the competition.

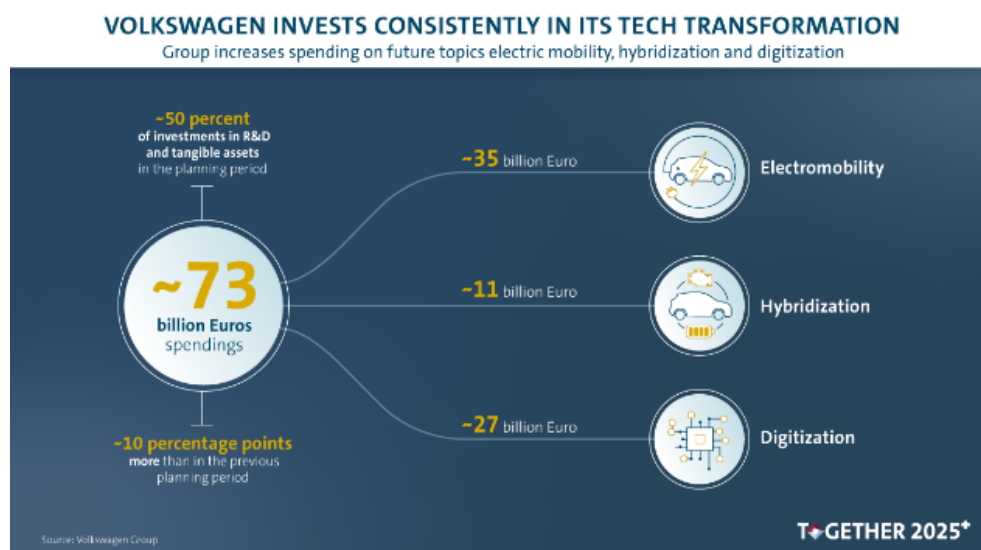


Figure 4: Group raised investment

(Source: Verhaelen *et al.* 2021)

The strongest global production network is another business strategy of Volkswagen company that makes them able to present a substantial market in developed countries and also in developing economies (Verhaelen *et al.* 2021). This company has 124 locations of production across the world. This company has the highest number of production locations in Europe which helps them to mention their strong presence in the international market.

For the sustainability of the company business strategy works successfully. In 2015 Volkswagen was tainted by the scandal of installing software in their cars for cheating the emission test. This company had to pay a maximum of 30 billion dollars as a penalty in different countries. This company has to struggle for regaining the trust of their customer. Lack of diversification is also a weakness of Volkswagen Company (Lee *et al.* 2021). Using a weak marketing strategy outside Europe becomes a barrier to promoting its brands outside Europe. To mitigation of this weakness, Volkswagen Company has changed its business strategy. In 2016 Volkswagen Company announced a new strategy that is TOGETHER -Strategy 2025. Through this strategy, the Volkswagen Company becomes more focused, efficient, customer-oriented, and systematic in generating profitable growth for their business.

With this strategy, they enhanced their momentum for getting targets and this strategy also helped them in sharpening their focus of the business. By using the umbrella of the TOGETHER 2025 strategy Volkswagen Company defines several 5 Central models that help them to focus on improving their performance, increasing they are brand values, and creating excellence in the management of employees. With the help of this strategy, Volkswagen becomes able to assume and practice responsibility in making related to the environment and safety of society. This company made their aim to the leadership in technology and competitive profitability in the time of striving excellent employer.

2. Identify with evidence the resources and capabilities of the case study company

In 2030, the manner people are moving around it is dramatically altered with autonomous vehicles, fully networked transport, and electric drive. VW's commercial method focuses on

technology, evolved as a result, Mobility as both a Service, including expanding the market share of electric cars (MaaS). Beginning in 2026, a single SSP will combine the two existing EV platforms and three current ICE platforms (Bohnsack *et al.* 2021).

In 2025, Volkswagen plans to introduce over 30 all-electric new designs. The automaker expects to deliver around 2 to 3 million pure-electric vehicles yearly through that date. Several major companies, like Volkswagen, hedging their currencies to decrease the likelihood of unfavorable currency fluctuations. Volkswagen usually hedges about 70% of its foreign exchange. Volkswagen, though, decided to hedge just 30% of its currencies against the United States Dollars in 2003. One of the key strengths of Volkswagen seems to be brand synergy. To increase sales and lower expenses, many more of Volkswagen's brand names Skoda, SEAT, and Volkswagen (Weiss, 2021). In addition to Bugatti, Lamborghini, and Porsche share their R&D expenditure, build technologies, access to different marketplaces, and consumer expertise. Using horizontal diversity in Volkswagen is important where they can thereby command a greater segment of the market. They are extending themselves and making them accessible worldwide, which is a benefit. Some might attempt to get excessively big and force themselves beyond their comfort bubble, if at all feasible. Volkswagen AG produces and sells vehicles, primarily passenger vehicles and light trucks again for Volkswagen Passenger Vehicles and Volkswagen Commercial Vehicles brands, in addition to creating automobiles and components again for Group's brands.

3. Evaluate with evidence how VW has tried to become more competitive while taking into Consideration of sustainability and the environment

Volkswagen Company tried to be more competitive by taking into consideration of sustainability and the environment. To make future mobility more sustainable for the future generation this company takes different steps and applies some changes to its business strategy. For generating profitable growth for the company related to the future-oriented program (Kim *et al.* 2022). This group set goals of meeting their customer's diverse needs with impressive vehicles. This company looking forward to tailoring in the solution for mobility. In every step of the business, Volkswagen assumes and also exercises various responsibilities concerning the environment. Integrity, quality, reliability, and passion become the basic form of their work. The strategic

vision of this company was also revised for considering sustainability and also the environment. Their aim becomes the shaping mobility for the coming generation. Volkswagen company aims more actively shape to the future of companies' mobility by safeguarding sustainability for the present situation and also for the future generation (Herman and Xiang, 2022). For being more special this company offers a different driving experience to their customer. Why following this way is product can continue as a cornerstone of sustainability and individuality with affordable mobility in the future. This company commits itself to becoming a carbon-neutral company by the year 2050. The code of collaboration of this company is Together 41 Integrity (T4I) is a central pillar that helps the Volkswagen company to be more competitive in the consideration of sustainability and the environment. By this code, the company can make collaboration between individuals and also within the working groups in their everyday work. This (T4I) code brings all different activities together that are related to human resources, integrity, risk management, and culture that help to create a common way towards a brand new corporate culture within the Volkswagen Company (Norberg *et al.* 2022). Sustainability practice in Volkswagen Company makes it more competitive in the future market and is also used for determining the expectation of the customer. Practicing sustainability also helps to identify different challenges and also potentials of the company. Sustainability is becoming more and more valuable for corporate scandals of Volkswagen that help this company to the reduction of emission carbon dioxide. This also helps the wolf wagon company to develop its brand and also helps to understand the customer's acceptance of sustainable solutions.

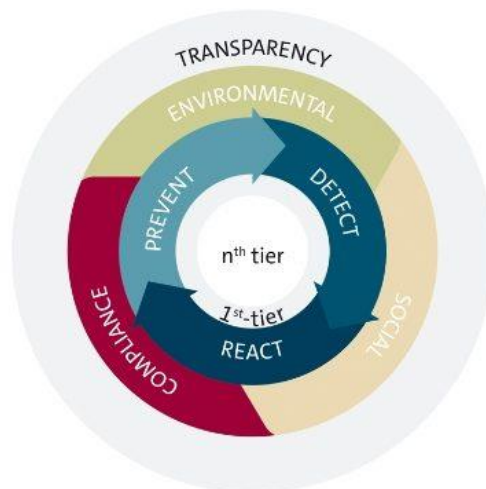


Figure 5: Sustainability in supply chain

(Source: Norberg *et al.* 2022)

4. Make recommendations on how further sustainability practices can help the organization to develop competitive advantages in the future.

For the future growth of Volkswagen, company sustainability is one of the most important strategies that are highly needed for the development of this company. The practice of sustainability can help the development of this company by creating a competitive advantage for the future generation (Turna, 2022). Implementation of practicing sustainability has great benefits on the part of the profitability of the company. By using sustainability practices Volkswagen Company can pursue economical ecological and social objectives simultaneously with an equal amount of energy. This can help in creating lasting value for the product and also can help to converse the environment and resources.

Recommendation for the further sustainability process

Sustainability is important for competitive advantage this is highly important for the long-term success of the business Volkswagen (Lee *et al.*,2021). Lean on market research, focusing on the customer experience continuously developing new products can be the father of sustainability practices that help the Volkswagen Company in developing its competitive advantage in the future. Differentiation can be an important form of sustainability that can provide an exceptional experience for customers that helps to increase the positive impacts of Volkswagen company than their competitors. Cost leadership and focusing and advantage can also be the type of sustainability for competitive advantages that refers the companies to lower costing of supply 10 than their competitors that helps to increase the sales margin of the company (Jellinghaus, 2022). Focusing on advantages can enable Volkswagen company to isolate reliable customers of their own in the environment of the market and can create great satisfaction among customers that helps them to make brand loyalty. By practicing sustainability this company can ensure the identification of opportunities and also various risks that are related to activities of social environmental and government at a very early stage of the value-creating process.



Figure 6: Sustainability value creation

(Source: Pushkareva, 2021)

Recommendation for developing corporate social responsibility

Corporate social responsibility (CSR) can also be determined by the practice of sustainability that gives positive impacts on the reputation and value of the company. By establishing a sustainable supply chain that focuses on decarbonization the Volkswagen Company can procure they are responsible resources that will help them to develop many advantages in the company's future path. Practicing sustainability can help to make possible Volkswagen strives of remaining a well-known comparative company in the market of the automobile as the other competitors are also performing in terms of practicing sustainability intensely. By using sustainability practices the company can offer different innovative technology for cars and services of mobility in solving various issues related to the environment. Volkswagen Company is interested to invest in achieving profitable growth and also in increasing competitiveness (Pushkareva, 2021). To fully feel this interest, the practices of sustainability can be a helpful way to make a financial decision that has a great impact on companies' capital price and also costs.

Volkswagen Company is committed to reducing carbon emissions and also committed to working with suppliers who help to reduce the harmful effect on the environment. The desire of

consumers for environmentally friendly products and increased government requirements are the two key drivers for businesses to adopt a green supply chain management strategy (GSCM). (Rausch-Phan and Siegfried, 2021). This commitment can be become possible by practicing sustainability in the strategy of Volkswagen Company.

This company supports different projects related to education and community. Establishing cooperation with different partners in the outer part of the company like a politician and different sectors of society is also a part of practicing sustainability that can help the company to increase competitive advantages for the future.

The practice of sustainability by Volkswagen Company can help them to ensure the human rights of their employee. This practice also can help in the rating of the sustainability level of companies' different potential suppliers and also help to make reviews breaches within the protocol.

Conclusion

The conclusion part of this study elaborates on the strategies that Volkswagen Company used for maintaining their business rules and also different reasons discussed in this research for changing the strategy of this company. This present study also analyzes the resources and capabilities of this company that aligned with its present business strategies. From the above study, it can be concluded that Volkswagen company used different strategies that help them to the betterment of their business and also maintain practices of sustainability that also help them of being more competitive in the market of car businesses. Some ways and steps are also recommended in this study for the further practices of sustainability within the Volkswagen Company. Giving durable machines by reliable mechanics with different build excellence help Volkswagen Company in making high-quality of their products. The superior quality and interior design of the Volkswagen product make this company superior and successful. By maintaining companies strategies and practice of sustainability this brand become able to see success and also enjoyed great accomplishments with great prosperity

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