

BPP Business School Coursework Cover Sheet

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Executive Summary

This briefing offers a synopsis of BMW's digital business strategy that provides readers with a clear understanding of the subject. While trying to balance itself while disrupting digital forces, BMW centres on refining manufacturing topology, procuring sophisticated supply chain systems and technology, not forgetting revamping its approaches to the final customer. Accordingly, it is critical to promote the culture through five pillars: Customer Focus, People and Change, Technology Vision, Collaboration and Delivery, Risk and Compliance, and Innovation. Managing directors at BMW are also responsible for initiating organisational adaptability and exercising professionalism within technological systems while avoiding the futurism and reckless use of such systems. Therefore, by doing so, BMW will ensure it holds the correct market position as the vital car manufacturing industry ready and relevant for growth in the increasingly digital marketplace.

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Introduction

BMW, a global leader in the automotive industry, faces significant challenges and opportunities brought about by digital disruption (Pal, 2023). This paper, authored by the newly hired Senior Digital Transformation Consultant, is about assessing BMW's current digitisation status and identifying measures to sustain competitiveness.

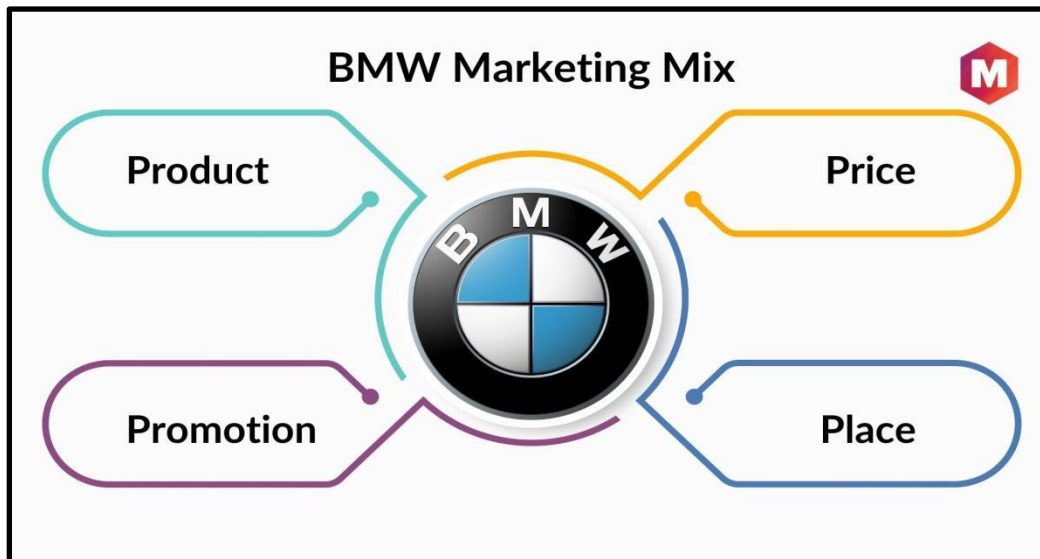


Figure1: Marketing strategies of BMW

(Fey, 2023)

These include evaluating specific internal business processes impacted by digital initiatives, embracing innovation to operate methodically, integrating an organisational digital culture, and applying appropriate digital executive behaviours (Nerlich, 2023). By improving these areas, BMW can cope with digital disruption and create a stable future in technologically advanced markets.

Task 1: Internal Process Analysis

➤ Impact of Digital Disruption on BMW

Based on the ideas presented, digital disruption is deeply entering BMW and affecting several issues substantially. In manufacturing as a field, the implementation of advanced robotics as well as automation is helping the different industries to produce goods that are of high quality and accuracy at faster rates and more efficiently as compared to the past.

There is also a development in the application of the supply chain function through the enabling of IoT technologies by increasing the extent of visibility and response to the supply chain process, thus enabling the reduction of possible downtime and enhancement in the precision of delivery (Dragos and Livia, 2023). Also, BMW's approach to customers is becoming digital and AI-driven, facilitating options like online car configuration and virtual car showrooms. Such technologies are pressuring BMW to innovate fast to sustain its dominance and keep up with changing customer requirements; it also reveals the need for a sound digitalisation vision and roadmap.

➤ Digital Transformation Objectives for the Next 5 Years

BMW has identified several key objectives to achieve over the next five years as part of its digital transformation strategy:

1. Achieve Full Automation in Manufacturing: This is the concurrent or simultaneous presentation of two conditions; two syndromes may exist simultaneously. Synchronise robotics and artificial intelligence into every manufacturing plant to improve manufacturing flow and productivity.

2. Implement a Fully Integrated Digital Supply Chain Management System: Remarkably, it will not endanger the safety of the population of the whole world. Enhance the supply chain through the use of IoT and blockchain to aid in increasing the supply chain visibility, decrease the lead times and boost the interaction of the suppliers (Jacobides *et al.*, 2023).

3. Develop an Omnichannel Customer Engagement Platform: ‘Please accept my words of gratitude for rating our products to know more about our company and its products’, which indeed is unique among the companies since it is specific on offering product reviews to its clients. Provide efficient and effective engagement with clients through all aspects in the digital and physical domains using data analytics for effective solutions for clients.

4. Enhance Data Security and Privacy Measures: It is known that academics are specialised in the theory of mind; however, they also have weaknesses, especially in comprehending the actions of others. An upgrade of cybersecurity measures and compliance with data protection rules in various countries for customers’ and business-oriented data protection.

5. Invest in R&D for Innovative Technologies: Who asserts that the Hansenite Outlet Diner they grew up frequenting should resemble a light industrial building and not a country restaurant? Emphasis should be placed on new technological advancements like self-driving cars and electric automobiles and incorporated car-link courses to adapt and succeed in the solicitation of automotive commerce.

Task 2: Implement Digital Agility

To ensure BMW remains competitive and responsive to market changes, the company must implement digital agility by adopting the following disruptive technologies:

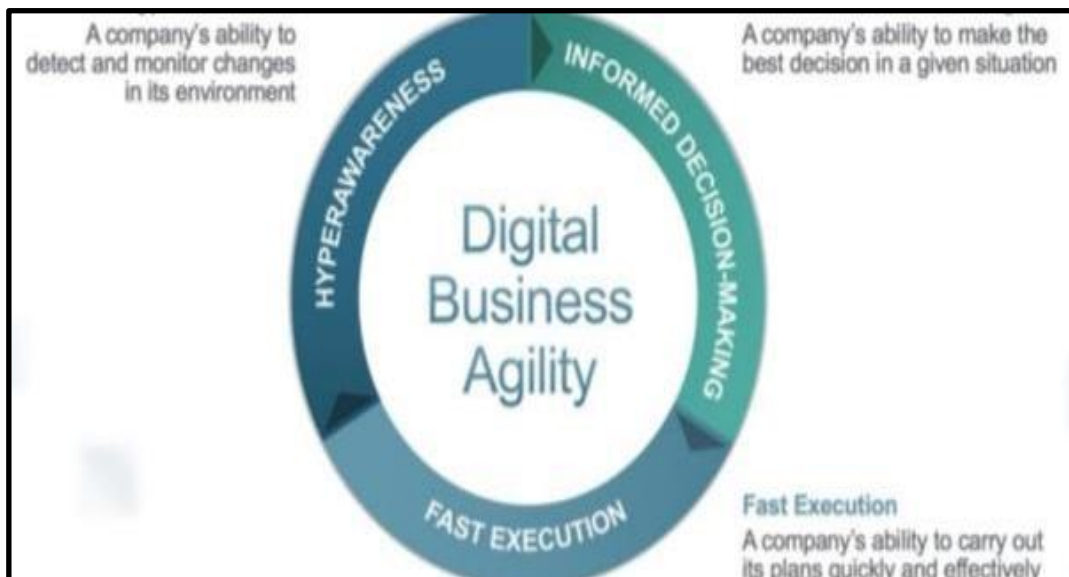


Figure2: Digital Business Transformation

(Bandy, 2023)

1. Artificial Intelligence & Machine Learning: By applying such technologies as AI and ML, BMW can notably improve the effectiveness of its algorithm for predicting the tendencies of the market and consumers' preferences (MacDuffie *et al.*, 2023). By utilising big data, BMV can gain vast knowledge to reach effective and efficient conclusions quickly. This flexibility helps BMW to be in a position to adapt to new markets and demand variations, achieving competitive advantage.

2. Robotic Process Automation (RPA): The procedures that can benefit from using RPA in BMW's business are invoicing and inventory management, as they are repetitive and may be time-consuming, done manually (Carbonara *et al.*, 2023). This cuts out the chances of errors by humans and ensures the employees can shift their time to more productive tasks. Secondly, RPA improves process productivity and accelerates operations; thus, BMW can perform processes more accurately.

3. Extended Reality (XR): Using technologies such as augmented reality (AR) and virtual reality (VR), BMW stands to significantly transform its processes concerning the design and interaction with customers (Mandagi *et al.*, 2023). AR and VR help designers design and test products virtually and develop them faster. Also, XR can provide customers with engaging experiences for products like testing virtual cars, virtual showrooms, and other digital solutions that will make the final result and customer experience even better.

Integrating the above technologies with the Digital Business Agility Model for BMW:

1. Artificial Intelligence & Machine Learning (AI/ML): Office of Financial Management Planning and Analysis

- **Hyperawareness:** AI/ML refines BMW's capability to collect and process large amounts of market and consumer data in real time, thus improving the accuracy of market trend predictions.
- **Informed Decisions:** It also helps the company quickly respond to changes in the market through decision-making based on AI and Machine Learning for a better product and strategy.

- **Execute Fast:** Real-time and fast data processing facilitates the decision-making process, and thus, BMW adapts to change rapidly and effectively to continue dominating the changing markets.

2. Robotic Process Automation (RPA):

- **Hyperawareness:** This helps BMW gain real-time visibility of tasks such as billing and stock management and, thus, address opportunities for improvement.
- **Informed Decisions:** Robotic processing of these tasks brings BMW opportunities to rationalise resource distribution, thus improving performance.
- **Execute Fast:** In other words, the natural and intended outcome of RPA for BMW is the increased effectiveness in contribution towards the overall strategy execution by exercising strict control over task coordination, as well as using optimised procedures for accomplishing the required results with as little time wasted as possible.

3. Extended Reality (XR):

- **Hyperawareness:** Augmented and virtual realities help BMW to perform cycles of interaction with the product or a customer, thus helping the company improve with each further development.
- **Informed Decisions:** XR and the incorporation of customers into the design processes provide BMW with valuable insights into its products' design at an early stage, which informs product development decisions.
- **Execute Fast:** XR shortens the development cycle of BMW's products, increasing the firm's capacity to deliver promptly to its clients and adapt to changing markets, achieving innovation and customer satisfaction.

Task 3: Develop a Digital Culture

For BMW to establish its digital-ready culture, it is critical to support its digital transformation to a greater extent. The following strategies will help BMW create a culture that embraces digital innovation and agility:

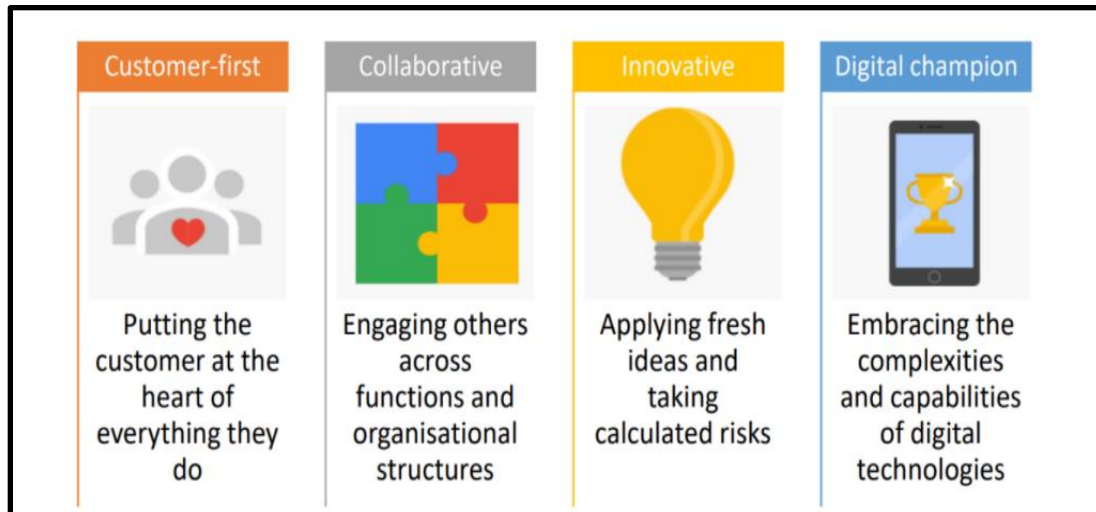


Figure3: Think with Google

(Think with Google, 2017)

1. Putting Customers First: BMW recommended that it enhance its customer-oriented strategies, such as by using data analysis techniques to determine customer requirements. Some of the companies that use digital strategies include targeted advertising and targeted product suggestions to increase customer satisfaction (Brackmann *et al.*, 2024). Integrating customers into the company through virtual showrooms, real-time bits of help, etc., will also add depth to the customer value proposition.

2. Creating a Collaborative Culture: There is a need for cross-functional and cross-geographic process collaboration. To support cooperation in group projects, BMW can incorporate proper project management software and interpretation of social media communication and notification platforms (Högberg and Willermark, 2023). Cross-functional meetings and any work integration reduce the walls used by functional speciality. Embracing a culture that promotes employee satisfaction in their output and encouraging them will undoubtedly improve productivity and innovativeness.

3. Instilling a Culture of Innovation: “They’re surprisingly good”, said one customer, and another sweet-hearted patron proffered, “They are ok, we suppose.” This should be done by encouraging innovation. In other words, BMW should foster a culture of subsequent proactivity and experimentation. Management can do this by allowing employees to develop new initiatives and adopt emerging technologies (Nyagadza, 2023). Creating innovation centres/labs for the teams

to experiment with the ideas will go a long way in fostering creativity (Istrițeanu, 2024). Identifying and promoting innovative ideas will also encourage more employees to contribute towards the company's digital objectives.

4. Becoming a Digital Champion: Management needs to participate in digital transformation actively. BMW should have digital champions at all organisational levels who support digital strategies (Pansara, 2023). Leadership training that targets technical competence in affairs and strategic thinking will prepare leaders to foster their organisations' changes in the digital era. Solid and consistent communication regarding the vision and positive impacts of digital transformation to all organisations will guarantee adherence to the firm's digital direction.

4. Embracing Data-Driven Decision-Making: Decision-making at BMW must be driven by big data and analytics solutions. They should be provided with the most current information and applications that would enable them to draw information from customers, trends in the market and the company's performance (Costa *et al.*, 2023). By integrating data analytics into the BMW company's conservative matrix, one can enhance problem-solving strategies, maintain efficiency, and innovate in the growing digital world.

5. Continuous Learning and Development: Others suggest updating employees' knowledge as crucial for BMW. Update: A culture that supports learning is necessary for BMW in the digital age. For organisations to meet customers' demands in the digital era, the human capital should be trained in new skills and emergent technologies that will shape the future market. Arranging webinars, workshops, and, in general, industry conferences +inspire curiosity and promotes the best talents for BMW to achieve personal development in digital transformation.

Task 4: Digital Leadership

There is a need for effective digital leadership if BMW is to manage this process of digital transformation and change. The following leadership strategies are essential:

1. Transformational Leadership: It is identified that all levels of management at the BMW organisational level provide employees with a vision and direction of digital change. Don communicates a passionate message about the organisation and its future, detailing the aspects of Innovation and Flexibility (Mondal *et al.*, 2023). Promoting an atmosphere that constantly examines new knowledge, which is a direct path to personal and organisational growth, such

leaders help their subordinates pursue innovation and development driven by new technologies. Hence, they set up the pace to show the commitment to change and the willingness to experiment and innovate using digital technologies in pursuit of organisational strategies.



Figure4: Transformational Leadership

(Gomez, 2024)

2. Servant Leadership: Servant leaders focus on the growth and welfare of people within the organisation. Leading by serving is a tangible concept applied by BMW managers to encourage employees to be in charge of digital systems and help them solve problems (Chang and Chang, 2023). They establish an organisational climate that embraces the employer and the employee by providing equal opportunities to all employees. Servant-leaders hear the workers' voices and eliminate barriers that hinder employees from working together and unleashing creativity.

3. Collaborative Leadership: At least BMW's organisational collaborative leaders encourage teamwork and cross-functionalism. They sustain all departments' effective communication and prompt sharing of ideas and knowledge to capture talent from different departments (Onesi-Ozigagun *et al.*, 2024). Syndicated leaders decentralise decision-making processes by mobilising the employees to achieve the organisation's shared goals when implementing digital strategies. By cultivating internal and external networks at the organisational level, they increase BMW's ability to respond to digital threats and seize opportunities.

4. Adaptive Leadership: Leaders at BMW are adaptive since they manage uncertainties and change in the organisation. They always strive to fashion out trends that are related to digital technology so that they can be in a position to counter-check the strategies conducted by other competitors. Adaptive leaders promote risk-taking and fast decision-making by using data and market information.

5. Change Management Leadership: Specialists in change management at BMW have the responsibility of the leadership of change management processes that are related to the digital transformation of the teams. They must design and implement organisational change strategies for managing employees' worries and resistance to altering organisational culture (Edinata *et al.*, 2023). These include communication coaching and support for the nation's employees, which help change management lead to control potential disruptions throughout the process of digital transformation. The strategies are ever-evolving based on feedback and the results produced, thus enabling the establishment of effective change and organisational dynamism.

6. Ethical and Responsible Leadership: Safety and ethical practices are observed by ethical leaders at BMW in the usage of IT in the company's processes of digital transformation. Some focus on data privacy and security while following all the mandatory laws and ethical standards (Lafuente *et al.*, 2023). Socially responsible leaders maintain high standards of transparency, which enhances trust among the stakeholders and reduces some of the risks brought about by digitisation.

Conclusion

Thus, BMW is at a crucial stage as far as its digital transformation process is concerned. This paper has sought to give an insight into how digital disruption is affecting the organisation by identifying areas that have been most affected, such as production, supply chain and customer relations. Thus, to remain a competitive player in the market and operate successfully, BMW has to focus on the following strategic goals during the subsequent five years. The said ones are total automation in production, successful establishment of digital supply chain management and the company's Multichannel engagement with the clients.

Thus, it is of great importance to have a digital-ready culture. Therefore, BMW must align its strategy towards emphasising customer satisfaction, encouraging cooperation, making people eager for innovations, and growing digital leaders to achieve excellent results. It is also crucial to

pay much attention to the processes of digital leadership, which, in turn, includes transformation, servant, collaborative, adaptive, ethical, and change management leadership. These leaders will oversee and spearhead BMW's digital transformation process to meet organisational objectives while creating a sturdy and creative talent pool.

Therefore, the years of digital transformation in BMW depend on the organisation's predisposition to change, utilisation of technological disruption, and the culture and leadership perspective that support the acquisition and application of knowledge. In this way, BMW can respond to digital disruptions successfully and become a leader in the new automotive market structure.

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Appendices

The Business Model of BMW DriveNow

