

Business Strategy

Balanced Scorecard of Mercedes-Benz



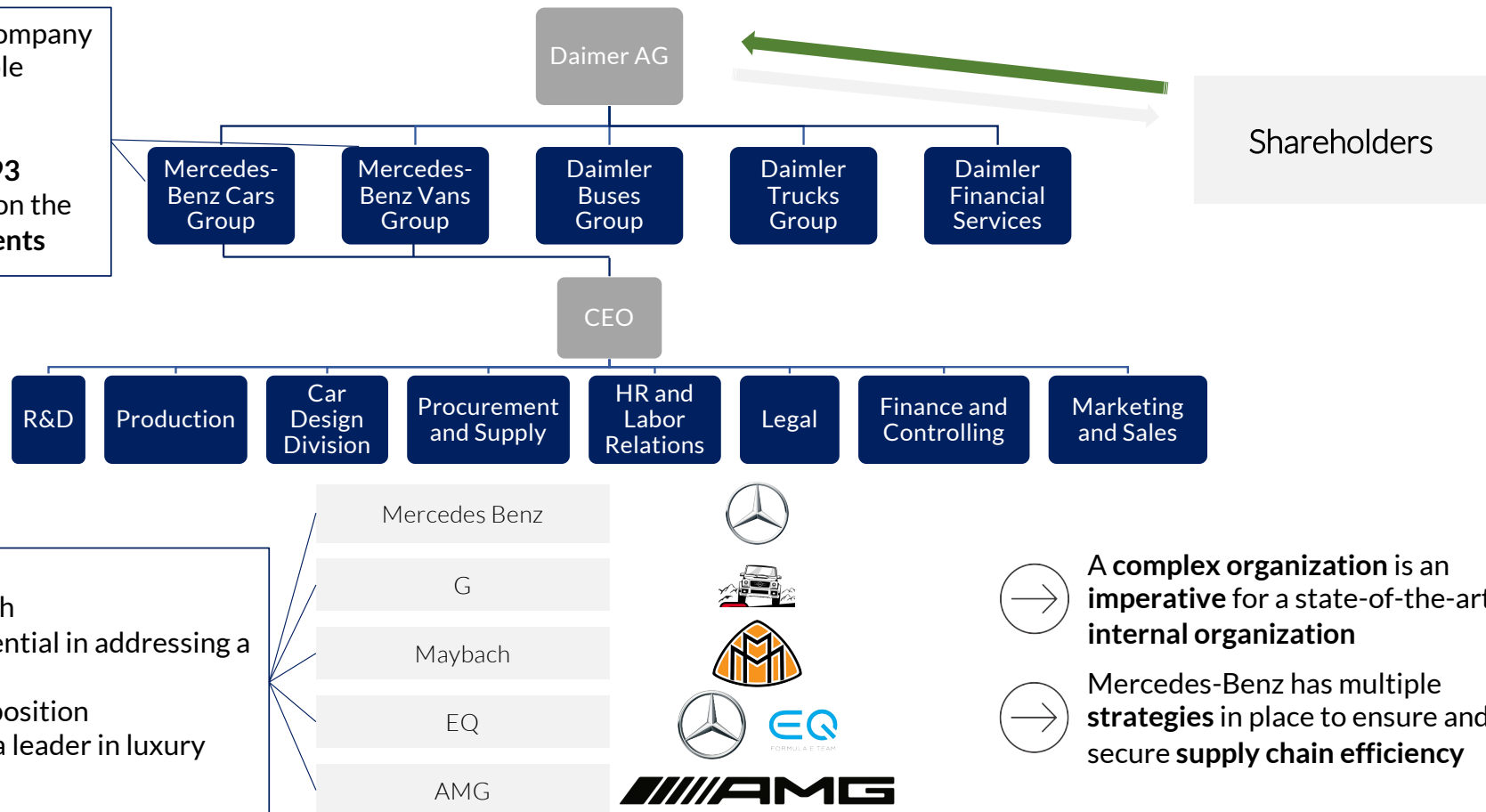
Group 4

1. April 2022
University of Tor Vergata

Prof. Josef Fidelis Senn

Internal Organization of Mercedes-Benz | Structure and Organization

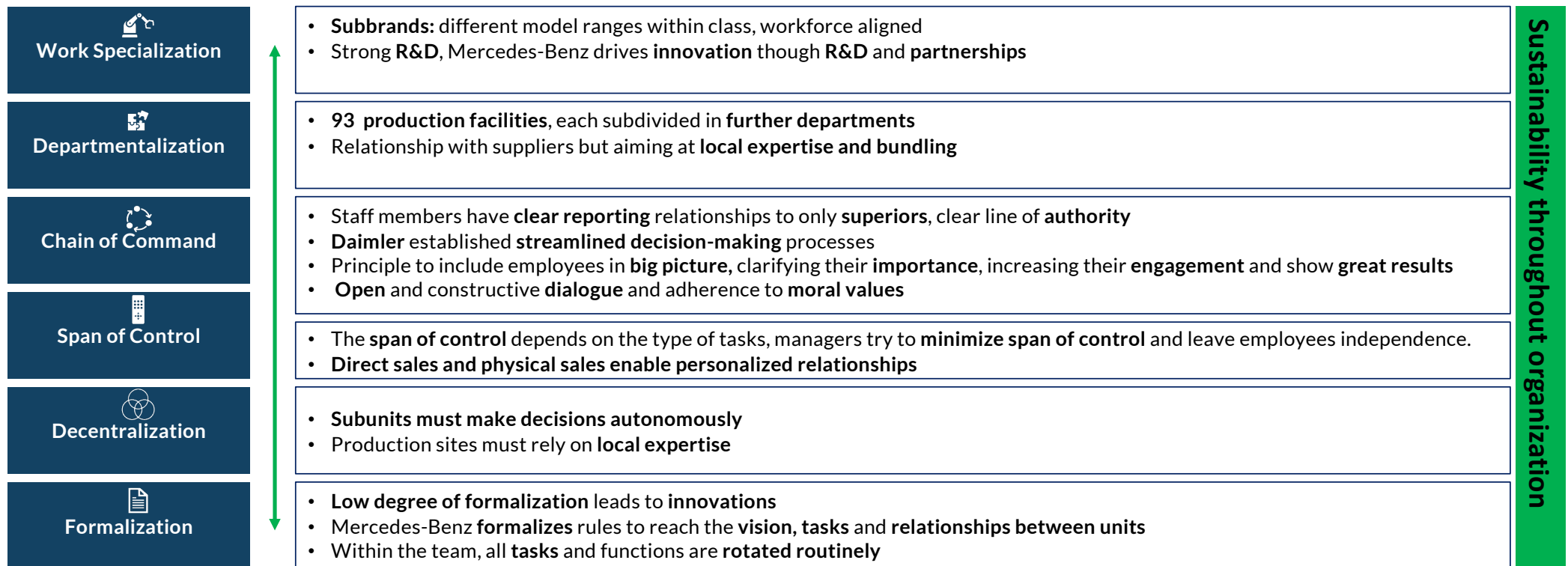
- **Daimler** as mother company
- **Mercedes** has multiple **subsectors**, mostly **production-related**
- Mercedes itself has **93 production facilities** on the world on **five continents**



Internal Organization of Mercedes | 6 Key Trends



Organizational structure determines the **interaction between departments**. We have identified **six elements** that shape the **interrelationship between organizational structures**





Mercedes-Benz established a strategy to **maintain internal organization** and create **structural sustainability** within their supply chain – The CASE Strategy

C

Connectivity:

- Supplier Network more **flexible** and **international**
- **Localisation** (sourcing parts with proximity to production)

A

Autonomous:

Supply chain largely **autonomous** as per **Factory 56** with size of **23 football fields** and **400 driverless transport systems**

S

Shared & Services:

- Mercedes-Benz **collaborates** strongly with **local partners** in order to ensure **sustainable and cost-efficient supply chains**
- Add **integrated services** with material purchases and drive **synergies** therein

E

Electric

Mercedes-Benz plans to add over **250 versions** of **electric cars**
Applies to **overall** strategy but needs to be accommodated in **supply chain** as well



A **Flexible supply chain** is also required to meet the company's **production strategy**, as it needs to be able to **switch** between **conventional and electric vehicles**



By **bundling component orders** for conventional and electric vehicles with the same supplier, such as seats or head units, it is possible to **react swiftly to customer demand** and change between **drive technologies**.



Procurement makes a significant contribution to the implementation of the Case-Strategy



In addition to **expanding its 2,000-strong global network of suppliers**, the German OEM is pursuing a policy of sourcing parts wherever its vehicles are produced, to minimise its o the production plants, so that parts can be produced and called up almost synchronously with production.

Organization + Supply Chain | Strengths-Weaknesses & CASE



Mercedes-Benz

SW-Analysis:

Strengths

- Strong brand image, value and popularity
- Superior technological innovation and patents in safety features
- Financial strength and cost effective operations
- High market orientation and capability to predict the future
- Rapid innovation

Weaknesses

- Weak management structure
- lack of effective customer service and slow responsiveness
- Lower economies of scales in terms of production
- Higher manufacturing costs



Lets see how to implement this into the **Balanced Scorecard**