

Business Strategy

## Balanced Scorecard of Mercedes-Benz



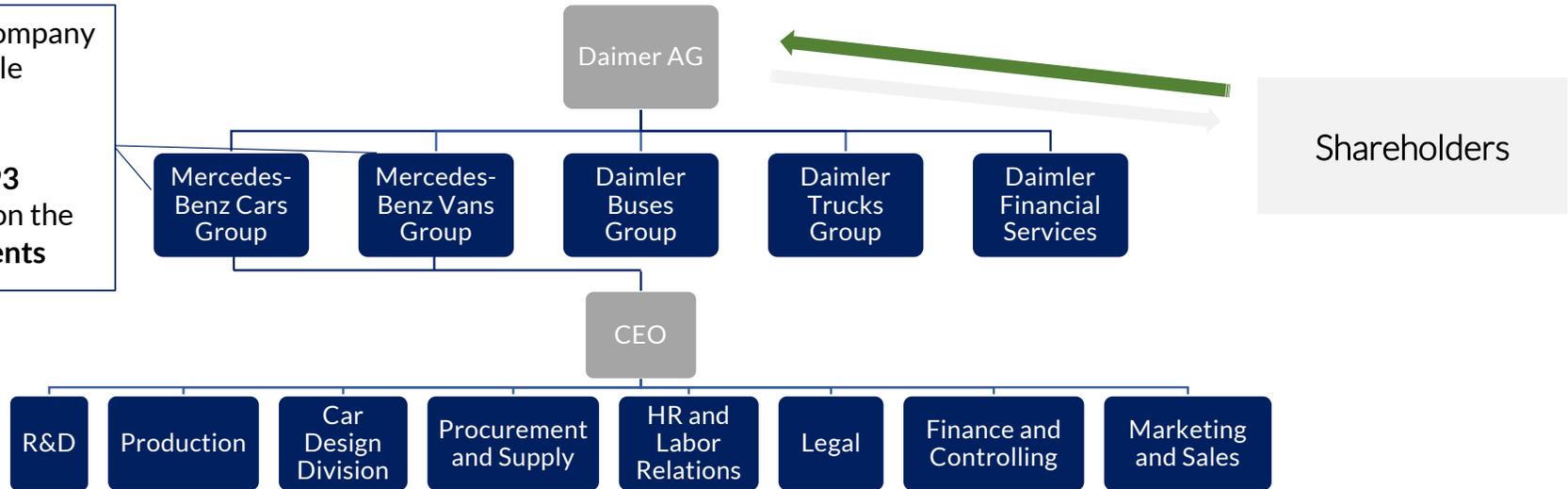
Group 4

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University of Tor Vergata

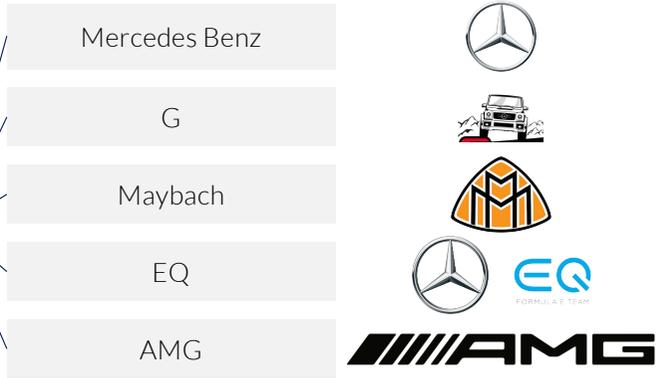
Prof. Josef Fidelis Senn

# 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



- Subbrands:**
- **Amg** highest growth
  - **EQ** significant potential in addressing a new audience
  - **G** class has a solid position
  - **Maybach** remains a leader in luxury

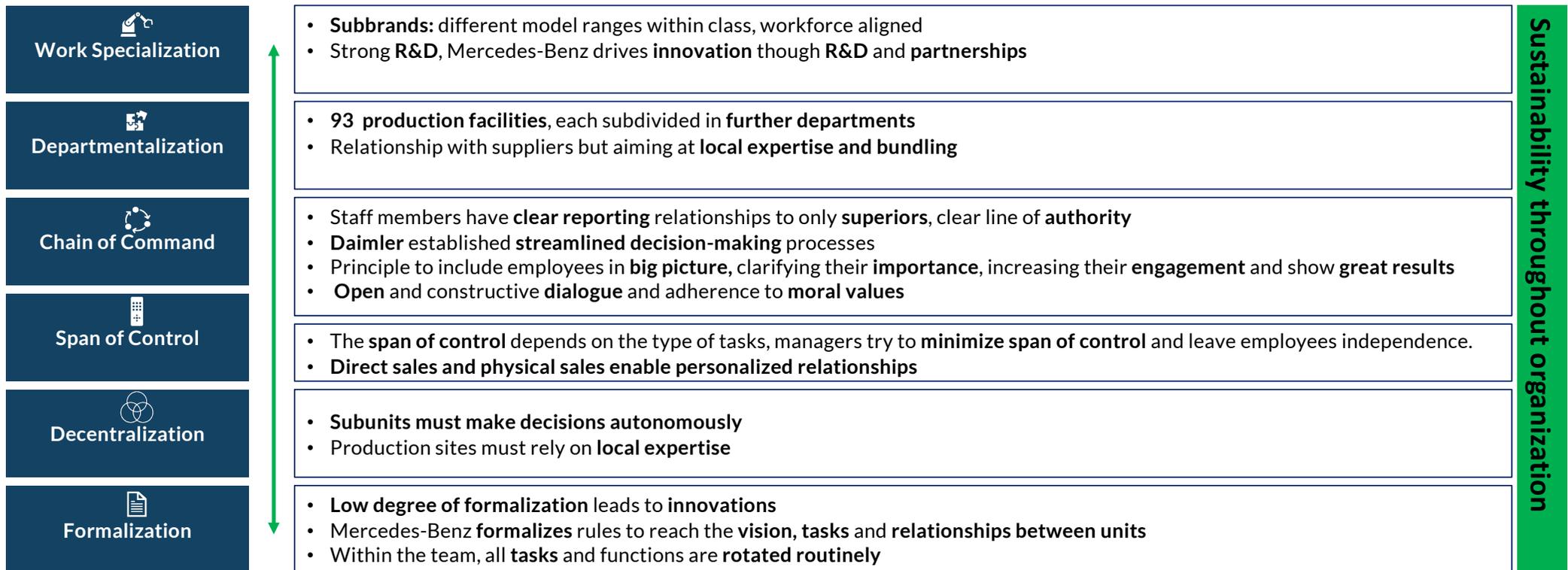


- A complex organization is an imperative for a state-of-the-art internal organization
- Mercedes-Benz has multiple strategies in place to ensure and secure supply chain efficiency

# 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



## 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**