



Comet Auto

Revenue, Growth, and Competition Strategy

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The Current State of the Auto Industry

Globalization, Technology,
Environmentalism

- Auto industry affected by :
 - Globalization
 - Urbanization
 - Rapid Technological Advancements
 - Environmentalism
 - Changing Consumer Culture
 - Economic after-effects of COVID-19



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Globalization + Urbanization

- Globalization:
 - Increased interest in expanding to overseas markets
 - Exponential growth in physical infrastructure across the developing world has caused a demand for automobiles
 - Increases the incentive for large companies to expand businesses in these areas
 - Foreign Direct Investments (FDIs) by large multinational firms increased dramatically
- Urbanization
 - Growth in mass production of automobiles in countries like China



Rapid Technological Advancements

50% of vehicles produced include AEB

Most manufacturers offer **Android Auto** and **Apple Carplay** across their lineups

- Infotainment:
 - Automobile Connectivity
 - Smartphone Integrations
- Driver Aids:
 - Autonomous Driving Capabilities
 - Assisted Braking
 - Collision Avoidance



Environmentalism



- Increased awareness of finite nature of resources
- Increased governmental pressure on using renewable energy sources through taxes & incentives
- Subsequent increase of environmentally-conscious customers
- New interest in electric/hybrid/other eco-friendly vehicles



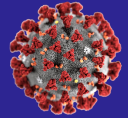
Changing Consumer Culture



- Increased demand for “smart” feature sets
- Environmental consciousness and green initiatives
- Demand for EVs



COVID-19



- Caused manufacturing corruptions
- Caused auto plant closures
- Auto companies resorting to divert internal investments into continuous operations
- Thus, inhibits technological innovation and growth
- Will eventually cause a restructuring of business models



Plan of Action

Objective A: Reduce Operating Expenses & COGS

Objective B: Increase Overall Revenue

Objective C: Combat Arising Issue of Increasing Competition



Objective A: Reduce Operating Expenses & COGS

Proposed Plan of Action:

Move parts suppliers from North America to Asia and layoff factory line workers in favor of automation.

Justification:

- Overall, dealerships report that there is a decline in vehicle sales but an increase in sales related to parts and maintenance so decreasing part costs would improve profit margin on an in-demand revenue stream in addition to reducing the overall cost of production of vehicles
- Automation is utilized across the industry and yields significant cost savings in addition to potentially improving quality of vehicles produced.



Objective B: Increase Overall Revenue

- 1) Implement popular automobile features including: self driving capabilities, intelligent driver aids, & smartphone integrations
 - a) This will cater to new generation
 - b) Creates convenient & efficient driving experience, improving daily lives
- 2) Create fuel-efficient & environmentally friendly cars
 - a) This will cater to environmentally conscious cars
 - b) Will be done by integrating hybrid drive trains



Objective C: Combating Increasing Competition

- Increasing need to “stand out” from the crowd
- Auto manufacturers are expanding their global presence, and stimulating the growth of other countries
- Comet Auto will need to be on the technological forefront in order to increase efficiency



Implementation Timeline



Acquire/develop smart vehicle features (driver-aids, smartphone integrations, self-driving capabilities)

**JAN
2021**

Integrate hybrid drive trains in existing car models

**SUMMER
2021**

Start creating long-term strategy plan to generate electric vehicles for the future (2024 lineup)

**DEC
2020**

Seal partnership with third party vendor for drive trains (Ford)

**SPRING
2021**

Reduce Marketing Costs & Develop Newly Made Hybrid Cars for the 2022 model year

2022



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Financial Projections & Summary

- **11.05%** increase in revenue
- **6%** reduction in COGS
- **154%** projected increase in income (reduction in COGS and increase in sales associated with new features)
- **3.5%** increase in sales

