

Value proposition business plan examples

[Business](#), [Company](#)



Business Model

BMW US manufacturing company is a vehicle assembly plant based in South Carolina in Spartanburg. It is the only production facility for BMW in the United States. This paper seeks to explain the business model of the BMW US manufacturing company. It will explain in detail the value proposition of the company, the market segment in which it operates, its value chain structure, revenue generation margins and its competitive strategy. The paper will also undertake to conduct an environmental analysis of the company using the SWOT analysis.

Despite the economic hardships that have been experienced in the past few years, there exists a market for luxury vehicles in the world. This market niche is served mainly by high end vehicles which have a focus on the luxury and comfort of the user rather than the traditional emphasis on fuel efficiency and low maintenance costs. BMW US manufacturing company seeks to serve this market. By producing exclusively the luxurious X5 and x6 models of the BMW cars, the company works towards creating value for these customers. These two models of BMW vehicles provide the luxury and status that is needed by this niche of customers.

Market Segment

The company seeks to meet the demands of the high end market segment for motor vehicles. In this market segment, the focus of the customers is not so much about the fuel economy or operational efficiency and low maintenance costs; rather, it is about the provision of luxurious driving experience. The BMW US manufacturing company serves this market,

competing with other similar luxurious models such as Mercedes Benz and the range Rover models that serve the same market segment.

Value Chain Structure

The BMW is an established brand that boasts of many years of production of vehicles that target various segments of the market. The company also enjoys a dominant position in the provision of high end vehicles to the global market. It has a well established system of developing durable motor vehicles and operates in almost all the major markets in the world, and thus the logistical challenges that face other companies on issues of distribution do not arise.

Revenue Generation and margins

The company generates revenues mainly from the sales of its high end vehicles in the global market. This is the only plant in the world that manufactures the X5 and X6 models, and the revenues that the company makes are in the excess of \$ 500 million per annum.

Position in the Value Network

BMW US manufacturing enjoys a leadership position in the production and sales of high end vehicles. Its main competitors in these market segment are Mercedes Benz, Range Rover and Daimler Chrysler.

Competitive strategy

The company's competitive strategy focuses on growing its niche market for high end motor vehicles. The company continually seeks to improve the quality of its products by improving the facilities available in its vehicles thus

ensuring that in the long run, it keeps a firm grip of the high end market segment for motor vehicles.

SWOT Analysis

Strengths

The company enjoys market leadership in the high end market segment for motor vehicles. These, coupled with its long established reputation for producing high quality vehicles are strengths that the company can utilise to its benefit both in the short run and in the long run.

Weaknesses

The company focus on production of vehicles targeting only the high end market. This lack of diversification is a weakness since there exists a very profitable low end market which the company can make use of to grow more profits.

Opportunities

There is a growing middle and high class in most emerging economies in Latin America and Asia. This is an opportunity which the company can take advantage of by diversifying into these markets and establishing a foothold in the high end car markets.

Threats

The largest threat that the company faces comes from the shrinking incomes of many households in the markets that the company traditionally operates; Western Europe and North America. This will ultimately result in a decrease

of the market for its products and is likely to erode its profitability and growth.