

Sustainable corporate strategy group ass section 4 only



Section 4: What actions the appropriate regulatory or decision making body should or might take The regulatory ities would havedistinct tasks cut out for them in order to regulate the auto industry in such a fashion that the growth of the industry is not halted or slowed down but the main concerns facing the Industry are also taken care of. As the core strategic thrust and concern for the regulator was well illustrated in Section 3 as the environmental threat which the auto industry produces for the society at large. Most regulatory and development actions or tactics would follow from the strategic viewpoint that the environmental degradation challenges produced by the automakers need to be reduced or mitigated to a target level.

-Target setting for various parameters of environmental degradation would be the first strategic action. In order to do this the regulators can call for a meeting of the manufacturers and discuss the technical size of the environmental parameters that should govern the industry in years to come.

-Then the regulators have to obtain consensus from the automakers on the technologies that would help achieve the above parameters. These essentially fall into two categories -one that make futuristic cars light weight and thus environment friendly and two that use ignition technology based on newly evolved engines that help reduce emissions degrading the environment.

-Smart Car has been using plastic formulations to reduce the weight of the car. In fact, the use of plastics for automotive applications has risen from about 27 kg per vehicle in 1970 to more than 163 kg in 1999. According to some 1999 European research studies, using 100 kg of plastic material in modern cars replaces between 200 and 300 kg of other materials. This, in turn, reduces fuel consumption by 750 liters over the 150, 000 kilometers life

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span of the average car. (Plastics, 1999) Regulator has to make decisions on the incorporation of plastic materials in car designs. For this automakers common opinion needs to be obtained. An incentive system based on setting off value added tax on plastic materials used in cars can be devised and implemented as a strategic tactic. Smart Car: manufactured by Mercedes and owned by DaimlerChrysler runs off an internal combustion engine to power its small light frame. The Smart Car gets as much as 60 miles to the gallon and has low emissions (90 g of CO₂ per kilometer).

-Similarly, alternative engine technologies which can help reduction of harmful emissions need to be systematically encouraged and developed by the regulator. As was indicated in Section 3, biofuels such as bioethanol and biodiesel are non-toxic and environmentally friendly, and can reduce net CO₂ by more than 78 percent compared to petroleum diesel the usage of these alternative fuels and technology helping that needs to be encouraged. This can, again, come in the form of setting off a portion of value added tax on the new adapted engine technology. DaimlerChrysler, parent of Mercedes, for instance, is listing such alternative energy technologies as F-cell, Hydrogen, Renewable energy and Sun Diesel etc for its plastic based smart car.

References

Plastics in-class. (1999). Plastics are lightening the load in automotive sector. Volume 2, Issue 3. May, 1999.