

Tesla

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About

- Founded July 1, 2003; Delaware U.S.
- Traded as NASDAQ: TSLA.
- Went Public June 2010.
- Headquarters located in Palo Alto, California.
- Automotive and Energy Storage industry.
 - Electric vehicles/ Tesla Energy

Strategic Elements

- Mission:

“To accelerate the advent of sustainable transport by bringing compelling mass market electric cars to market as soon as possible. To accelerate the world’s transition to sustainable energy.”

- Core Values:

New technology should be held to a higher standard than previous technology.

Strategic Elements (Continued)

- Objective:
 - To prove that people do not have to compromise to drive electric.
- Social Responsibility
 - Move toward a zero-emission future.



<https://youtu.be/0XOCuQUBzgo>

Senior Management Team

Elon Musk, CEO (Chief Executive Officer)

- Oversees the company's product strategy.
- Including the design, engineering and manufacturing the vehicles for its customers.

JB Straubel, CTO (Chief Technical Officer.)

- Overseeing technical and engineering design of the vehicles.
- Looks over the power electronics, battery and the software for the car. Also vehicle system testing and technical problems.

Deepak Ahuja, CFO (Chief Financial officer)

- Auto industry finance executive
- Saved Tesla from going bankrupt
- Helps Tesla by “bring invaluable insight of well- versed industry”



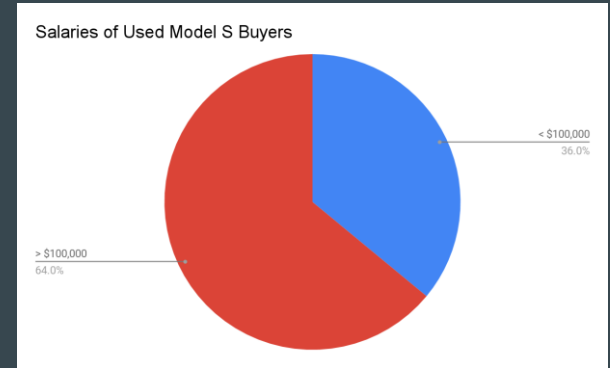
Major Products Produced & Marketed

- Roadster
- Model S
- Model X
- Model 3
- Solar Energy



Marketing Strategies

- **New Products:**
 - Gigafactory and Solarcity acquisition: Only fully integrated sustainable energy company.
 - Full suite of energy that incorporates solar, storage, and grid services.
- **Target Customer: Wide-ranging Buyer Base**
 - 36% of all used Model S buyers earn <\$100,000/year
 - 25% of new Tesla buyers have salaries <\$100,000
 - Model S owners are younger
 - 10% of pre-owned Model S buyers are millennials (Ages 18-34)
 - 6% of millennials purchase a new one
- **Certified Pre-Owned**



Current Management Issues

- Limited Product Line
 - Production plan is set to increase rate to 500,000 vehicles per year by 2018.
- Battery Production
 - Tesla's battery manufacturing plant in Nevada has been facing issues for several months.
- Limited Charging Stations
 - Tesla's charging stations not only cost a fortune, many places still do not offer the stations throughout and in between cities.
 - Each car only possesses the battery capacity to travel between 220-310 miles.

Internal Management Issues

Failed to meet deadlines

- CEO Elon Musk goal was to make 5,000 Model 3 cars per week but in Tesla's third quarter report the company has only made 222 cars.
- Musk has called "production hell" related to the Model 3 and the Gigafactory battery factory.

Employees

- Mass firing of over 1200 employees.
- Working over time
- Director of battery engineering quit two months after the head of business development quit.

External Management Issues

Integration: Tesla acquired Solarcity.

- \$8 Billion investment; accumulated massive debts.
- Drain on investors \$1 Billion a year.

Wait list: pre-orders backing up

- Customers have to reserve their model
- \$1,000 down-payment
- 12-18 months delivery time-span

Competitive Threats

- BMW i3
- Chevrolet Volt
- Nissan Leaf
- Ford Focus Electric
- Volkswagen e-Golf
- Other tech companies
 - AI
 - Energy storage
 - Machine learning
- Thor trucks (2019)

