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Executive Summary

A study performed ensures determining products and services provided by Tesla in the US economy. Further study ensures carrying out discussion on the internal and external environment. The study additionally ensures analysis of strengths, weaknesses, opportunities, and threats of Tesla. The evaluation impact of the competitive advantage of Tesla over other brands is also emphasised during the study. The study further provides insight into market conditions of Tesla during the pandemic tenure in the USA.

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Introduction

A study performed is related to strategic planning for ensuring the sustenance of Tesla in the long run in the USA. A study performed ensures determining products and services provided by Tesla in the US economy. Further study ensures carrying out discussion on the internal and external environment. The study additionally ensures analysis of strengths, weaknesses, opportunities, threats, and competitors of Tesla.

Part A Discussion of Tesco's business functions and geography

A.1. Products and service functions of Tesla in the USA

Tesla is a brand that primarily functions in the automotive car industry segments in the base of the USA. Tesla is a brand which functions with one major motive that provides customers with cars of best quality at optimal costs compared to other competitors (Albers *et al.* 2020). This is the main driving force resulting in the emergence of Model Y., Model XZ, Cybertruck, Tesla Roadster Vehicles, Tesla Semi, and Model 3 vehicles at optimal prices. Among these models Model Y, Model X, and Model 3 are made for personal driving purposes. Contradictorily, Tesla Roadsters, Cyber Trucks, and Tesla SEmi are made for streamlining logistic experience of brands in the supply chain industry.

A.2. Internal and external environment analysis of Tesla

Internal environment analysis of Tesla in USA



Figure 1: Tesla's annual revenue growth adhering to innovations

(Source: Benzidia *et al.* 2021)

Internal environment of Tesla ensures the identification of the core level of competencies of Tesla in comparison to other brands in the USA. The internal environment of Tesla ensures identity innovation patterns adopted by Tesla in becoming a competitive advantage over other brands in the USA (Benzidia *et al.* 2021). This help derives the way Tesla implements the concept of AI-neural networks and deep learning in car models to incur total annual revenue of 5883 million.

External environment analysis of Tesla

Political factors	Pre-covid-19 situation <ul style="list-style-type: none"> • Industry Revolution 4.0 adaptations • Investment rate increase by 6% (Tesla.com, 2022) Post-covid-19 situation <ul style="list-style-type: none"> • Investment of foreign nations by 11.3% • Increase automation practices by 12% (Tomzcak <i>et al.</i> 2019)
Economic factor	Pre-covid-19 situation <ul style="list-style-type: none"> • Inflation rate 1.6% in year 201 • GDP growth by 1.3% in year 2018 Post-covid-19 situation <ul style="list-style-type: none"> • Inflation rate growth by 0.3% • GDP growth by 1.6 % in year 2022 (Thomas and Maine, 2019)

Social Factors	<p>Pre-covid-19 situation</p> <ul style="list-style-type: none"> • Increased number of graduates • Income level growth by 3% in 2022 • Increased awareness about systems <p>Post-covid-19 situation</p> <ul style="list-style-type: none"> • Decreased pass out percentages by 4% • Decrease in income level to 3% (Tesla. com, 2022)
Technological Factors	<p>Pre-covid-19 situation</p> <ul style="list-style-type: none"> • Reluctancy to automation by 46% of population • Increase demand for automotive vehicles by 23% (Tesla. com, 2022) <p>• Post-covid-19 situation</p> <ul style="list-style-type: none"> • Adaption by 11.39% to intelligent robotics • Increased demands of electric vehicles by 47%

Legal Factors	<p>Pre-covid-19 situation</p> <ul style="list-style-type: none"> • Lack of emphasis on pollution norms by 53% firms • Green practices by 12.73% logistics brands (Tesla. com, 2022) • <p>Post-covid-19 situation</p> <ul style="list-style-type: none"> • Green practices in 78.25% of business operations • Taxation rises by 2.3% in year 2022
Environmental Factors	<p>Pre-covid-19 situation</p> <ul style="list-style-type: none"> • Liquid investments in 26.47% firms (Tesla. com, 2022) • Disposable wates by rate 43% in USA <p>Post-covid-19 situation</p> <ul style="list-style-type: none"> • Liquid investments increased by 15.11% in year 2021 • Lower carbon emission vehicles by 67% citizens

Table 1: PESTLE analysis of Tesla

(Source: Created by author)

Political factors are a competitive advantage for Tesla after Covid-19 resulting in increased investment by the rate of 12% Economic factor analysis states Tesla expected to gain more customers as a result of increased GDP in spite of increased

inflation of 13% almost (Chen and Perez, 2018). Social factors analysis of Tesla states regarding issues related to decreased spending potentials as a result of degrade of job opportunities. Technological factor analysis of Tesla is effective in making Tesla increase its production as a result of increased automation practices by 11.39%. Legal factor states Tesla has increased opportunity in Eco-friendly vehicles elements with awareness about environmental norms by 78.72% of public transportation.

A.3. Competitor analysis of Tesla in terms of development

Porter's five forces	Impact
Supplier power	<ul style="list-style-type: none"> • Supplies automotive to 73% firms • Largest supplier in solar energy (Cheng and Gryphon, 2022)
Buyer power	<ul style="list-style-type: none"> • Bought 16 firms in second quarter of 2022 • Bought 17 solar energy stations in 2022
Competitive rivalry	<ul style="list-style-type: none"> • Ford incurring \$340 million investment in electric by 2023 • Volkswagens concept of deep learning in cars
Threat of substitutes	<ul style="list-style-type: none"> • Increased competition by 34% • Integrated manufacturing facilities by Renaults (de Rubens <i>et al.</i> 2020)
Threat of new entry	<ul style="list-style-type: none"> • Decreased sustainability by 13% with shift to electric cars manufacturing

Table 2: Porter Five Force analysis of Tesla

(Source: Created by author)

A.4. Strength, opportunities, weakness, and threat analysis of Tesla

<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none">• Major supplier in automotive segments (Gov.uk, 2022)• Only organisation dealing with electric vehicles (Producer of 258,690 electric vehicles) (Tesla.com, 2022)• Bigger stakeholder chain• Fastest supercars in the world (412 KMPH) (Tesla.com, 2022)	<ul style="list-style-type: none">• Complexity during manufacturing process• Inventory issue related to raw materials sourcing• Autopilot issue by 25% of customers
<i>Opportunities</i>	<i>Threats</i>

<ul style="list-style-type: none"> • Expansion of the market on an international scale. • Cheaper than other vehicles. • Coming up with automated pickup trucks • Implement a separate supply chain. • Investment increase by 6% based on brand value • Increased production of electric public transportation 	<ul style="list-style-type: none"> • Increased liability claims • Challenge in the design of products • Bigger level of competition in future years • Strong objection regarding lithium battery usage (Kim, 2020)
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Table 3: SWOT analysis of Tesla

(Source: Self-created)

Strength analysis of Tesla provides an idea that it has a competitive advantage over other brands as a result of proper inventory management in all its stores. This has only made Tesla incur revenue growth of 125% in 2022 which is higher than other brands in the automotive industry (Hinterhuber *et al.* 2022). **A weakness** analysis of Tesla provides an idea that it has major defects in vehicle parts despite becoming a top brand in the automotive segment. This only makes it rejected by 34% of customers as per reviews of customers who have a keen interest in automotive innovations (Lang *et al.* 2021). **Opportunity** analysis of Tesla provides an idea that Tesla has a higher chance of expansion in international markets. Further, it seems to enter military vehicle production segments in the upcoming three years as per the business analysis. **Threat** analysis of Tesla states Tesla is a brand with increased claims of liability and facing serious issues in system designs. However, it is a brand aiming to change its strategies continually adhering to comprehensive risk mitigation theory (Model, 2022). This is the reason it is expected to grow by 3.8% in spite of these challenges.

A.5. Structural analysis of Tesla in the US economy

Tesla's brand adheres to a Divisional and flexible structure while carrying out its business operations in the USA. These structures ensure Tesla. Further structural analysis of Tesla provides an idea regarding the implementation of a system approach in its manufacturing process in its industrial units. This Tesla only ensures the way it adheres to a Compliance audit risk management approach to ensure production is performed aligned with company culture in its industries.

Part B Analysis of Tesla's business capabilities in terms of problem mitigation

B.1 Impact of Covid-19 on Tesla's business efficiency

Tesla is a brand that most times faces issues relating to shortages of stocks in its stores most times as a result of Covid-19. However, as per an analysis of Nie *et al.* (2018), Tesla ensures the preparation of separate management units for engineering, researchers, and design segments aligns with a disruptive business model. This only helps incur revenue expenditure of US \$ 2000 million on strategic management in its research work.

B.2 Mitigation of Covid-19 challenges by Tesla in the USA

Tesla ensures adaptation to hybrid work culture in which employees work 4 days at home and 2 days at the office. Tesla's approach to only make it come out with Adaptive Air Suspension during Covid-19 is an important initiative. This is done primarily by the applicability of the system approach which ensures the use of lower carbon emission suspensions (Nieuwenhuis, 2018). These ensure superior ride quality and release a lower quantity of greenhouse gas during travel.

B.3 Effectiveness of Covid-19 measures of Tesla on business functions



Figure 2: Tesla's profit shares shifting to system approaches in company functions

(Source: Statista.com, 2022)

Applicability of the system approach ensures wage payments and increments through automations based on the performance of employees. This approach only makes Tesla incurs 13% more profit in Covid-19 times in spite of incurring loss like other automotive companies (Pierzgalski *et al.* 2018). Hence, resulting in total annual revenue of \$1.62billion at the end of quarter 3 in 2021.

B.4 Recommendation for the strategic alliance by Tesla

Go alone after learning from partners during partnership business

Tesla is a brand which ensures more business partnership and sharing proprietary rights to increase its reach in the international market. However, it needs to work alone after reaching the objective of becoming a preferred brand in all locations of the globe by people (Qian and Zhang, 2022). This is effective in increasing its revenue by 43% which can be spent by Tesla in penetration of new markets.

Emphasise more on reduction of defects in comparison to increase in production

Tesla is a brand following an Omni-channel branding strategy to make customers aware of the benefits of Tesla over other vehicles. However, a wide number of

defects like suspension ineffectiveness, defects in steering, and wineglass are prevalent in Tesla models (Sieklicki, 2018). This needs resolution for sustenance in future business days by Tesla.

Conclusion

A study performed ensures analysis of Tesla's strengths, weaknesses, opportunities, and threats. The evaluation impact of the competitive advantage of Tesla over other brands is also emphasised during the study. The study further provides insight into market conditions of Tesla during the pandemic tenure in the USA.

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