Tesla: one of the biggest names in the automotive industry.

From the slick designs of their cars to their promise of a renewable future, Tesla has truly taken the world by storm.

Today, the mere mention of Tesla instantly evokes the image of one man: Elon Musk, the closest real-life equivalent to Tony Stark.

You may have heard of him from his plans to take humans to Mars to colonize the planet, or from his Boring Company, which plans to build a hyperloop between New York and Washington DC.

But for almost everyone, Elon Musk is synonymous with Tesla.

Today’s story, however, isn’t about Elon.

Instead it’s about a man you’ve probably never heard of before, despite the fact that

he was the true driving force behind the company.

His name?

Martin Eberhard.

Despite what the mainstream media would have you believe, it was Martin who originally founded Tesla, and today’s episode is dedicated to his story.

The year is 1997.

Martin had spent a decade working as an electrical engineer when he met his future business partner Marc Tarpenning.

Several sessions of “Magic: The Gathering” later and the pair were already planning their first business venture: an ebook reader.

In just three short years, NuvoMedia, the company they created, had sold 20,000 e-readers, and they sold off their stake in it for a comfortable $187 million.

With a bright future ahead of them, the two entrepreneurs decided to shift their focus

to electric sports cars.

But how does one make the leap from ebook readers to electric sports cars?

In one word: divorce.

You see, Martin had gotten divorced in 2000, and befitting of any rich 40-year-old stuck

in a midlife crisis, he wanted to buy himself a sports car.

However, he couldn’t get himself to buy any of those uncivilized gas guzzlers running

wild on the streets.

This conundrum got him thinking, and eventually he approached his old buddy Marc with an elegant

proposition: building an electric sports car.

Together in 2003 they began work on what would eventually be the Roadster, the first car

of their new company, Tesla.

Instead of relying on the traditional combustion engine, Martin and Marc had the groundbreaking

idea to utilize lithium ion batteries, a technology they had discovered in their ebook days.

But, of course, building everything from the ground up wasn't a realistic possibility.

Instead they partnered up with two companies: AC Propulsion, a motor company from California,

and Lotus, a British car manufacturer.

AC Propulsion had built a small electric car called the tzero, which was fully electric

and could go from 0 to 60 miles per hour in 4 seconds, a feat that no other electric car

at the time could accomplish.

Martin struck a deal with AC Propulsion to use their motor technology, but he still needed

an actual car to place the motor in.

This is where Lotus came in.

One of their models, the Lotus Elise, ticked all the right boxes; it was small, speedy,

and sporty.

So Martin and Marc made their way to the Los Angeles Auto Show, where they kept pestering

Lotus until “a very polite British man” finally gave them the time of day.And yes,

we are very nice on this side of the pond, or at least our friends say that we are.

Now where were we?

With a car to work on and cutting edge technology to implement, Tesla Motors began development

in earnest.

By mid-2004, however, the company’s coffers were running dry.

Martin and Marc had been able to bootstrap the company for its first year, and they were

even able to get some modest investments from a few venture capitalists, but to get the

Roadster into production, Tesla needed some serious funds.

And I know what you’re thinking, a car company having trouble getting started?

How ironic, what a surprise.

But, that’s where the man, the myth, the legend of Elon Musk comes into play.

Musk had just sold PayPal to eBay and was sitting on a nice big pile of money, $7.5

million of which he invested into Tesla after meeting with Martin and Marc.

Musk would go on to invest $70 million into Tesla by 2008, but it was still the iconic

duo who were at the helm.

Thanks to Musk’s initial capital injection, Tesla successfully made a great leap forward

in November 2004 when it built its first prototype, a Lotus Elise outfitted with AC Propulsion

technology.

The “Mule,” as they called it, ran like a charm and floored the engineers with its

performance.

Tesla continued its R&D, taking another two years to officially debut the Roadster.

Finally, on July 19th, 2006, the product of all that hard work was unveiled in Santa Monica.

The Roadster cost a whopping $100,000, but people were lining up to throw money at Tesla.

Within two weeks of the Roadster’s debut, 127 cars had been sold.

While Roadsters didn’t actually roll off the production lines until 2008, Tesla was

a massive success and the first successful car startup in decades.

Internally, however, not all was all fine and dandy.

Tensions were building up between Elon and Martin for reasons we will likely never know.

All we do know is that in August 2007, Martin got a call from a very nervous-sounding Musk.

On that call, Martin learned that the Tesla board had met without him and had decided

to oust him as CEO.

Oh dear.

He had been essentially kicked out of his own company.

Technically, he’d been demoted to President of Technology, but he knew what that really

meant.

He later told Business Insider, "I didn't get to hear what they said.

I didn't get to defend myself.

I felt totally stranded."

He eventually resigned, of course, and so did Marc.

In 2009, Martin sued Tesla for attempting to “rewrite history,” arguing that Musk

was trying to take credit for what Martin and Marc had done.

The suit also noted that the company was purposely and inaccurately portraying Elon as the founder,

which as we know today is something almost everyone believes.

Elon, not one to lie down without a fight, filed a countersuit, and later that year,

Martin dropped the charges.

It appears that he and Musk settled out of court, and that’s probably why the whole

affair remains shrouded in mystery.

Needless to say, the two no longer speak.

Of course, there’s no doubt that both men contributed heavily to Tesla becoming what

it is today, but it does seem a bit unfair that Martin has been completely eclipsed by

the enigmatic Musk.

Perhaps this is the inevitable fate of any company with a charismatic co-founder.

(Here’s looking at you, Steve Jobs!)

Still, the fact remains that Tesla wouldn’t be the automotive superstar it is today without

the brilliance and perseverance of Martin Eberhard and Marc Tarpenning, the real heroes

of Tesla.

Without the partnership of these two men, Tesla wouldn’t exist today, and Elon Musk

wouldn’t have had a car to send to Mars.

There we are, thank you for watching everyone, I hope you enjoyed this sort of soft reboot

of Business Casual.

Jordan and I hope to make lots of videos for you, and of course the easiest way for you

to help us do that is to hop on over to our Patreon, although just liking and sharing

this video would more than suffice.

I want to throw in a big shout out to the new channel we’re also starting called Sidequest,

where you can enjoy listening to how I answer the many strangely specific, yet rarely thought

about questions to do with world history.

Anyhow, thanks again for watching and we’ll look forward to chatting again in the next

episode of Behind the Business.