

### 1.What were Musk's and Eberhard's goals in founding Tesla?

Eberhard's goal was to find a new project to create a high-performance sports car that was environmentally friendly, having concerns about global warming and dependence on oil of USA. Believing there was no correspondence on the market for an expensive sports car like the Toyota hybrid vehicles combined with an environmentally friendly car. To do this, he studied many options, eventually crafting an idea powered by lithium-ion batteries, which could provide the efficiency and performance he sought.

Musk's goal was using vehicles to achieve energy independence from fossil fuels. Given its successful past in the industry he believed that electric cars could play a crucial role in transforming the transportation industry and contributing to a more sustainable future. This way, Tesla could potentially become accessible to a broader market with funding it, becoming a significant player.

### 2.How would you characterize competition in the auto industry?

To answer this question, we need to look briefly on many Tesla models and try to give a collective answer.

The early days of launching the Roadster model, the competition was relatively limited in the electric vehicle market. Traditional automakers were not heavily invested in electric cars at this point, and Tesla faced minimal direct competition inside the sector.

When launching the Model S, the price was competing with other BMW cars at the time, trying to bring a product made by USA in-house. Competing luxury automakers, such as BMW and Mercedes-Benz, While building technologies for other companies, Tesla expanded their plan on the market and further developed others plans for new vehicles, like the Model 3, which aimed to penetrate the mass market, directly competing with more affordable gasoline-powered cars.

Traditional automakers, including GM, Ford, Nissan, and others, increased their efforts to produce electric vehicles that could rival the Model 3, intensifying responses from other players. Tesla's global expansion and its Gigafactories in multiple countries posed a challenge to local automakers in those regions, while other automakers over the world overtime felt the pressure of competition from Tesla and pushed to accelerate their electric vehicle production and technology development.

Continuing with expansion in markets like solar energy, Tesla tried overtime to diversify and enter new markets under the name of sustainability, having solar energy companies and energy storage providers as potential competitors.

### 3.What do you think are Tesla's core competencies? Does it have any sources of sustainable competitive advantage?

Tesla has some core competencies which help it differentiate from the rest of the market, first the battery technology in its unique way of manufacturing, thanks especially to the Gigafactories production, which gave Tesla a significant advantage in terms of cost efficiency and supply chain control. In doing this, Tesla has pioneered new innovations like powertrains and superchargers.

In doing autonomous driving, Tesla has potential to amass data of this kind of driving and habits, offering advantages in terms of charging. This way, Tesla has established itself a big player, given it was the first of its kind to create a following for the electric vehicles market, gathering mass production of batteries in terms of cost and supply chain.

4. What is your assessment of Tesla's moves into (a) mass-market cars, (b) batteries (car batteries and Powerwall), (c) solar panels? Please consider both the motivation for the moves, and the opportunities and challenges for Tesla to compete in these businesses.

The motivation of Tesla in bringing itself into the mass-market car segment was to accelerate transition towards sustainable transportation with ease and no fossil fuel dependent term. In this, there is intense competition and cost pressures, giving the scale of the economy is not yet ready, even with years of new crafting vehicles and solutions, to try to differentiate enough from other vehicles, while also trying to keep demand and being relevant in technology.

In batteries, Tesla desired to tackle a new market challenge, while also offering a solution which could be green, sustainable and innovative while entering the mass-market needs. This way, entering this market, new batteries and new energy-efficient solutions came in the form of supply-chain production, while facing new regulatory hurdles in adoption of these new technologies.

To be coherent with them all, the solar market represented another new way of innovation, with creating a comprehensive energy ecosystem, covering generation, storage, and consumption.

5. Do you think Tesla will be profitable in all of these businesses? Why or why not?

Tesla, like many other companies, wasn't profitable yet it started to capitalize enough to become one of the biggest companies of the planet, creating a brand reputation and offer new opportunities, coming more and more investments to keep covering costs and finance their projects. Its core it's being dynamic enough to face new competition, while also raising awareness of new chances and possibilities.

So, it is now profitable, thanks to have stuck with a core identity for years which was costly and not profitable enough to be successful enough to see sales and profits go upwards. Tesla's commitment to electric vehicles raised awareness about the benefits of sustainable transportation. As more people learned about the advantages of EVs, demand grew.

Recognizing the synergy between electric cars, energy storage, and renewable energy generation, it created a holistic approach created cross-selling opportunities and diversified revenue streams. This is definitely successful with securing investments and funding new things continuously.

6. What do you think Tesla's (or Elon Musk's) strategic intent is?

Musk's strategic intent is to promote this ecosystem growth to a point where, like Amazon, it will become so big practically any project will be possible. More concretely, Tesla's primary strategic intent is to promote sustainability by developing and providing sustainable energy solutions. Innovation succeeded from bringing so many new solutions which seemed impossible years ago, thanks to being at the right place at the right time and the aim of helping both individuals and companies helped a lot in the long run, given Tesla's commitment to research and development and pushing the boundaries of technology in the EV, energy storage, and solar energy sectors.

Tesla aims to be a holistic leader, merging growth from everywhere and creating new knowledge and products with the blink of an eye, keeping content both customers and companies.