A picture containing logo

Description automatically generated

Course: Business Analysis and Assessments

Assignment 2 – Balanced Scorecard and Key Performance Indicators

For: TESLA

|  |  |
| --- | --- |
| Submitted By: Ipsit Behera |  |
| Submission Date: 29-03-2021 |  |

Table of Contents

1. Document Overview 3

2. Strategic Overview 3

2.1. Company Mission 3

2.2. Company Vision 3

2.3. Core Values 4

2.4. Business Strategy 4

3. Strategy Map 5

4. Balanced Scorecard 6

5. Data Source Analysis 7

Document Overview

A balanced scorecard is a [strategic management](https://www.investopedia.com/terms/s/strategic-management.asp) performance metric used to identify and improve various internal business functions and their resulting external outcomes. Balanced scorecards are used to measure and provide feedback to organizations. Data collection is crucial to providing quantitative results as managers and executives gather and interpret the information and use it to make better decisions for the organization.

Strategic Overview

Tesla, Inc. doesn’t have its goals set in producing and manufacturing high-end electric cars for the affluent, to make money and move up on the charts. The mission of the company is this: to accelerate the world’s transition to sustainable energy. Tesla’s goals are far beyond that of most automotive companies. They envision to build a world with cars void of harmful emissions. Every day they work to draw this future closer to the present.

Company Mission

Tesla’s mission is “to accelerate the advent of sustainable transport by bringing compelling mass-market electric cars to market as soon as possible.”

The mission statement by Tesla shows the shift towards business approaches that are more futuristic. The focus on sustainability indicates the compliance of the company with global demands of business methods that align with calls for green energy. Tesla adopted this mission statement after abandoning the earlier one whose focus was on transitioning the world to sustainable transport. In this case, the company demonstrates its focus on energy as the critical aspect of its business. The mission statement has the following components.

Company Vision

Tesla’s vision is to “create the most compelling car company of the 21st century by driving the world’s transition to electric vehicles,” Tesla used a transitional business model as its ecosystem grows.

The vision statement acknowledges that the world has come to an era where only renewable energy should be prioritized. In the case of Tesla, the focus is on the use of electric energy to power all motor vehicles. The vision statements comprise these features.

Core Values

Always do your best.  
We endeavor to apply the brightest minds and the best available technology to each and every new challenge. We do not cut corners, and we do not settle.

No forecast is perfect, but try anyway.  
We constantly strive to improve the accuracy of our forecasts as well as the reliability and service with which they are delivered.

Respect and encourage people.  
We believe that our companies are only as successful as our clients and team members are successful. Treating them with respect and encouraging their success is the surest way to encourage the companies’ success.

Always be learning.  
The world in which we live and the industry in which we operate are constantly changing. It is imperative to both personal and professional success that we understand those changes and adapt accordingly.

Respect the environment.  
We believe that our efforts to help the energy industry achieve greater efficiencies help ease the strain that humans put on the environment.

Business Strategy

All Tesla needed was to make a name for their [brand](https://www.feedough.com/?s=brand) to get its concept widely accepted. After that, it reinforced its [business model](https://www.feedough.com/what-is-a-business-model/). Tesla’s business model is based on a three-pronged approach to selling, servicing, and charging its electric vehicles.

Direct Sales

Tesla doesn’t adopt the approach of franchise dealerships, unlike most manufacturers. They prefer selling their product directly to the customers through self-owned showrooms across many of the major urban centres in the world. They believe that this method of selling can speed up product development. But more significant is the customer’s buying experience. Tesla has showrooms, Service Plus centres (a combination of retail and service centre), and service facilities. Tesla has also made use of Internet sales—consumers can customize and purchase a Tesla online.

Servicing

As mentioned above Tesla has combined direct sales with service centres. They believe opening service centres have a positive effect on customer demand. Thus the “Service Plus” retail centres. Customers can service their cars or charge them at the service centres or the Service Plus locations. They also have mobile technicians who can come to your home, called Tesla Rangers. With the Model S, they can wirelessly upload data so technicians can view and fix certain problems online without even physically touching the car.

|  |  |
| --- | --- |
| **STRATEGIC GOALS** | Market Specialization  Product Innovation  (Software & Hardware)  Best Customer Experience |
| **FINANCIAL** |  |
| **CUSTOMER** |  |
| **INTERNAL BUSINESS PROCESS** |  |
| **LEARNING & GROWTH** |  |

STRATEGY MAP

STRATEGY

**LEARNING AND GROWTH**

* Training and development
* R&D new cars
* Employed new Engineer.
* Expand production line.

**CUSTOMER**

* Affordable electric car
* Excellent customer service
* Energy conservative
* Longer distance coverage on the road
* Free charging on road

**INTERNAL BUSINESS PROCESS**

* Improve supplier Relations
* Enhance ordering systems
* Increase no. Of customer service

| **Prespective** | **Objectives** | **Measures** | **Goals** | **Indicator(s)** |
| --- | --- | --- | --- | --- |
| **Customer** | * Affordable electric car * Excellent customer service * Energy conservative * Longer distance coverage on the road * Free charging on road | * Tesla Driver Experience * Customer Ranking * Industry standards | * Excellent Customer Service. * Affordable cars. | * Customer Surveys * Number of Buyers |
| **Financial** | * Increase market share. * Increase sales. * Reduce production cost. | * Market Value * Price of vehicles * Vehicle parts | * Increase Sales * Reduce production cost | * % in market share * % of the price compared to making cost |
| **Internal Business Process** | * Improve supplier Relations. * Enhance ordering systems. * Increase no. Of customer service | * Effective Communication * Quicker production time | * New Invention * Battery cell efficiency | * Feedback from customers * Distance per full charge |
| **Learning & Growth** | * Training and development * R&D new cars * Employed new Engineer. | * New Cars * Application of new technology in the car | * Expand production line | * New Branch * New technology launched in the market. |

Balanced Score Card

Data Source Analysis

| Perspective | Objectives | Measure | Department | Source Data Elements |
| --- | --- | --- | --- | --- |
| Customer | * Affordable electric car * Excellent customer service * Energy conservative * Longer distance coverage on the road * Free charging on road | * Customer Surveys * No. Of Complaints * Availability of chargers | Sales & Marketing | * Number of customer queries solved. * Number of new customers |
| Financial | * Increase market share. * Increase sales. * Reduce production cost. * Acquire new target customer. | * Market Value * Number of units sold. * Cost of materials, staffs and expenses | Finance | * % increase in share value * The profit generated |
| Internal Business Process | * Improve supplier Relations * Enhance ordering systems * Increase no. Of customer service | * Effective communication between the seller and buyer * Multiple platforms for placing order * On-Time delivery | Human Resource | * Number of new employees. * Number of resignation. |
| Learning & Growth | * Training and development * R&D new cars * Employed new Engineer. * Expand production line | * New Branch * New Product launch | Research and Development | * Number of new Branches. * Number of new products |

References:

Mission & Vision: https://fourweekmba.com/tesla-vision-statement-mission-statement/#:~:text=Tesla%E2%80%99s%20vision%20is%20to%20%E2%80%9Ccreate%20the%20most%20compelling,electric%20cars%20to%20market%20as%20soon%20as%20possible.%E2%80%9D

Core values <https://www.teslaforecast.com/about-tesla/>

Strategy : https://www.feedough.com/tesla-business-strategy-and-business-model/#:~:text=%20Tesla%20Business%20Strategy%20%201%20Direct%20Sales.,charge%20their%20vehicles.%20Supercharger%20Stations%3A%20a...%20More%20