

Tesla

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Basic Information

Tesla, Inc. (formerly named **Tesla Motors**) is an American automaker, energy storage company, and solar panel manufacturer based in Palo Alto, California.

The company was initially founded in 2003 by Martin Eberhard and Marc Tarpenning

Also Elon Musk, JB Straubel, and Ian Wright were its co-founders. Elon Musk is the company's current CEO

Basic Information (Cont)



Elon Musk

Company History

The founders were influenced to start the company after GM recalled and destroyed its EV1 electric cars in 2003

Tesla's early primary goal was to commercialize electric vehicles, starting with a premium sports car aimed at early adopters and then moving as rapidly as possible into more mainstream,

Tesla currently offers three models, the Model S, Model X and Model 3

The firm's first vehicle, the Tesla Roadster is no longer sold.

Economic Environment

America is the biggest economy in the world

GDP (in 2016): 18.569 Trillion US\$ (From: World Bank)

Trade in 2017 (million US\$): Trade balance: -458,725.2 (a trade deficit)

The biggest trade partner is China

Cultural Factors

First of all, there is a high degree of individualism and masculinity in the USA » plays a crucial role in advertising

Sometimes, showing that you are the best is more important than being actually the best => Elon Musk decided to associate his brand name with the Roadster, a luxurious electric sports car. This car proved to everyone that electric car can be as fast beautiful as any other traditional car

Cultural Factors (cont)

There is a fair degree of acceptance for new ideas and innovative product in America, something that Tesla does have to rely on

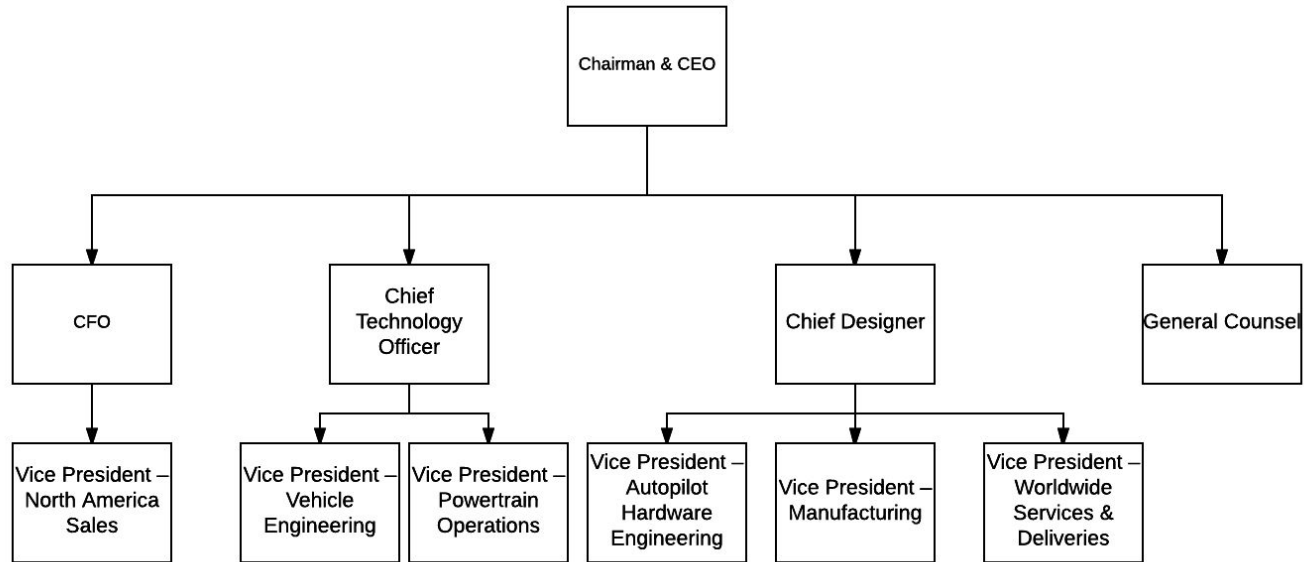
However, Americans only score 26 on Long Term Orientation, which means that people don't change their mind easily and will continue to maintain time-honoured traditions and norms. Businesses also prefer to measure their performance on a short-term basis

Management Structure

Tesla has a functional organizational structure. The following characteristics are the most significant in the company's organizational structure:

- Global hierarchy (most important)
- Global centralization
- Minimal regional divisions: United States, China, Norway, Other

Management Structure (Cont)



Mission, Vision and Strategy

Their goal is simple: "to accelerate the advent of sustainable transport by bringing compelling mass market electric cars to market as soon as possible."

To achieve their first goal, the company initially released an expensive sports car model, take that money to make cheaper cars, then eventually transition to selling average, mass market cars.

Tesla's vision is "to create the most compelling car company of the 21st century by driving the world's transition to electric vehicles."

Corporate Culture

Move Fast: Speed affects Tesla's competitive advantage.

Do the Impossible: In developing cutting-edge products, Tesla must ensure that its corporate culture encourages employees to think outside the box.

Constantly Innovate: Innovation is at the heart of Tesla Motors, Inc.

Think Like Owners: Tesla employs its organizational culture as a tool to maintain a mindset supportive of business development.

We are ALL IN: Tesla Motors, Inc.'s organizational culture unifies employees into a team that works to improve the business.

Human Resource Management

Gaby Toledano joins Tesla as chief people officer after a decade on the executive team at Electronic Arts.

Tesla's job openings can easily be found on their website at (<https://www.tesla.com/careers/>).

Their website says: “Tesla is committed to hiring and developing top talent from around the world for any given discipline... We work to build an inclusive environment in which all people, regardless of gender, race, religion, or background, can come to do their best work.”

Finance

Tesla is a public company with a stock value of US\$ 315 per share

The company began with a loan funded through the Advanced Technology Vehicle Manufacturing program, which was signed into law by President Bush

Along with the federal loan, Tesla also relies on support from politicians through a complex series of federal and state subsidies

These subsidies have become central to Tesla's business model

Logistics

Tesla cars were initially built by Lotus in the UK and flown to customers in the US; later it acquired the NUMMI factory in Fremont, California. Tesla's plant is less than 18 miles away from company headquarters in Palo Alto.

Tesla is also building an absolutely giant battery factory called "Gigafactory" in nearby Nevada. This plant will take in elemental raw materials like copper and aluminium and produce finished battery packs to feed the car plant.

completed battery units will be shipped by rail to the Fremont plant.

Musk said Gigafactory will reduce battery by 30%

Logistics (Cont)

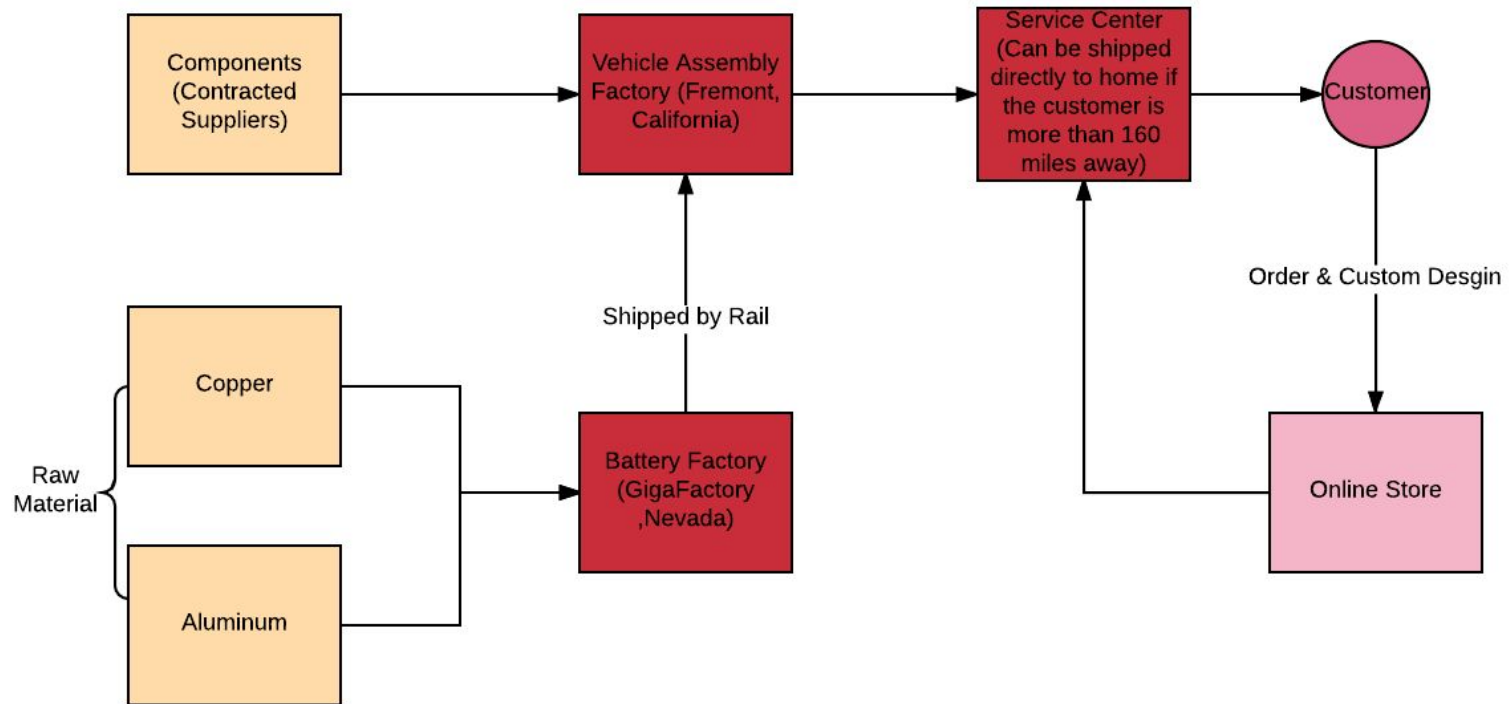


Logistics (Cont)



Inside
Tesla's
Nummi
Factory

Logistics (Cont)



Information System

Information systems of Tesla were previously managed by its ex-CIO Jay Vijayan

Vijayan said "the IT team built Tesla's entire global systems network and data center infrastructure; software applications for the factory, corporate and retail network; and the necessary information security infrastructure and tools".

Gary Clark joined the electric car company from Juniper Networks, where oversaw a broad migration to cloud services provided by Amazon Web Services and several SaaS vendors

Information System (Cont)

Tesla sells its car through its website at www.tesla.com. On the site, customers from all around the world can view information about the products available for their country, customize the design and order the cars they want. This business model is both cheap, scalable and easy to manage.

The site also has information about job openings so talents from all over the world can join the company.

It also contains a database holding data such as stock values and financial reports for investors.

Marketing

Tesla wants to advertise their cars as “the best cars”, not just “the best electric cars”

The release of their first model, the luxurious Tesla Roadster, aimed at convincing customers that electric cars can be fast and beautiful

They also rely on environmental factors: electricity is renewable energy, gasoline cars contribute to climate change.

Marketing: Model 3

Competes with Chevrolet Bolt EV

Range: 220 - 310 Miles vs 238 Miles

Top speed: 130 mph vs 93 mph

Automatic emergency braking and collision avoidance

15" touchscreen with onboard maps & navigation

Wi-Fi and LTE internet connectivity

Price: US\$35,000 vs US\$37,500

Expected deliveries: mid 2018

Not publicly available: horsepower as well as the battery's overall capacity as measured in kilowatt-hours.

Marketing: Model 3 (Cont)



Tesla Model 3

Thank you for listening!