

Elon Musk's ire reveals a Wall Street-Silicon Valley divide

Notes & Cues:**Article:**

Wall Street and Silicon Valley have never been happy bedfellows, and that was on full display this week during Tesla's quarterly earnings call. These calls are usually dull affairs, with Wall Street analysts asking CEOs or CFOs questions about their already-released financial results that executives artfully dodge or dutifully answer. Much like press conferences, the format does not lend itself to spontaneity.

Except when the company is Tesla and the CEO is Elon Musk. The press after this week's call was intensely critical of Musk for dismissing questions and refusing to delve into financial details. In response to a question about capital requirements from Toni Sacconaghi of Bernstein, Musk said, "Boring, bonehead questions are not cool. Next?"

Musk's sparring with analysts recalls similar tensions between Wall Street analysts and Jeff Bezos of Amazon, Mark Zuckerberg of Facebook and other arrogant, aggressive, and visionary technology CEOs. The analysts press on expenses, competitors, cost of capital; the CEOs weave and point to strategy, new models, and creating new marketplaces. And so the dance goes.

Ideally, one wouldn't pick sides. Bankers and analysts understand how to price debt and equities while assessing the potential of loss. But Wall Street is not, for the most part, the playground of those who define the future. That requires tolerating extreme risk and conceiving how things could be done differently. Whether you go along for the investing ride is up to you, but Tesla's fate should not be up to Wall Street analysts.

Summary: