**PROJECT #3**

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MGMT 510 50 A 2020/Spring-Bus Strategy & Management Principles

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**Organizational structure, governance, Ethics and Corporate Social Responsibility**

Tesla Inc., one of the most prolific electric car makers across the planet and formerly known as Tesla Motors has arranged its organizational structure in such way, that it supports continuous growth of business. It has Unitary-form(U-form) organizational structure, also known as functional structure. It is based on the concept of grouping a business together and that is one of the key features of the structure. The organization is basically divided into three major characteristics, out of which the functional based hierarchy is the top priority and other two hierarchy are Centralization and Divisions. Tesla has benefited a lot from for its **functional** based organization specially in making the organizational global. As it has teams or offices that oversee, international as well as the domestic operations. Global structure of the company involves CEO, Finance, Technology Global Sales and Service, Engineering, Legal. In corporate structure Tesla uses **centralization** hierarchy. Here the main focus of entire organization is managerial control, the decisions which are made by central teams. All the heads of each offices from global hierarchy come together and form a central corporation headquarters. This headquarter controls all the operations. Tesla’s headquarters makes all the decision for the operations which are oversee and within the country as it does not support autonomy od the regional offices. **Division** hierarchy aims at extending geographical or some other type of divisions in Tesla’s automobile business. This is a corporate level strategy implemented for marketing and other campaigns. But by far Tesla’s main divisions are automobile and Generation of energy through solar and other renewable sources. Compared to business and functional level hierarchy this Division hierarchy is less significant. One of the major drawbacks of the organizational structure of Tesla is its rigidity. This limits them to change the organization rapidly if they need to. For example, centralization hierarchy that limits Tesla’s oversee offices to respond to a particular issue which they might face in regional offices. Tesla has a corporate compliance team internally to monitor any violations of regulations or law and employees need to practice ethical behavior. Despite all the threats and competition Tesla faces, being an electric car, it is helping in reducing lot of CO2 emission. Tesla is investing millions of dollars to create free superchargers as the green ideology goes hand in hand, more the people use electric cars the more it is beneficial to reduce the pollution around. Tesla also has been working on creating complete sustainable energy ecosystem by manufacturing solar roof and solar panels. So far, the company has made a huge impact on Product they manufactured, operational and Supply chain.

**Strategic leadership**

CEO Elon Musk and the Strategic managers at Tesla have taken few brilliant steps to increase company’s performance and to gain competitive advantage over the rival companies in the industry. Here is one of the examples, in 2017 when Tesla was facing huge setback due to its unaffordability amongst the middle-class family, Tesla decided to come up with budget car Model 3 with fewer features, less range and power. It had gained 21% profit in 2018 due to this car. This was a strategy to get people invest in the company as a shareholder. Later, in next two years the stock went up by 300% in 2019. Profitability of a company is measured by returns on investment and this investment Tesla is using to capitalize on growing their entire business not only in automobile but also in energy generation and own battery manufacturing.

**Competitive advantage: Industries and Countries**

Tesla motors has been successful as it has won its customers by manufacturing automobiles that are very sophisticated yet innovative and are efficient in terms of fuel consumption as they purely run on electricity. Tesla’s strategy was to completely focus on developing an automobile that could use alternative sources of fuel like renewable energy sources and provide autonomous technology as an option. Tesla’s business model could easily slither away from traditional automobile manufacturers as the customer would not need to invest on any maintenance costs like oil change, part upgrades etc. Tesla believed in bringing down the overall ownership cost for a customer by avoiding these future expenses. It could provide a car which was running on a software and the only thing that would need an upgrade was the software version.

Being highly innovative and having a differentiating product, Tesla Motors have developed a competitive advantage in the automobile industry by investing highly on research and development and self-manufacturing an E-V battery technology which is much systematic and structural and cost effective compared to other E-V battery providers in the automobile industry. Tesla discovered the option of being self-sufficient by developing a Giga-plant which would manufacture electric ion batteries round the year to achieve its targets of producing half a million cars every year and by this method it could easily achieve economies of scale and also produce cost efficient cars. Tesla has taken this competitive advantage to a next level by taking further risks in innovating its battery technology by building them with non-traditional materials which might sustain longer and are more durable. This technology is additionally benefitting in providing a long range of more than 300 miles for a single recharge which is a lot compared to its competitors. With this revolutionary technology Tesla is able to lead the E-V auto market by manufacturing the most luxurious range of cars which run on a battery, are super cost effective, super-fast and innovative in terms of providing a powertrain and autonomous features. For advancing on this competitive advantage, Tesla has nearly spent a 5bn$ to just improvise the facility in the Giga-plant to increase production and reduce costs. Tesla has equally seen a need of improving its supercharger network across the country and it has been expanding since beginning which is now very difficult for new entrants to grow into this level of functionality. Keeping up to the competition, Tesla has believed in some ways of manufacturing different products that the reach different segments of the market, where it has a sport version called the Roadster which is going to come up by the year 2021 and it has also launched a pick-up truck which is a clear competition to some semitrucks in the industry which started to roll out in the year 2019 and ready for pre-orders. This way Tesla could easily grab customer attention in providing products which fit different age groups and for different purposes which was a best way to take advantage of its competitive skills.

Tesla has eventually developed cars which fall top in competition with many other brands which will not be able to produce cars that can beat a 250 mile range, yet the companies have mistaken this strategy of Tesla because they have also been competitive in terms of luxury in addition to E-V technology. This way Tesla has completely taken over the automobile industry not just in the luxury segment but also in the electric car segment. Other than the automobile industry tesla has made an amazing content to compete in the E-V battery technology, or the renewable energy industry. Tesla was able to manufacture an E-V technology which can easily provide a range of 370 miles for a single charge and also give a life of 400,000 miles approximately which is almost the maximum range available in the current E-V battery market used in the electric cars. But perhaps this was not it for Tesla as the battery life would still not work for a customer who drive a lot each day. Tesla invested heavily in research and development of an E-V battery which could almost live up to a million miles and only reduce 10% of its potential. This idea though is still not into production will let Tesla easily conquer the battery industry for the electric vehicles in the near future. Hence this would be another industry where Tesla could invest on its strengths and take complete outcome from its competitive advantage. Another industry that Tesla focused on was the in-car infotainment industry which was actually a major factor that customers were looking for while buying a car. Tesla came up with a goal that it would manufacture vehicles that were not just fuel efficient and luxurious but also provide entertainment while on drive. Tesla spend loads of capital in coming up with an infotainment system that would combine easily with various entertainment modules like Hulu, HBO, Netflix etc. by developing a platform called “Caraoke”. By these features Tesla did not just conquer the automobile industry but also the infotainment industry which almost did not have any competitors at that moment.

Looking from a bigger perspective, Tesla motors being a market leader in battery power generation technology for E-V cars found an easy way to enter into different markets across the globe. Since the company started manufacturing from its Fremont locations, it has received orders across the world mainly from Europe and China. Both countries being structurally involved in the futuristic scope of technological advancements focus on energy efficient modes of transportation. Tesla already having a competitive advantage in the E-V industry could easily break ground in China where it could establish itself with a Giga-plant which will completely focus on manufacturing the model 3 which according to its price range is a best product in the Asian markets. Tesla could take advantage of its strengths by moving a part of its production to China because china is a much densely populated country and also has a high demand for fuel efficient cars and this is a bright opportunity for a company like Tesla to barge into and gear up with a bigger slice of the market share. Tesla also had moved to Eastern Europe which has placed many orders for Tesla cars and being a place with more demand Tesla could use this opportunity to also leverage its supercharger structure to be established in many parts of Europe as well as its free service stations. Countries like Poland, Hungary and Czech have a very small market for automakers and Tesla could easily establish itself in these countries by its innovative and differentiating products.

**Financial Analysis & Growth**

Tesla has had an unprecedent bull run in 2020 where the stock prices have increased 450% to an all time high of 970$ with a market cap eclipsing the combined cap of Ford & GM to over $145 billion making the company one of the most valuable automaker. The 2020 prediction for car delivery for Tesla stands at 500,000+ vehicles, 38% more YOY. Assuming production growth rates at 30% by 2025, Tesla is capable of delivering over 1.9 million cars.

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As from the Current Ratio chart above, Tesla’s ratio stands over 1.1 which is over 36% growth compared to 2016 and is a positive sign to the investors. This ratios stress on the current assets vs the current liabilities of the company. Tesla has over $2.9 billion in cash plus expects $650 million in receivables that takes it asset balance over $3 billion. The liabilities of the company include over $2.7 billion in money owed to suppliers, customer deposits (refundable component), and long-term debts.

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Tesla’s EBITA ratio stands at over 8.7 and ended at over $950 million for Q4’19. The EBITA growth rate is over 37.6% YOY from 2018. Tesla’s debt deficit is an all-time high of over $10 billion but with the market cap of over $140 billion it is capable of raising more capital from the market. But since the business incurs depreciation & amortization charges Tesla’s debt load stands on a heavier side. The free cash flow for the company has risen by over $800 million even though the last 5 years is been red and has seen more cash consumption on R&D and Operations than incoming cash from operations. The total cash flow is up by 22% YOY to $2.6 Billion. There were many factors to this ranging from lower net loss of $300 Million and also a reduction in investment on inventory.

**Functional Strategy**

Collection of engineers found Tesla with a vision of providing all vehicles that are electric and are better, more durable, less maintenance and also are quicker. It unveiled its first roadster in 2008.Its initial plan was to build a wide range of electric vehicles at a reasonable price. However, the company assumed that introducing new technology would lack in economics of scale. Therefore, Tesla thought to enter high range of product which would attract premium customers then drive down price in market to a higher volume unit to a lower price unit, with each successive model. Its current strategy after 10 years achieving their initial strategy, its plan is to gain sustainability sooner and to achieve 4things

A) Installing energy generating solar roots in homes

B) Entering new markets like public transport buses

C) Improving autonomous during software

D) Developing “Tesla Shared Fleet”.

**Business Level Strategy**

Tesla uses differentiation strategy. It has been succeeded in marked by coming with products which are distinct to others in the market. This strategy makes easy for customers to identify product in the market. Their corporate strategy can be termed as growth strategy. Having own show rooms and online channels for booking. Business-Level Strategy relates to every specialty unit or product offering. Key choices at this level concern measure of promoting, heading and degree of research and development, product changes, new-product improvement, gear and facilities, and extension or contraction of item and administration lines.

**Global Expansion and Growth**

It uses international expansion strategy, but Tesla had to face pressure forecast reduction. Introducing commodity - type product called Tesla Cyber. Truck which satisfies a universal need for private transportation. Reducing switching costs when entering global market.

The development of Tesla Motors has delivered tremendous change in the car business. The design, manufacture and sale of solar energy generation systems. An organization benefits from core proficiency in the development of powertrains, vehicle development, creative manufacturing and energy storage. The company has reaffirmed to expand globally aiming to increase internationally demand for electric vehicles. Its major target is to expand in European and Asia markets. In addition to that Tesla has been huge success in Norway and Germany as the company has high demand for model 3s in Europe.

The sales in other countries such as china, Europe and Asia increased up to 66% with 650$ million. As tesla promotes innovative ideas its primary goal is to expand globally and gain trust of the customer to pursue stabilization.

**Technology and Competitive Advantage**

Tesla, Inc is an American Technological Company famous for their Self driving Automatic Cars which are deemed to be modern technique of Safety and Convenience for the drivers behind the wheels. It is said that by 2035, at least 50% of all the cars sold will be electric. Tesla is on a mission to restructure transportation across the globe and in the Space. The Company is not just into Cars but into multiple Industries and hence the name Inc (Used to be Tesla Motors), the company is into Solar Business (Solar Panel, Solar roof, Solar City etc.), Electric Vehicle and have their own Manufacturing Facilities in California, New York, US and Shanghai, China. When Tesla released it first partially autonomous car in 2015, people where cautioned and were asked to be careful as this can quickly end up with frightening result if thought otherwise (Completely Autonomous). It wasn’t a complete Autonomous car at that time, the only feature which was said to be included was Autopilot often referred to as Autosteer by the Company which helps keeps the car in the current lane. Since this achievement many other Automakers have announced their plans to include Autopilot feature in their respective vehicles.

Since the release of Model3 & X last year, the technology has advanced to a different level, Tesla is determined to offer a technology to consumers which will make the cars drive without a driver. Most of the Electric Cars we have in the current market are alike, they are hatchbacks, ugly looking with some limited features inside. None of them have a fabulous look like Tesla Model S or the features and the capacity in Model X for that fact. The company had lots of challenges in their path from capital investments to a zero-experience in manufacturing/making Cars and had to fight them along through their journey. Tesla is trying to up their game even further by envisioning the release of a Sports car and a Truck. Their Share prices have Skyrocketed and have exceed the expectations last year. Tesla’s key to success so far has been on Electricity which is an alternative source of energy and substitution of Solid, Liquid and Gaseous fuels.

Tesla is currently focused in making lots of software by using AI, deep learning accelerators, machine learning and IoT technologies which is the main essence of its exclusive infotainment system. All the Tesla Cars OS are constantly being updated by Tesla’s Staff. The company is not said to be a Technological company because it is into manufacturing Electrical Cars, it is because of their Autonomous Software, their custom-built Charging Stations, their Solar Panel and most importantly their own developed Battery Storage units. This is where it becomes portentous, Tesla’s competence to update the software on its vehicles over the air is considered to be most vulnerable and disuse. Tesla’s inhouse capabilities and it its offer to calculate the risk of hacking makes the entire difference, Electric cars are still in their early stages, they are growing but that hasn’t stopped others from buying non-Electric Cars. About a decade ago the idea of an electric vehicle was off the hook because of the expensive battery cost and hence nobody was willing to make any investment on beta to test it out.

Manufacturing a car which is solely dependent on Electricity steers towards the acceptance of technological innovations, especially when you come up with a driverless concept of driving. The technology inside the car includes advanced form of innovations such as the navigation screen, keyless car management, Entertainment Capabilities and other products. Since Tesla has their own Manufacturing facilities, they can reinvent the entire Car Supply chain which has absolutely no dependencies on servicing costs. Although, undoubtedly these features are definitely great and impressive, none of them provide enough contrast to provide the Company with a long term and feasible competitive advantage. It is currently constrained to its technology because the other competitors in the market can include the same technology on their own, perhaps even better than what Tesla is doing and make better versions of the same thing.

Tesla is diversifying and expanding its businesses to avoid any kind of downfall/sinking with Automotive industry, if that was to happen in the future. One such product is Tesla Powerwall which is a lithium-ion Rechargeable battery that provides houses with the ability to Store Solar Captured Energy to use at nights in case of any power outages. This admires to Tesla’s Solar Roof tiles when compared to the traditional tiles which are priced Combatively. In the similar manner the company is planning on to make revenue out of Solar Stored Energy, Home owners will have the opportunity to share their excessive energy with others by accommodating charging stations for others Tesla Cars which in turn is said to have a direct increase in Tesla’s Super Charger Network at ease of charging cars everywhere.

**Business and Industry**

The factor that makes Tesla stand out from other is its new Battery Technology that has been developing. It is been a leading company on Electric vehicles Battery for years and the low cost is compelling making it symbolic and by providing a competitive advantage to the company. As per the survey Tesla’s cost per kWh was around $200/kWh, however it has managed to reach $150/kWh last year. This makes us believe that the company is making tremendous improvements with their new developments every year. As per the survey over 550 thousand Tesla Vehicles has been sold so far and they have driven over a tremendous 10 Billion Miles to current date which has contributed to a outstanding savings of over 4 Million Metric tons of Carbon Dioxide

Tesla has many competitive advantages, but the main key advantages are as follow

* Super Charger Network – The fastest and extensive Charging Network in the entire world which has delivered over 595 GWhs which is equivalent to 75M Gallons of Gas
* Solar Energy, Roof, tiles etc – as per the latest survey from 2019 it has over 3.5GW of Solar Panel Installations and has provided/generated over 13TWhs of Clean Electricity. In their lifetime expectancy of 30+ years these Solar Panels are expected to generate approximately about 86.5TWh of energy which is enough Electricity for a decade for a state like Massachusetts
* The way it has built its own Battery Supply Chain
* The Innovation they put in the car is top level which often fascinates the customers by providing them a unique user experience
* Software OS built inside the car which focusses on some of the core functions of the car including battery Management, Diagnostics, Traction, stability control etc
* It is integrated with your smart phone which provides the user with total control of his/her car
* Over the Air Updates

To sustain its position and competitive advantage in the long run, the company must partner with the specialists which has emerged as an identity and is believed to create an apparent emergence and management of the eco systems, once this is established, competitors will automatically find very hard to duplicate/replicate. By looking at it is obvious the Company is nowhere near and has to still reach that point of operation. There must have been a reason as to why the concept of electric cars is at a slower adoption rate and is also treated with caution. It all comes down to the power on how well an electric car can meet the expectation of power and speed when compared to traditional cars which run on fossil fuels. To become a lead player, the following issues needs to be resolved to an extent that these below turns out to be a key feature

* + Provide a Battery range which will be sufficient to cover long distances
  + Provide Real Cost Effectiveness
  + Provide a true ecofriendly environment, the battery used for the cars consists of some toxic chemical which make up the battery

Autonomous Vehicles will become smarter in the near future which implies that they will be operating in various capacities when compared to that of trucks and car manufactured today.

Tesla has a unique approach to its hardware and software architecture, the vehicle is said to have more software features than the hardware, a distinct way of putting a car together. Despite most fossil fuel powered cards have software, they have less software than Tesla does and operates on a different architecture which becomes harder to imitate adding advantage to Tesla’s ability to optimize Vehicle performance. Tesla hardware consists of electrical engines at the front as well as at the rear and batteries in the trunk which give an advantage over lower centric gravity and provides a more efficient battery management. A known challenge in the current era is to reduce CO2/km limit every year, all the manufacturers are way above the current limit, as per the regulation Automakers will be penalized for every gram exceeded on 95 grams of Carbon dioxide per km limit and the only best way to achieve this is to manufacture and sell zero emission vehicles

Tesla’s rapid growth in the current market for high end Vehicles is compared to Amazon or Google, the fact that it is contributing to soar existing market valuation is a crystal clear sign to all the other Auto Manufacturers that they will need to catch up and get more innovations into existence to survive in the current market conditions, else they will soon be extinct.

Tesla’s ultimate mission was to provide sustainable and Superior products alternative to Gasoline/fossil fuel. Tesla’s EV offers a combination of efficiency and Safety making them one of the best Cars/Vehicles across the Globe. Its eco system i.e Solar, Vehicles and Batteries aims to lower any Environmental brunt of energy used by the people or any impacts to transportation and grids. Solar Energy Storage system doesn’t just provide clean energy but also stabilizes the flexibility of using stored power in case of any grid outages which can be useful to power a house or a community or an entire Business. Global Carbon Dioxide levels in the Earth’s Atmosphere are shown higher than ever, which is considered to be an unsustainable trend that makes Tesla’s mission to boost Worlds progress in transforming to a sustainable energy. In 2017, Tesla established a baseline year and has set targets with a goal of driving Greenhouse Gas footprints on a per product basis. In short, the Company’s ultimate goal is to go green by reducing Global Warming. It is known that the current model has Security Risks with Software based cars and Tesla is trying to come up with a solution and to expand its Leadership in all possible ways to tackle these risks effectively.

The company visions one day all the cars it is manufacturing will be capable of autonomous self-driving without any human intervention. The company is spending lot of time researching on AI, in fact it is in the process of developing its own AI platform. The CEO of the company Elon Musk is a co-founder of Open AI which is a R&D organization which makes sure Artificial Intelligence is deployed in a safest way possible to reduce any existence of robots which potentially can pose a threat to humanity.

The Company believes to overcome few of the challenges it learned from its first model Roadster and have improved its approach by advancing its architecture ground up. Big Giant Automakers such as GM save lot of money by sourcing their components via the outside suppliers via bidding and utilize them in various different model, whereas Tesla produces 70% its own parts in-house. The whole Auto Industry might change in the next decade than it has in the whole century, Electric Vehicles have added a new category which Tesla is leading but the new entrants always have an opportunity to win when the disruptive technology emerges. The company almost had bankruptcy in the past, Electric Vehicle is a difficult industry to live.

Tesla has renovated and have designed the Solar Gigafactory 1 from ground up which is located in Sparks, Nevada which is used to develop and test sustainable solutions through the entire site. The factory has said to begin mass production of lithium-ion battery cells at some point in Ja2017 and have begun producing Model 3 batteries around midyear 2018. Gigafactory is one of the largest footprints which will be powered by cent percent renewable energy sources. Aside from this it also has another factory named after Gigafactory 2 which is located in Buffalo New York where it recycles wood that comes from plants as well as recycles plastic pallets provided by supplier and produces a sustainable energy out of it. The company is also determined on building charging systems that enables a convenient and long-distance journey which is one of the most important aspect of Electric Vehicles. The first supercharger station was built in the year 2012 and have developed and deployed fastest and extensive charging stations for Tesla Vehicle owners. Energy produced by sustainable source has been growing at a faster pace which has accounted for estimated approx. 68% of electric gen capacity in the year 2017. Most of the state in US have been making significant investment in renewable energy as compared to investments in Fossil fuel resource.

**Corporate Strategies – Horizontal & Vertical Integration**

The

**Porter Five Forces**

**Bargaining Power of Suppliers**

The Automobile Electric Vehicle (EV) industry has many suppliers compared to the buyers in market. There are many small to large scale manufacturers of components and the choice gives Tesla more power in the bargaining chip. For example, Sika, Panasonic, Hitachi, Delphi etc. supply components such as power steering, batteries & acoustic dampers. Although there was an initial dependency on its battery supplier, Panasonic, but with the Tesla Gigafactory, it now has a capacity of 500,000/Yr. Many suppliers have low level of forward integration as they build products exclusively for Tesla and thus the bargaining force of the suppliers always remains a low force.

**Bargaining Power of Buyers**

The EV industry has grown exponentially encompasses every major car brand as well as new entrants. But the supplier industry has grown manifolds and thus the switching costs for the buyers are very low giving them a greater pie in the bargaining chip. Due to Tesla’s use of advanced patented technologies many new suppliers are in exclusive contract and there is no forward integration.

**Competitive Rivalry**

The rivalry is intense since the industry is yet not in the mature phase. Tesla is the EV market leader with a huge loyalty & customer base. But BMW & Mercedes are already building charger network to support their range of hybrid/electric cars and every major car manufacturer has an EV offering in its portfolio. There are also new car manufacturers entering the market as compared to the traditional combustion engine car the EV’s are less complex and do not need decades of knowledge.

**Threat of Substitutes**

The threat of substitutes remains substantial due to the presence of traditional combustion engine & hybrid cars offered by all major car brands such as Jaguar E-Tron & Porsche Taycan. There are many proponents of the environment friendly travel options and thus even with limitations the public transport still is an economical substitute. The customers have low switching costs given the many options to choose from.

**Threat of New Entrants**

The entry to barrier in the EV industry is very high. To be successful, a new entrant requires huge capital, technology, and sales network. But with Tesla making its patents public, many Chinese incumbent companies such as NIO have been early adopters & quick to replicate the technology. But with Tesla & other established players investing heavily to offer a high-quality product through product differentiation & the advantage of economies of scale coupled with an ever-growing charging network the barrier still remains high.

**Peter Senge's Learning Organization Model**

According to Peter Senge learning organizations are those that continuously expand their capacity to create results that they truly wish. Tesla is an exemplary example of a company for this model

**System thinking**

Tesla is more forward in system thinking such as putting thinking into theory. It also includes practicing what you do to guide ideas and insights. Rather than concentrating on singular issues, a system thinking which shared helps in watching the aftereffects of an entire system. Therefore, regulating the policies, strategies and structures that make an interpretation of thoughts into business choices consistently helps the association in arriving at extraordinary statures.

**Personal mastery**

“Without individual learning no organizational learning occurs and it is not vice- versa". According to Peter Senge, personal mastery accounts to continuous clarifying and opening of personal vision which Tesla has the most in the form of “Elon Musk”. When a person has a transparent vision of what to be achieved and merge with an exact consciousness of reality.

**Mental models**

According Peter Senge, the workers must recognize the estimations of the organization and what the business is about. A right comprehension of what the association rely on empowers them to picture where to go and how to grow further. The association must be adaptable in tolerating changes to new mental models and another picture of the organization. The best organizations are the individuals who can learn and adjust to new models to turn out to be quicker than its rivals. This accounts to how we understand the world and how we take action. To work with mental models' organizations, need to think effectively and should be open to influence others. Tesla has also been practicing mental models as we can see from its growth strategy and also the marketing.

**Building shared vision**

Shared vision has power uplift and inspire and also encourage experimentation. When there are a genuine vision people excel and also learn. Vision spreads because of reinforcement of process. When organization can implement system thinking vision can be brought for implementation. Tesla’s strategy includes shared vision. In learning associations, the vision is generally made through cooperation with the workers. At the point when pioneers have

individual dreams yet come up short on the specialty of moving them into others, accomplishing the vision becomes impossible. At the point when everyone in the associations share similar qualities and a similar vision, accomplishing objectives gets simpler. Individuals who don't have a similar vision probably won't contribute as a lot to the association. The impact of having a similar vision is that workers carry out their responsibilities since they need to do as such rather than they are advised to do as such. It changes the relationship with the organization, and it turns its exhibitions in a learning component.

**Team learning**

It can be viewed as process of developing and aligning capacities of teams to create results which they really decision. It builds on personal mastery and shared vision Tesla also includes team learning as their roots are strong in strategic and business levels and mostly soon in global market. To achieve functional team dynamics, team learning is a fundamentally significant capacity.it is the order by which individual dominance and shared vision are united. It is significant for the workforce to consider its associates as colleagues rather than rivals.

**SWOT Analysis**

**Strengths**

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Tesla is by far the best electric car in the current market. The above picture shows that Tesla’s **max range** of 600 kilometer compared to other cars is way far more. In fact, it occupies all the top 3 spots in terms of the total range the car covers after single charge. Tesla sold more than 365,000 cars in 2019, this number is more than the luxury German car brands like BMW and Mercedes who were the leaders in premium segment before Tesla took them over. Tesla model 3 which is a **budget car** which was introduced in 2017 is most sold electric car in 2019. Tesla sold over 180k model 3 cars. Tesla is ranked in one of the top companies in terms of **Innovation** and Autopilot technology is top notch feature in this car. This self-driving feature is one of the most attractive features for most of the customers. Tesla also has the most advanced new **NCA-type battery technology** in automobile industry. They have increased their market share by 58% in last 2 years. Tesla’s cutting-edge technology which stands out from others and is the primary reason to **gain competitive advantage** over rivals in this industry. All these strengths are attributed towards the **brand power** they have in automobile industry.

**Weakness**

Since the car is manufactured with highly complex and advanced innovated technology this has the drawback of mechanical as well as production complication. This company has always **delayed in production** of the released cars in the market. It had faced huge challenge to cope up with the demand for Model 3 when it was released. Customers had to wait for months after booking the car in advance. Company had delivered 62,000 cars in 2018 which was 32% drop compared to previous year first quarter. Tesla also faced issues with **shortage of batteries**, this led to decrease I production rate and indirectly affected the sales numbers. The company had about $2.4 billion dept in 2016 but since then it has come down to 900 million, but the point here is they are still in dept and burning out cash. Tesla always faced issues with **mass production** and still is.

**Opportunity**

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According the US automobile industry data, around 17% of the market has pickup truck demand in automobile sector and that is huge number. Very few companies have targeted this market of getting into **electric pickup truck**. From Tesla’s point of view, it has a great opportunity to expand their business in **Asian market** right now, as the electric car market in this continent is still unsaturated. This is a significant opportunity for Tesla to make a strong market presence. Tesla is an expensive car due its reliable and leading-edge technology, but by bringing **in less expensive cars** with fewer features and less power, they can increase their market share. Tesla has shown an intent towards **manufacturing in-house batteries**. This will help them reduce the production cost. Tesla has a huge chance of getting into a **driverless self-driving** car segment, as it already has the infrastructure it needs. Tesla is also growing its business in **energy generation and Space**.

**Threats**

Despite industry leading technology and high-standards quality assurance. Autopilot, one of the hot favorite features for most of customers has not always been successful. The company has faced few **financial blows and lawsuits** due to this. Tesla faces **extensive competition** from hybrid as wells as the complete electric car’s segments. Many brands are getting in new cars at a **cheaper price** tag. Since this car is manufactured with complex engineering there were **product defects** which can harm the brand reputation. Self-driving cars are still a major concern for most of the customers and pedestrian. Tesla faces major problem with the mass production and the reason for that is **shortage of supply and raw materials**. There is also a high risk of factor for using lithium ion batteries, as these cells are highly reactive in nature. Tesla has also faced similar few cases in past, where the car had caught fire. **Customer adaptation** to the electric cars might be a very slow and relentless process.

**Marketing strategy**

The time when Tesla entered the market it was introduced as a technology-based company with an idea of being an independent and a personalized car maker. Elon Musk is the CEO of Tesla who majorly invested in the company and never believed in the traditional way of growing his company. Tesla since beginning believed that the only way it can make an impression on a customer was a word of mouth strategy. This strategy was applied for marketing almost all its products and the company did not invest much on a traditional advertising scheme. Tesla saw the opportunity of leveraging the most effective and a cheaper way of marketing its brand via social media marketing as this is the era of a digital world and people always engage themselves on these social media platforms. Tesla’s game plan was to never provide dealerships to any company which was a little difficult to establish in a few states which have the law to sell cars through a dealership, but this didn’t matter much to the company as it was ready to deliver the car anywhere in the world with an order away. Tesla’s marketing strategy involved no salesmen, but it made sure to bring up its cars in auto shows and shopping malls where customers could get a in car experience and ask any questions they have on the product. Tesla developed an optimal website which almost speaks about its goals about transitioning the world into utilizing the sustainable energy sources and could provide a complete information of each and every product sold by the company and the customer can customize the vehicle with the features of interest and order the vehicle and wait for few weeks for it to deliver. By these marketing strategies Tesla could dominate the market by creating a sense of interest among the people where customers themselves discuss about the product on twitter and other platforms and the Tesla referral programs which almost provide a 10,000$ for each 10 referrals was a success as customers themselves would market the product to their close friends and in turn earn a referral bonus. However, Tesla’s goal of marketing with 0$ budget was a pure success.