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## Company Overview Final

**Company Name:** Tesla Inc.

**Locations:**

Tesla currently has 438 stores and over 100 service centers across the world. Tesla also offers a nationwide network of Superchargers, allowing Tesla owners to easily travel throughout the country. The number of Superchargers on the market is approaching 5000 (Keese, 2021).

**Number of Employees:**

Tesla employs 99,290 people as of December 31, 2021, according to its 10-K filing with the Securities and Exchange Commission. This represents a significant increase in the number of employees the company had at the end of 2020. At the end of 2020, Tesla had a total workforce of 70,757 employees. Only full-time employees are included in the figures (Klender, 2022).

**Products/Services:**

Tesla, Inc. designs, develops, manufactures, sells, and leases fully electric vehicles and energy generation and storage systems, and offers services related to its products. Its energy generation and storage segment include the design, manufacture, installation, sales, and leasing of solar energy generation and energy storage products and related services and sales of solar energy systems incentives. Its automotive products include Model 3, Model Y, Model S, and Model X. Powerwall, Megapack, Solar Panels, and Solar Roof are its lithium-ion battery energy storage products (*TSLA.O - Tesla Inc Profile*, n.d.).

**Stock Information:**

Tesla Inc.(TSLA), has been an extremely successful stock. If you had invested \$100,000 in Tesla two years ago, it would have grown more than tenfold to \$1.2 million today. Tesla, which was founded in 2003, achieved its first annual profit of \$721 million in 2020. The company's profit increased by 665 percent to \$5.5 billion in 2021. At the same time, revenue increased by 71% year over year. Vehicle deliveries increased by 87 percent in 2021, contributing to the excellent rise (Khandelwal, 2022). Tesla has a

market capitalization of 1.018 trillion dollars, making it the sixth most valuable corporation in the world (*Companies Ranked By Market Cap*, n.d.).

### **Leadership:**

Chief Executive Officer (CEO) Elon Musk. Musk was involved from the outset in managing the design process and executing a product release and lifecycle methodology more commonly seen in tech start-ups than in automotive companies. The first model was issued at a high price to appeal to wealthy purchasers, with the proceeds used to support the technology needed to build lower-cost items for the general public. Tesla has recently made news due to its exponential share increase at a time when many publicly traded firms have experienced the inverse as a result of the current pandemic. Combined with the advancements of the other firm's Musk leads, such as SpaceX's aeronautical advancements and Neuralink's neurological research advancements, to name just two well-documented successes, Tesla is firmly in the spotlight, thanks in large part to Musk (*Tesla's Organizational Structure*).

### **Social Media:**

When it comes to executives on social media, Elon Musk is possibly the most entertaining. Elon currently has 82.2 Million followers on Twitter. Having this type of following makes him very influential and able to promote his brand to near hundreds of millions of people just by making a simple tweet. This is the number one reason why Tesla is able to maintain a \$0 dollar marketing budget (Ku, 2020).

### **Company Code of Ethics:**

David Searle is the Senior Director of Compliance for Tesla Inc. Searle confirmed that he had joined the innovative automaker but declined to provide further details. He spent nearly two years as Walmart's international top ethical and compliance officer, and the company has recently changed its compliance employees (Baxter, 2021).

### **Ethical Examples:**

Tesla also does publish their Mission Statement which includes a lot about its ethical behavior. For example, they have topics on Freely Chosen Employment, Young Workers, Working Hours, Wages and Benefits, Discrimination/Non-Harassment, and importantly Freedom of Association.

Tesla also expresses more about their legal practices that you can directly control and are affected by. I will list some of their examples below:

*To Share or Not to Share:* You are in the Driver's Seat Tesla puts you in control over what vehicle data you share. Enable or disable data sharing from your car's touchscreen to decide and adjust your preferences at any time.

*Your Tesla Goes Places — Your Data Does Not:* We do not sell or rent your personal data to anyone for any purpose, period. Unless you consent to it when necessary to perform services on your behalf - your data stays with you.

*Your Location History:* Where you go says a lot about you. Unless there is a serious safety concern, Tesla doesn't associate your location with your account or keep a history of where you've been (*Legal*, n.d.).

Tesla also has very strict safety policies in place for their employees. Tesla vehicles are produced at its factory in Fremont, California, and Gigafactories in Texas and Shanghai. To achieve its goal of having the safest factories in the world, Tesla is taking a proactive approach to safety, requiring production employees to participate in a multi-day training program before ever setting foot on the factory floor. From there, Tesla continues to provide on-the-job training and track performance daily so that improvements can be made quickly. The result is that Tesla's safety rate continues to improve while production increases (*About Tesla*, n.d.).

### **Competition:**

Traditional automakers such as Ford Motor Company (F), a multinational automotive company founded in 1903, and General Motors (GM), a U.S.-based automobile manufacturer founded in 1908, are major competitors for Tesla. 56 Tesla had a market cap of \$1.1 trillion as of November 29, 2021, compared to \$78 billion for Ford and \$86 billion for GM.

Honda, Hyundai, Kia, Mazda, Volkswagen, and Volvo are among the newcomers to the electric vehicle market. Traditional automakers are expanding their hybrid gasoline-electric vehicle and pure electric vehicle options, such as the Nissan Leaf. Tesla automobiles, on the other hand, have a certain high-status cache that has yet to be replicated by the established automakers

Tesla has four EVs that own part of the electric vehicle market. They are the only company that has multiple cars on the market, other than Hyundai (which has two). In terms of the 2021 second-quarter market share for EVs. The Tesla Model Y (32.9%

market share), Tesla Model 3 (22.6%), and Tesla Model X (5.2%) (*Who Are Tesla's (TSLA) Main Competitors?*, n.d.).

### **Elon Musk/Twitter News:**

Recently Musk has been the main story on the news about the actions that he has taken with Twitter. Before I explain the details it is important to know that Elon Musk is not an American citizen.

Despite the fact that he grew up in South Africa, he has a clear and accurate understanding of how our system is supposed to function. "Free expression is important to a healthy democracy," he tweeted last month.

Musk then asked his 80 million Twitter followers a simple question: "Do you believe Twitter sticks to that concept rigorously?" and overwhelmingly they answered, "No, it doesn't."

Elon Musk created the idea last month that he was going to do something about it. He then purchased a ten percent stake in Twitter making him the single largest shareholder. Now, Musk has made an offer to buy 100% of Twitter for \$54 per share, effectively taking the firm private for a grand total of \$42 billion dollars.. This is a very appealing offer for the organization from a business standpoint. In fact, his offer is a 54 percent premium over the company's share price the day before he started buying.

He wrote a letter to Twitter's board last night. "Twitter has extraordinary potential," he wrote. "I will unlock it." So, this is more than a business plan. In fact, it's not an overstatement to say it could be the single most important development for free speech in the modern history of the United States. As Musk put it, Twitter's potential is to be "the platform for free speech around the globe." Twitter will "neither thrive nor serve the societal imperative in its current form. Twitter needs to be transformed as a private company." Musk then made it clear that he has no confidence whatsoever in the people who currently run Twitter, including its pro-censorship CEO: "If this deal doesn't work, given that I have no confidence in management, nor do I believe I can drive the necessary change in the public market, I would need to reconsider my position as a shareholder." (Carlson & Channel's, 2022).

That means if Twitter's board rejects Elon Musk's offer, they will need to explain why to their shareholders. They turn down a deal that would make the shareholders much richer. This would also violate the Business Judgement Rule. The business judgment rule is an important caveat to the corporate duty of care owed by officers and directors to their companies. The duty of care requires directors and officers to act in as competent a manner as would reasonably prudent people in their positions.

Officers and directors must make decisions that they believe, in good faith, to be in the best interests of their companies and must make decisions after appropriate research and due diligence inquiries. The decisions must be the products of appropriate care and thought. Officers and directors who fail to uphold their duties of care can be

subject to shareholder lawsuits, including shareholder derivative actions, for any damages caused by these failures. These lawsuits, which can subject officers and directors to heavy monetary liability, are very powerful tools to penalize derelict directors (*The Business Judgement Rule and the Fiduciary Duty of Care*, n.d.).

**Future of Tesla Inc:**

Tesla is one of the most innovative companies in the world at the moment. With Musk in the driver's seat, I believe the company will continue to thrive. This is especially the case in the world we live in and the adoption of electrical cars and trucks is more common. The connection he has with his customer's "fans" is one that we have never seen before. When it comes to Tesla CEO Elon Musk, there is never a dull moment. One day He's launching astronauts to the International Space Station with his company SpaceX, the next day he's opening the largest Gigafactory in Texas measuring 3.3 square miles (*Giga Texas*), and on top of all the business, he's also he's feuding with Twitter after becoming the company's largest shareholder. I believe that the future is bright for Tesla and Musk.

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