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Assessment 1

Topic: Tesla Motors Company

Moodle: Community Engagement

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Introduction

Tesla motors was established or founded in the year 2003 .it was founded by the group of the engineers in Silicon Valley. They all are involved and desired to prove that in comparison to the gasoline powered car, electric cars would be better. Taking into view the same desire they have invented an incredible power with the zero emission hence it can be said that the product of the Tesla would be cars without any compromise. Also it has been seen that the each of the new generation keep going the same up and have been increasingly affordable which would indirectly help the company to work towards achieving its mission “to accelerate the transition of the world towards the sustainable vehicle.

In the beginning, the engineer of Tesla designed one power train for the purpose of the sports car which was built around the AC Induction motor, the same was that time patented by the Nikola Tesla (he is the inventor who has inspired the name of the company).In the year 2008, teal roadster launched which have been accelerating from 0 to 60 mph in approx 3.8 seconds and led to achieve range of approx 240 miles per charge. As a result it has been assumed that the Roadster has been

proving to be new standard in regard to the electric mobility. Now it has seeled approx 2500 roadster which have been sold approx 30 countries.

Vision

Tesla's vision is mainly to be created as one of the most compelling company of the car during 21st Century through the drive of the world's transition in regard to the electric vehicles.

Mission

To accelerate the transition of the world towards the sustainable vehicle. Moreover, the mission not only to provide the safety of vehicle but aloe to ensure the safety if the consumer as well as their families.

Tesla engaged to increase the market share in the electric vehicles or hybrid market by 5% in the coming next 5 year with the introduction of lower priced model EV which Gen 3 model of 2015, having price base from \$40,000 - \$ 47000.

Weaknesses

The main weakness incorporated with the Tesla Motors is lack of liquidity. Even though there is high amount of sale by Tesla on Model S during the year 2013 & 2014sill the company had a loss of approx 70 million this is mainly due to the high amount of debt and also the rate which is very slow at which clients have been buying the Tesla motors. Moreover the reason for lack of liquidity is also failure to reduction in the planned cost as well as controlling operational cost.

There is limitation in the manufacturing capacity which in result led to failure of meeting the increase in the demand of the customers, mainly the strategy for expanding teals to Europe as well as Asia. Moreover, in addition to this, the teals Motors also struggling with the shortage of the Lithium Battery cell and also rely on supplier which in result led to harm the brand image because of the delay for delivering the vehicle r product on time to the customers.

Opportunities

It has seem that the Company "teals Motors have high range of opportunities available with them especially which in realty to the external factors regard to the automobile environment. One of the ways for opportunities is the significant change in regard to the customer

awareness which in relation to the benefits of electric car, which is mainly more profitable at the time of raise in price of petrol or dieseling the market. Also the demand for the electric vehicle increase when concern for the environmental pollution as well as global warming developed. This would led to increase the demand for the electric vehicle.

Also, it has seen that subsidy program by the government as well as loan provided or issued for green energy company provides an opportunity to the Tesla motors as an additional investment for the growth. Also, the company has been prevailing in the market segment which is under continued growth in demand. Because of the same, it provides them opportunity to increase the capacity and to meet the consumer demand by producing more vehicles. As a result, it led to acquire more shares and high profit.

Main Body

For Tesla, it has been seem that currently most of people are purchasing tussle Model S vehicle which price nearby 75 k. Those who are involves n purchase of the same have been a successful business executives as well entrepreneurs who are mainly city dwellers which are tech savvy as well green friendly.. Also there is teal's roadster which is considered as high end luxury cars and one of the expensive vehicles. This is fully electrical and has ability to computer with the luxury car .even the price is high but still is cheaper than the other competitive luxury vehicle available in the market. On elf the feature is provide zero emission as one drove. In the year2014, they develop a plan for new luxury car known as Sedan or Gen 3 the main to provide fully electric luxury car to the cutovers atman affordable price keeping in mind the budget to bring growth to the potential target market. They fixed a time period for reserving of the same. They annunced to provide the test drive after the same will be fully announced.

At that time, the estimated demand for the Gnu 3 was on the basis of EV/Hybrid market or the coming next5 years. That time the strategy was to increase the market share of the Tesla by 5% in the coming 5 years and as a result 20% ROI. The estimation in regard to the revenues as well profit was that it will bring about \$7817 lacks revenue and profit of about \$1606 lace to the company.

As per the current scenario, on receiving of the approx 35000 per order for the Sedan (Gen 3 models), the company has boost or increase its production capacity for approx 5, 00,000 cars by the end of year 2018. This rate is 10 times more than the cars which have actually delivered by the Tesla during the year 2015. In order to increase the production capacity they have planned to sell its stock of about \$1.4 billion which resultant led to reduction of return to the existing shareholders. For Tesla, it has been seen that currently most of people are purchasing Tesla Model S vehicle which price nearby 75 k. Those who are involved in purchase of the same have been a successful business executives as well entrepreneurs who are mainly city dwellers which are tech savvy as well green friendly.. Also there is Tesla's roadster which is considered as high end luxury cars and one of the expensive vehicles. This is fully electrical and has ability to compete with the luxury car .even the price is high but still is cheaper than the other competitive luxury vehicle available in the market. One of the feature is provide zero emission as one drive.

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Marketing promotion objective and Strategy

In regard to the strategy to be use, it has been provided that they are using Strategy clock which has been introduced by the Cliff Bowman that is finally representing different position in the market where it is clear that customers were having differs requirements in the terms of money value. The position of “Tesla” also represents range of the strategy in order to gain the competitive advantage over others. It has also provided that the teals Motors has more focus on the differentiation strategy which provide concentration on small group of the people those who are rich as well as environmental which has been attracted due to their stylish as well as attractive look regarding the cars. Because, it will be hard to reach out and compete with other auto-manufactured brands as common person would not go and buy an electric car with short-distance travel and weak charging network with the price more than \$60000 (Tesla Motors, 2014). It has also provided that Tesla could not in a position to adopt the low Costas well as hybrid strategy this is so because they do not have that production capacity, scale so as to comate on cost basis. It cane said that the company has been surviving only due to the product uniqueness designing as well as their innovative technologies which in a result attract people to purchase their cars. Hence, it can be said that it has been suitable position for the Tesla that may give core competitive advantage .In addition to above, they are also involved for the development of Tesla Gig factory where the company works with their supplier so as to integrate artery material, cell and also the battery pack at one location.

They planned to use the same for their vehicle and also for stationary storage. In the beginning of the year2016, they expected to produce cells initially for the Model X and Model S. The Giga factor also expected to attain their full capacity of production by 2020.And the same predicted to be sufficient for the production of approx 5, 00,000 vehicles in a year.

Conclusion

Taking into consideration the all relevant facts, current situational analysis can be taken as a base which provides that the Tesla have been in apathy that they would be able to perform in a way to provide strategy that help them to survive in the competitive environment. Also it has been proven the company “ Tesla “ has been succesful start up which has further become an one of the leading edge company because

of the innovational ideas as well as management of good leadership in respect of the car manufacturing. They have also realized the importance in respect of the renewable energy as well as for the environmental protection. I has also proven that he macro environment that has been associated with the internal processes helps to create the good condition for the growth of Tesla in future and accordingly make them one of the leading “ auto motive manufacturing companies. This will also provide popularity as they have been providing unique product using the innovative technologies as well design at the convenient cost. Hence the Tesla has decided to adopt for the differentiated strategy with the purpose of targeting the upper class people and hence to provide the high performance as well as creative vehicles which enable them to gain competitive advantage.

It is recommended that the Tesla must shift from the strategy of Focus Differentiation to the differentiation which would help them to provide benefits which are different from the competitors as well as rivals in the market. This would also in turn enhance the price of market share as well as also the long term profitability. Also in order to achieve this strategy i.e. “Differentiation Strategy” it is advisable to increase the range of Models which will consequently allows the completion with the others.

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