Project Draft

Student's Name

Institutional Affiliation

3-2 Milestone: Project Draft

## Comprehensive Description

Tesla, Inc. was founded in 2003 by a group of engineers who wanted to prove that people didn't need to compromise to drive electric – that electric vehicles can be better, quicker, and more fun to drive than gasoline cars (Bredenfeld et al., 2020). Today, Tesla builds all-electric vehicles and infinitely scalable clean energy generation and storage products. Tesla believes the faster the world stops relying on fossil fuels and moves towards a zero-emission future, the better.

Tesla's mission is to accelerate the world's transition to sustainable energy. This mission drives the company's strategy and decision-making, from vehicle design and manufacturing to energy solutions. As of 2021, Tesla has solidified its market position as a leader in electric vehicles (EVs) and clean energy products with a global presence (Boesch, 2023). It operates multiple manufacturing facilities, including the Gigafactories in the U.S., Shanghai, and Berlin, drastically increasing Tesla's production capabilities.

## Current Issues or Problems

Despite its revolutionary approach and success, Tesla faces several challenges that impact its operations and growth prospects. One of the most pressing issues is its struggle with manufacturing scale and supply chain stability (Purwidyantri & Prabowo, 2023). The rapid scaling of production volumes has led to frequent production bottlenecks, especially evident during the launches of new models like the Model 3 and Model Y. Another significant challenge is the global shortage of semiconductors and other critical components, which has stalled production lines and delayed deliveries.

Additionally, Tesla has faced scrutiny over the safety and reliability of its Autopilot system, with several incidents attracting media attention and regulatory review (Bredenfeld et al., 2020). These issues could undermine consumer trust and affect sales, posing a significant problem that needs addressing through strategic initiatives and enhancements in technology and safety features.

**SWOT Analysis**

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| **Strengths** | ● Recognized for innovation and sustainability in the electric vehicle market.<br>● Leading-edge electric powertrain and software capabilities.<br>● Controls the entire customer experience, enhancing satisfaction and operational efficiency.<br>● Gigafactories enable large-scale production and control over critical battery manufacturing. |
| **Weaknesses** | ● Issues with quality control and customer service due to rapid expansion.<br>● High vehicle costs limit accessibility to mid to high-income customers.<br>● Reliance on CEO Elon Musk's persona sometimes causes market volatility. |
| **Opportunities** | ● Increased governmental support and consumer demand for electric vehicles.<br>● Potential growth in emerging markets like India and Eastern Europe.<br>● Opportunities in battery technology and energy storage to maintain industry leadership.<br>● Potential for collaborations enhancing autonomous driving technology and vehicle software. |
| **Threats** | ● Growing number of competitors in the electric vehicle market, both from startups and established manufacturers. |

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| | ● Challenges in international markets affecting compliance and operations.<br>● Impacts of economic downturns and fluctuating raw material costs, particularly lithium, on profitability and pricing strategies. |

## Synthesizing Results

The synthesis of Tesla's SWOT analysis reveals a company with robust strengths and promising opportunities that can counterbalance its weaknesses and mitigate threats. To harness these strengths and opportunities while addressing the weaknesses and threats, Tesla can consider several strategic interventions (Saxena & Vibhandik, 2021). Enhancing the quality control processes to reduce manufacturing defects and improve customer satisfaction is critical. Expanding the charging infrastructure to support its growing customer base and investing in research and development for battery technology will allow Tesla to maintain its technological edge (Boesch, 2023).

### Improvements and Solutions

Addressing the semiconductor shortage through strategic partnerships or investments in chip production could stabilize Tesla's supply chain. Strengthening the public perception of its Autopilot and full self-driving technology through transparent communication and robust safety measures will also be vital. To tackle the high costs of its vehicles, Tesla could innovate in manufacturing processes or materials to reduce costs, thereby making its cars more accessible to a broader market segment.

References

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