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“SWOT Analysis: Tesla Motors, Inc.

Jason Dalvagas | May 23, 2016

ISSUE

How has Tesla reported operating losses in every year since its IPO, yet it has been growing at a rapid pace over the last few years? All thanks to the public’s excitement for its automobiles, and for the increased campaigns of global warming, more interests have been built up in people’s minds to one day own electric vehicles.

RULE

As seen in an op-ed for the New York Times, Greg Smith resigned from Goldman Sachs as their Executive Director because “The interests of the client continue to be sidelined in the way the firm operates and thinks about making money.” Smith writes *Not one single minute is spent asking questions about how we can help clients. It’s purely about how we can make the most possible money off of them. If you were an alien from Mars and sat in on one of these meetings, you would believe that a client’s success or progress was not part of the thought process at all.*

ANALYSIS

As seen on Value Line's SWOT analysis made on Tesla (Dalvagas), "As an investment, Tesla is an interesting selection, as well. While sales growth has been explosive, the company still isn't making money. The stock also has a good amount of risk. It has a large amount of debt on its balance sheet and has been burning through a significant amount of cash in order to fund R&D and expansion plans." Tesla has been growing rapidly without making profits because it is solely focusing on satisfying the customers' needs and creating a culture in the organization's atmosphere. Tesla is not focusing on selling cars, rather, it is changing the industry of automobiles and driving culture. Tesla is not the only company offering automobiles that runs on electricity, it is dominating the industry for long-range electric vehicles. As part of showing how focused they are on maintaining their culture which focuses on satisfying the customers, Tesla vehicles are less expensive and highly luxurious. However, Tesla's corporate structure have an advantage. Dependable acts like that builds a perfect and trustworthy atmosphere among worker to worker, and worker to customers.

CONCLUSION

Tesla is a fast-growing company that its introduction to its industry has facilitated several changes. Its CEO Elon Musk is a visionary whose approach to business is unique and genius like. Elon Musk proved that him and his organization are concerned about the global health, thus, their innovative ideas are used to uplift it. Ethically, Tesla is on an advantage because its structure is built upon a genuine mission.

PHILOSOPHICAL REFERENCE

"When leaders believe that their sole purpose is profit, they tend to view customers as "its." They're no longer human beings, they're anonymous targets and prospects whose sole purpose is to help you make money." (McLeod) [Why Profit Should Not Be the Primary Purpose of Business | HuffPost](#)

References

Dalvagas, Iason. "SWOT Analysis: Tesla Motors, Inc." *Value Line* (2016). Online Article. [SWOT Analysis: Tesla Motors, Inc. \(valueline.com\)](#)

McLeod, Lisa Earle. *Huffpost*. 27 May 2012. Web.