Development Status and Suggestions of Tesla

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Abstract. As a famous automobile company, Tesla has a good development trend. In-depth analysis of Tesla is conducive to a more scientific understanding of the development of the automobile industry. This paper discusses the development status and advantages of Tesla and recognizes that Tesla has a good development prospect. At the same time, I found that Tesla stock has a good development trend and is worth investing in. This paper provides some enlightenment for the sustainable development of Tesla.

Keywords: Tesla; Development Status; Suggestions.

1. Introduction

I have chosen the company, Tesla. I choose this company because I want to investigate a company that is really popular right now, and I am really interested in how Elon Musk manages his company so that he can make Tesla one of the biggest companies around the world, only in a few years time. From having a lot of debt, now becoming one of the biggest companies and Elon Musk became the richest person. It is incredible to see this.

The purpose of this paper is to use SWOT analysis to describe the development status of Tesla. Considering the important position of Tesla in China's automobile industry, analyzing the development status of Tesla can help us think more deeply about the future prospects of the automobile industry, so as to formulate strategies and suggestions conducive to the development of relevant industries.

The contribution of this paper may include the following two aspects. First, there are few analyses on Tesla. This paper uses SWOT analysis to summarize the advantages of Tesla, analyze the disadvantages of Tesla's development, and describe the opportunities and challenges of Tesla's development, which is conducive to a comprehensive understanding of Tesla's development. Second, this paper provides some enlightenment for the development of Tesla. Although Tesla has obvious advantages in its development, it should also pay attention to the fierce competition environment and threats to enhance its comprehensive competitiveness.

2. Tesla's Advantage and Weakness

The following factors which are believed to be Tesla’s stronger points have ensured the company’s profitability, expansion, and popularity, especially in the long term. The strength is Tesla is a top employer company, any company or organization depends on their employees, it is the basis of a successful company, which also makes Tesla a successful company. According to the wall street journal, “Tesla has emerged as an ideal company for employees due to its diversity and innovation-encouraging culture.” Tesla has become one of the most ideal places to work, the company has attracted lots of young and talented job seekers, which makes them this successful. We know Tesla because they are the first and the best Automotive company, their sales of electric cars has never decreased, it is increasing every year. Finding a good opportunity is really important, Tesla has found this opportunity and made it successful. I believe Tesla is really good at innovating new products to the market, it has an incredibly high rate of innovation, for example, the world’s first fully-electric semi-truck and new sports car, which leads to substantial financial gains.

Every successful company will have a weakness, the same as Tesla. The higher standard of innovation, the greater will be mechanical complications and production risk factors. Tesla faces continuous launch, manufacturing, and production ramp delays while launching its new vehicles and other products. Tesla was not able to meet the demand that the consumer wants, their supply was too

slow, and are not able to satisfy all consumer needs, which may cause some trouble. Elon Musk has accepted that their production rate has decreased due to the limited supply of batteries. The shortage directly affected the sales of electric vehicles and energy storage systems. Elon Musk is the CEO of Tesla, was not acting like a CEO, the consumer has bound Elon Musk and Tesla together, the act of Elon Musk will affect the profit of Tesla, he keeps acting weird things on Twitter which has made Tesla stock decrease a huge amount.

3. Tesla's Opportunities and Threats

I think there is still a lot of opportunity waiting for Tesla to take, even Tesla has become one of the biggest companies in the world, there is still some places' market that has not been open yet, which is a big market waiting for them to contribute. Tesla intends to make its own battery cells. The move can be a big game-changer as it will help the company to increase its manufacturing rate while reducing its production cost. Currently, Panasonic is their primary supplier of batteries. I personally think that Tesla still has a lot of potential markets and consumers, it is at the starting phase, they will become better and bigger.

There is some threat that Tesla will need to face, to become a better company. "Despite Tesla's premium quality assurance and high standards of manufacturing, the automobile industry, in particular, is accustomed to facing significant product liability claims which the company fears to be one of the biggest financial blows. Tesla has launched many autopilot vehicles, and not all of them have been successful in case of an accident. The company has faced lawsuits and claims related to the failure of technology in its products. If these liability claims continued, then Tesla may be subjected to greater financial setbacks." Now in the market, there is soo many subsidies for an electric vehicle, Tesla needs to find a way that will gain consumer favorite. Tesla is really advan-guard this is why Tesla is really popular now, but this may also cause problems for Tesla, there is still a huge amount of consumers that are concerned about self-driving cars, which may let Tesla lose lots of consumers.

Valuation
Trailling P/E : 396.78
Forward P/E : 147.06
Enterprise Value/Revenue : 26.07
Enterprise Value/ EBITDA : 166.99



Fig 1. Tesla's stock trends

4. Conclusion

In conclusion, Tesla is a company that has a good future, and I believe that it will become better. They are the model of electric vehicles, they are still in the lead of this market, no other company can compare with Tesla. These few years Tesla's market and stock are increasing significantly and at a

really fast speed, Tesla will continue to do this in the future. It is a good chance to buy Tesla stock right now, if you have missed out before, it is safe and confirm worth it.

Although Tesla's future development prospects are very good, it is also aware that fierce competition may cause adverse impact. In addition, there are many influencing factors of stock, with obvious uncertainty. Therefore, future research can try to use more detailed data to predict the development trend of stocks, so as to work out a more scientific investment plan.

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