

## miniCASE: Tesla Model, Z?

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The Director of Conference of miniEnterprise 2024 wrote this miniCase study solely to provide material for the case competition segment of our annual conference on February 10th, 2024.

The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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“Innovation often doesn’t come through one breakthrough idea, but through a relentless focus on continuous improvement.”

—Elon Musk, Chief Executive Officer of Tesla

Climate change has emerged as one of the most pressing challenges of our time, with far-reaching implications for our planet and future generations. The Earth's climate system is undergoing significant shifts due to human activities, particularly the release of greenhouse gases into the atmosphere. The consequences of climate change have been profound, impacting individuals in every corner of the world and threatening the delicate balance of ecosystems and the well-being of both human and natural communities.

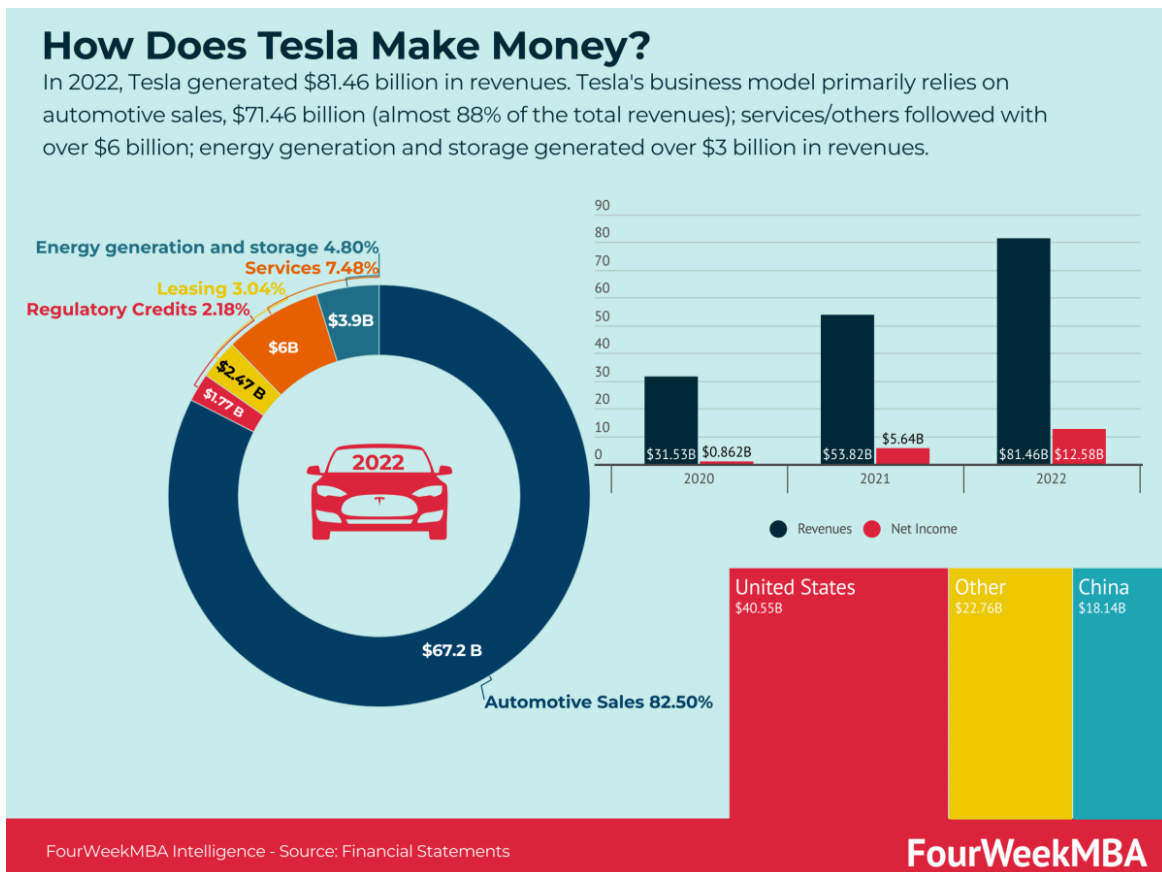
One company that has made significant strides to mitigate the causes of climate change is Tesla - a market leader in the electric vehicle industry. Since its inception, the company has shaken the industry with the expansion of electric vehicle technology to the mass market. With nearly 2 million vehicles having been sold, Tesla’s “electric vehicle revolution” is here to stay and continues to push the entire automotive industry into a more sustainable path forward.

Tesla is widely regarded as a pioneer in its industry, serving more than 40 countries worldwide. The current lineup of Tesla's product range comprises of five zero-emission vehicles: Model X, Model S, Model Y, Model 3 and Cybertruck all of which have received numerous awards. The company has plans to create a semi and low-cost hatchback, but delays and supply chain challenges have halted the release of such products. Moreover, the Tesla company continues to innovate and push the boundaries of innovation in new industries. From developing Tesla Bots to Tesla Solar Roofs and even Tesla Tequila, it is clear that Tesla’s impact goes far beyond the mere automotive industry.

Although Tesla can be perceived by many as successful, the company and its leader have drawn numerous controversies and severe criticism. Recently, the company's suppression of labour laws came into scrutiny as attempts to unionise in Tesla's Fremont Gigafactory were met with threats of pay decreases and even widespread layoffs. Tesla was also called out for sourcing resources for their batteries from firms with human rights violations ranging from child labour to modern slavery and corruption. Quality control issues have become synonymous with Tesla Vehicles with the Consumer Reports annual reliability survey ranking Tesla among the least reliable vehicles despite its pricing as a luxury vehicle. Elon Musk's leadership has also come into question following his controversial online presence and his treatment of Twitter employees after the acquisition of the social media giant.

Outside of the social issues plaguing the company, Tesla is set to face numerous headwinds as the company continues to grow. Although Tesla was the first in the market, competition from legacy automakers has driven up in recent years and demand for Tesla vehicles is not at the rate it used to be at. Supply chain and logistical challenges have also delayed many of Tesla's upcoming product launches.

Tesla itself brands the company as a Tech company rather than an automotive company to justify their enormous valuation. But is this true? Automotive sales make up 82.5% of Tesla's total 2022 revenue. To justify its perception as a tech company, it would be logical to encourage Tesla to diversify away from the electric vehicle industry. In the same way, Tesla innovated the carbon-intensive vehicle market, Tesla must continue to innovate and expand their product offerings that push industries into a sustainable future while ensuring social responsibility along the way.



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## CHALLENGE

As a team, strategize on effective solutions that will innovate Tesla's product offering and diversify the company's revenue stream. For this miniCase, the focus should be on releasing a **new** product that will be added to Tesla's current product offering that strays away from merely the automotive industry. It should have a clear vision of how this new product focuses on sustainability and helps improve the environmental landscape of a specific industry. Be creative on the new product you intend to release. The video is to be submitted in a **1 to 2-minute product trailer format highlighting key features of the product**. Tesla and other tech companies are known for their captivating product launch videos. To maintain a high degree of accuracy, feel free to refer to these videos as a source of inspiration to guide your miniCase. The team with the highest ranking solution according to the criteria provided will **receive a \$100 grand prize**. Although the *score* of this challenge will be excluded when determining finalists, **completion of this challenge is necessary to be an eligible finalist team**.

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## CRITERIA

The video solution will be evaluated based on the following criteria:

1. **Effectiveness:** what impact will your marketing/branding solution have?
2. **Appeal:** whom are you targeting? Why should they listen?
3. **Creativity:** how unique is your proposition? Has it been done before? How does it Innovate?
4. **Presentation:** does your video engage your audience? Is it coherent and professional?
5. **Style:** how does the style of your trailer compare to other product launch videos?

(Internal)

[https://www.youtube.com/watch?v=poTxDqms\\_nQ](https://www.youtube.com/watch?v=poTxDqms_nQ)

Refer to 29:18 - 29:42 for inspiration.