

Tesla motors project proposal essay sample

[Business](#), [Management](#)



Introduction

Tesla Motors designs and manufactures the most advanced electric vehicles and electric power trains in the world. Tesla Motors do not compromise on innovation, performance, or appeal. Nor does Tesla Motors compromise commitment to hiring and developing the best from around the world. Tesla Motors work in small, focused teams, which much like our products are agile, efficient, and focused on excellence. Tesla Motors are driven by work that contributes to a global impact and are passionate about our future in the automotive industry. The pace is fast, the work is stimulating, structure is limited, and innovation is expected. Tesla Motors is headquartered in Palo Alto, California, runs satellite offices in Los Angeles and Maidenhead, UK, and operates retail locations around the world. Whatever location you choose, you'll be surrounded by the best of the best, working together to impact the future of transportation. Tesla Motors is committed to retaining an entrepreneurial philosophy. The high-energy atmosphere encourages creativity among small teams that rally around challenges and make quick, calculated decisions. Tesla Motors provides compensation packages with competitive salaries, benefits, and meaningful equity.

Organization's Strategic Plan

Like any strong organization, it is important for Tesla Motors to have a strategic plan for success. This plan starts with the company mission statement. According to "Tesla Motors Company Overview" Tesla Motors mission statement is to "Move from a mine-and-burn hydrocarbon economy towards a sustainable, solar electronic economy". This mission statement sets the foundation for Tesla Motors company vision. According to "Tesla <https://assignbuster.com/tesla-motors-project-proposal-essay-sample/>

Motors Company Overview” Tesla Motors vision is “ Create the most compelling car company of the 21st century by driving the world’s transition to electric vehicles”. This mission statement and vision are used to set up Tesla Motors long-term goal, which according to “ Tesla Motors Company Overview” is to offer “ a full range of increasingly affordable electric cars.”

Tesla Motors will use the mission statement, vision, and long term goals throughout the project selection process, starting with the portfolio management process. By keeping the company focused on its core mission statement, Tesla Motors will have the greatest chance of success in the future.

Organization Strategic Capacity Plan

Organization management plan allows managers to break down the entire operation of a department into several phases. Dividing operational functions into sections allows management to obtain a clear picture of what the goals of a department are and how to implement the goals most effectively. It also allows managers to respond rapidly to factors that affect the internal or external expectations of company. The Organization Management plan consists of five phases: Job Design, Departmentalization, Delegation, Span of Management and Chain of Command Job Design

Job Rotation

Systematically moving employees from one job to another in an attempt to reduce employee boredom. Job Characteristics Approach: suggests jobs should be diagnosed and improved along 5 core dimensions. Core

Dimensions

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The process of grouping jobs according to some logical arrangement.

Rationale for Departmentalization

Organizational growth exceeds the owner-manager's capacity to personally supervise all of the organization.

The process by which managers assign a portion of their total workload to others. Reasons for Delegation

To enable the manager to get more work done by utilizing the skills and talents of subordinates. To foster development of subordinates by having them participate in the decision-making. Span of Management

Span of Management is a number of subordinates who report directly to a manager. Affects the total number of relationships within an organization.

Capacity of superiors

The number of people who report to a particular manager determined by many factors: Competence of manager and subordinate

The Portfolio management process provides the project scheduling and report the functionality of the organization. With the help of observing the functionality the organization could identify the current situation at present.

Portfolio Management Process does not provide the documentation for the organization but it provides the complete steps in developing the organization. The portfolio management process consists of seven main phases: Identification, Categorization, Evaluation, Selection, Prioritization, Portfolio Balancing, and Authorization. Tesla Motors is realizing the importance of a critical step in the Project and Portfolio Management

discipline – Portfolio Planning. For the average business, Portfolio Planning may be a process well beyond their organizational maturity; however, it is a major component that should not be overlooked, in order to increase the probability of reaching Tesla Motors business objectives. Tesla Motors company mission statement is to “ Move from a mine-and-burn hydrocarbon economy towards a sustainable, solar electric economy”. The mission in whom you execute this discipline may indeed vary depending on maturity, but the basic steps can be followed regardless of the complexity of the processes behind them.

PPM Process Overview

Figure 1: Project portfolio management process timeline. The overviews, management guidance, and available resources are identified with the help of portfolio management process. Portfolio Management Process is the center of the organization to succeed and to recognize the organization. Figure 1 is the regular process timeline of PPM. While different company have difference situation, which means if one step does not necessary for this company, then they could work next step directly. Here is the process Tesla Motors implement: Identification – During this process, documentation and assembling of information will occur, which will prepare for the decision-making that must be done later in the process. Tesla Motors is almost entirely dependent upon revenue generated from the sale of their electric vehicles. One of Tesla Motors core value is “ Committed to electric: Tesla Motors makes the best electric cars and electric power trains in the world. Tesla Motors technology offers the most efficient path to a sustainable

energy future. No Hybrids. No Hydrogen. No Hype”. The master plan is entering at the high end of the market and then lowers prices with each successful model.

SWOT analysis of Tesla Motors as follow:

Categorization – Within this step, all of the potential components will be grouped together into various categories. This will facilitate the decision-making process in relation managing the portfolio and its various parts (Keller, 2013). Tesla Motors faces open new market of lower-price with each successful model. In order to content performance, the components of this goal include difference area.

Manufacture

Figure2: Uniquely Positioned in Large Market.

Selection – In this step, inputs, outputs, customers and suppliers of Tesla Motors new model should be compared. This includes identification or roles, responsibilities and account-ability for those involved in the process. A criteria-based selection matrix helps Tesla Motors standardize the project selection process, boosting its reliability. Customer impact

Will the successful outcome of Tesla Motors new model have a material impact on customers’ (internal or external) perceptions of quality? Process stability

Is the process relatively stable? Is the process likely to undergo major structural or design changes in the near future?

Will the project contribute to enhancing overall service quality along the delivery value chain?

How long could Tesla Motors complete this mission

Investment

Will the costs to fix the problem likely include large cash outlays or capital investment? Team availability

This takes into account the amount of time key team members have to support this project.

Prioritization – Prioritization focuses more on the active portfolio. In this step, Tesla Motors know which projects to fund, which to continue funding, and why. Firstly, Tesla Motors currently should spending time and money in design lower-price and more affordable model. Now the price of Tesla Motors car is “ For \$62, 400, the Model S with a 60 kWh battery has a range of 230 miles. The 85 kWh battery model starts at \$72, 400, and can go about 300 miles on a full charge.” The weak demand for the small battery model is not surprising with high price. Then, Tesla Motors should accelerate the charge battery to get better results. “ It currently takes about 30 minutes to charge a Tesla Motors battery halfway at one of the company’s supercharging stations.” Accelerating the charge battery time could help Tesla Motors attract more customers. Third, Tesla Motors should decide how they can free up resources for other high priority demands, which makes Tesla Motors master plan more clearly “ Use that money to build an affordable/ even more affordable car”.

Portfolio balancing and authorization – In this process, the prioritized components are organized into a mix of components. This mixture of

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components gives the best chance for collectively supporting and working toward achieving the organization's strategic goals. Three things are done in this step: approving, funding, and communication. First, approval of the project automatically means approval of the necessary funding. However, in other organizations a tight rein must be maintained over the organization's cash flow and so a process is in place for separate release of funding for projects and other work as the year progresses. Second, it is likely that the funding requests need to be included in your overall annual Business Plan. The plan will cover other things such as your goals, objectives, strategy, capabilities, etc., but it is unlikely that you will be required to attach Value Propositions and Business Cases to the plan. Third, actual authorization means that work has been approved by the Steering Committee and the managers that submitted the original requests are all notified accordingly. Either way, it is essential that the Steering Committee proactively communicate the funding situation so that managers can manage their work accordingly. Each component within the balanced portfolio needs to be initiated, but requires approval and funding.

These things will occur during authorization and the authorization will be communicated to the areas and people that need it to begin work on the components. Another step that must be taken in relation to portfolio management is the periodic reporting and review of the portfolio. At various times, the organization's portfolio will need to be reviewed and reports made base upon the portfolio components as a whole. These reports will use key indicators that will review the component mix and the performance of that mix by doing a comparison of the way things are actually evolving to the way

they were anticipated to evolve in the categories of value, spending, risk level, and strategic alignment. Tesla Motors is a young enterprise and they still should adjust this strategy depends on market demand and resource. Based on these reasons, Tesla Motors should make reports and review twice per year. Project Selection Process

A strategic approach to project selection will produce better results for Tesla Motors by minimizing risk and maximizing benefits. It's about efficiencies, faster distribution and lower cost that Tesla Motors can pass on to the consumers. These are the business values that drive Tesla Motors. In order to meet these standards, a common set of qualitative and quantitative procedures are in place to help manage the projects within their plan. Tesla Motors is aware that choosing successful projects will determine if a value will be returned. Projects are initiated and introduced as a result of the market demands and technical advancements. In addition, there may also projects that have to be decided on in order to stay in compliance with federal mandates or regulations. These types of projects are of great importance because they determine the health and continued existence of the company. Selecting projects that contribute to the achievement of the strategic objectives and organizational mission sustain focus and strengthen Tesla Motors overall. It is assessed by assuring that the company, strategic plan and the outcome of the project are aligned.

Tesla Motors has developed project selection criteria to select and prioritize projects. The project selection process includes assessing benefits, risks, probability, and synergy. After the projects have been evaluated on these

four criteria they are compared to other projects that are being considered. Let's look at each of these four criteria individually. First, it is imperative to assess the benefits of the projects to the organization that are important to stakeholders and may be technical or operational in nature or linked to power, politics, and communications. Certain questions need to be answered when looking at a potential project. Does the project increase Tesla Motors ability to target customer needs? Does the project have the potential to increase market share? Does the project promote and raise public awareness of Tesla Motors social responsibility goals? Such questions need to be answered to avoid ambiguity and uncertainty in relation to the project. Second, is to assess the risks of the projects to the organization based on three levels of risk. These are program risks that directly affect the program, aggregated risks that are common to more than one project, and project risk that only affects one project. Do the financial needs, technical needs, and/or schedule requirements of the project pose a risk to the overall program? Do the financial needs, technical needs, and/or schedule requirements of the project pose a risk to multiple projects within the program? Is the project high risk in terms of its financial needs, technical needs, and/or schedule requirements?

These are additional questions that need to be answered in regard to the risks associated with each project within the program. Third, an assessment regarding the profitability of the projects using Earned Value Analysis, Net Present Value, and Return on Investment calculations needs to occur. Tesla Motors needs to see if the project is acceptable based upon the Net Present Value calculation. A look at whether the project is acceptable based upon the

Economic Value Added calculation and based upon the Return on Investment calculation needs to be made. Fourth, an assessment of the synergy of the projects with other projects that are being evaluated and the ability to implement pacing is required. Tesla Motors must look at whether each project compliments other projects in the program and whether or not they fit well in terms of pacing. Quantitative measures of resource consumption, customer satisfaction scores, market share, supplier value, and other business measures may be every bit as influential in judging project success. Tesla Motors philosophy is to bring affordable technology to the hands of the consumers. These benchmarks determine if the objective of the projects can be met while maintaining the scope, staying focused with the available resources, and executing quickly.

Program Management Plan

The Tesla Motors portfolio management process has selected and prioritized many projects that the company needs to accomplish in order to achieve the company's long term goals. The best way to organize and execute these projects is with a good program management plan. The prioritized project list will have many projects that will help Tesla Motors achieve its long-term goal of " offering a full range of increasingly affordable electric cars". The program manager needs to work with both the portfolio manager and each of the project managers. With the input of key shareholders, the program manager will find the best way to organize projects. Projects will be organized so that resources are used to capacity, but not over used. The program manager will also evaluate the overall budgets when organizing the

programs. When the program manager considers resources and budget while organizing the programs, they maximize Tesla Motors chances of having successful projects going forward.

The first thing that needs to be done is to organize the projects into logical programs. There will be several projects that are pure R&D including working on better and more efficient battery technology, better drive train, and more efficient charge technology. There are also several projects related to each year's revisions and updates to the current line of cars to continue to be a leader in style and luxury. There are several projects related to new future car models to continue to push and keep Tesla Motors as a leader in electric vehicles. And there are several projects related to Tesla Motors establishing its own set of charging stations across the country. The best way to setup the programs is along those divisions.

Research and Development would be its own program. Significant new innovations are hard to predict, other projects should not be reliant on the R&D group to achieve their goals. As the R&D group achieves a significant innovation, that innovation will be handed off to the new car program to incorporate into a future model of car. This can also help Tesla Motors achieve its goal of affordable cars. With the R&D group being its own program, independent of any car line, it can be kept small and focused, and each car model does not need to cover the cost of its own R&D in the cost of the car. This also helps with resources management since this is a focus group and personnel will not be waiting on production before beginning the

next R&D project. This program will monitor updates and release technologies to the new car program, as technologies are ready.

Continuing to update and distribute the current car, the Model S, is its own program. There are several project related to the building and distribution of the Model S. This is the heart and soul of the company, without this, Tesla Motors does not make money and would not exist. It is important that everything from the design updates through the distribution work well together, and the best way to do that is to have it all under one program that can focus and track the car through all stages. This program will need to pay close attention to quality control. Their output goes directly to the customer, and quality is critical for customer relations.

The next Program will be new car innovation and design. As new technology is developed, the new technology needs to be incorporated into a vehicle and introduced into the production line for production and distribution. This will be one of the more challenging programs to handle. Changing a car production line is a challenge. While it is down for the change, no cars are being made, and Tesla Motors is not making money, and new parts need to be ready for the new car when the assemble line starts working again. Tesla Motors does not want to do this very often, and it needs to run smooth when it does happen. This also makes resources management a challenge, this group will be changing in size and scope as new models are started and released to production. The monitoring of this process needs to assure that everything is ready for the changeover when it happens. Any delays in the

changeover effect the production of cars and the bottom line of the company.

The final program will be the charge station across the country. There will be several projects related to the manufacture, transportation, installation and running of the charge stations. These projects are independent of the car production, but need to work together to establish a series of Tesla Motors charge stations across the country. This program needs to run efficiently. These charge stations help improve the image of Tesla Motors and affect future sales.

Risk Management Plan

Projects are full of uncertainty. As such, it is advisable to perform and document an initial risk assessment to identify, quantify and establish mitigation strategies for high-level risk events that could adversely affect the outcome of the project.

A risk is any factor that may potentially interfere with successful completion of the project. A risk is not a problem – a problem has already occurred; a risk is the recognition that a problem or opportunity might occur. By recognizing potential problems, the Program and Project Manager can attempt to avoid or minimize a problem through proper actions.

Identify high-level risks.

Assess impact and probability of risk occurring.

Establish mitigation strategies for identified risks.

Risk Identification, monitoring and resolution are key tools for successfully completing a project. Part of controlling a project during the Managing stage is to have an established risk management process. This process is a primary part of Project Planning and is kept current until project closeout. Technology Program and Program/Project Managers may be responsible for projects that are working with undeveloped, or unproven, technologies. In the race to keep Tesla Motors ahead of the technology curve, Project Managers will have to engage their teams in projects that may have limited budgets, tight schedules and high customer expectations. The other risk issue is the development and implementations of technology equipment and software that might become obsolete very quickly. Technology is moving at an alarming rate with its increases in speed and capabilities. Accordingly, risk is increased when implementation high-dollar or homegrown technology systems. To alleviate this issue, the Project Manager must make sure that the efforts of the Project team are aligned with the technology and business strategy of the department. Researching future needs, capabilities, and integration requirements of products will be helpful. Create a central repository for risk information and associated documentation of risk items and resolution strategies. Summarize information on a risk form – the Risk Response Plan. Assign a risk manager, who should be either the Project Manager or a member of the status tracking/review team. Include a risk summary in the regular status meeting.

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Conduct regular follow-up risk assessments based on magnitude of the project. Change Management

Any project should have an effective change management processes. Implementing new ideas in an organization is a difficult task to carry out while ensuring employees within the organization comprehend these changes. This process should include the Generate CR; Evaluate CR; Authorize CR; Implement CR; Change Plan and Responsibilities. Figure 3, 4, 5, 6 Managing organizational and cultural changes during project implementation must comprise appropriate documentation, communication, and planning.

Change Request Process Flow Requirements

On the current status, Tesla Motors needs to understand the following change management: (1) In the process of project implementation, Tesla Motors should analysis the project objective and subjective factors, to discover and grasp the changes, careful analysis of the nature of the change, to determine the impact of changes, changes in a timely manner described. (2) When a change of the various factors that affect the smooth implementation of the project, Tesla Motors must promptly schedule changes to ensure achievement of project objectives. Changes to the project plan shall obtain the consent of the main project, Tesla Motors should timely feedback to change and change its implementation. (3)

Change processing is always based on the objective need for implementation of the project, but not every change is reasonable. Perhaps it does not deal with the economic changes, there are better ways to change, and perhaps we change the law also contrary to the objective circumstances change plans simply do not work. Internal organizational culture is made up of

attitudes, beliefs, values, and behaviors of employee and the company. The employees will reflect how the company will run and whether a project will succeed. Keeping their employees engaged is important to the company. It results in increased productivity and employee morale. External changes and adjustments must be done depending on beliefs, attitudes, values, and behaviors of the customer, stakeholders, and who the project will have effects on. The ultimate goal is to complete the project with customer satisfaction, in order to do so this may require changes. Resource Utilization Plan

It is important for any company including Tesla Motors to utilize its resources in an intelligent manner. With good resource management, Tesla Motors can work efficiently and effectively. There are three major areas of resources that Tesla Motors needs to manage; personnel plant production lines and inventory. If any one of these is not managed and utilized properly, it will affect the production of cars and the company's bottom line. It is important that all three areas are utilized and managed properly. Personnel

The biggest set of resources is personnel. According to " www. teslamotors. com", Tesla Motors currently employees more than 2, 000 people across the company. It is important that everyone is working to his or her own potential. If an employee is overworked, they will burnout, and either leave the company or become less effective and efficient. If an employee is underworked, they can become bored and either leave or become complacent and nonproductive. With proper organization of the portfolio, programs and projects, the company can maintain the proper balance of

personnel resources. Some of these personnel resources are highly technical and working on future battery and drive train technologies.

These employees have unique and hard to find areas of knowledge and expertise. It is important that they are kept engaged, but not overworked helping to push the company forward. Other employees are less skilled and working on the assemble line. Any errors by them affect the final product. It is important that they stay focused and efficient. The best way to achieve both of these is with a solid management and advancement structure. The management needs to understand the skill set of each employee and use it the best they can. Employees need to know that there is an advancement structure in place and have a solid career path in place to keep them focused on their current job. Production Line

Another important resource for Tesla Motors is the production line and facility. It is important that the production line is operating as much as needed. Any time the production line is not operating Tesla Motors is not making money. Currently Tesla Motors produces three car models. It is important that production of all three models keep up with demand. Parts need to be in place and ready to keep the production line moving smoothly. Down time to change production lines to other models need to be as short and efficient as possible. It is important that the program management monitor all aspects of the assemble line from parts to delivery to the deals to keep the assemble line working efficiently. Inventory

Tesla Motors will have several projects under way that are responsible for getting inventory to the proper place on the assemble line on time. If

inventory is not in the proper place at the proper time, the assemble line will stop. Most of this inventory is produced and delivered from third party outside sources. The program manager needs to work with the appropriate project managers to make sure that this inventory is manufactured to proper specifications and with the proper quality. Quality is part of the company values system, and must be maintained. The program manager then needs to work with other project managers to make sure the inventory is delivered and in place for the production line when and where they need it.

Conclusion

Tesla Motor is a leading edge company. They have gotten to the point of becoming a leading edge company by following good project management processes. This process begins with a strong mission statement and company values. The portfolio manager uses the mission statement and company values to help guide them through the portfolio management process they choose the projects that best help Tesla Motors fulfill their mission. The program manager then organizes the projects in a logical way to best utilize their recourses and budget restraints. Throughout each projects life, Tesla Motors will use proper risk management and change management techniques to maximize the chances of each project succeeding. Following these project management processes Tesla Motors hopes to fulfill their mission “ Move from a mine-and-burn hydrocarbon economy towards a sustainable, solar electric economy”.

Reference:

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