

The three competencies of leadership in tesla company

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The three Competencies of leadership

In Tesla company

1. Introduction

The growing economy in some countries worldwide has driven the rising consumption of energy and oil in particular. In turn, the increasing demand will influence the price of the natural resources as suggested by the law of demand and supply under special condition.

In October and November 2000, for example, the world oil price averaged over three times higher than its February 1999 low, and, excluding the Gulf war period, reached a 15-year high in both real and nominal terms.

The impact of this increase in the oil price is that consumers will have to pay this increased expenditure. The mostly affected products and industries are fuel, power and energy, as well as the transport and the food sectors.

In the automobile industry, this situation is considered as a challenge since it causes the rising costs of production, which further causes the rising price. In order to give the better value for money to the customers, automobile manufacturers develop the fuel-efficient vehicles and those using renewable energy. Concerning the vehicles that using the alternative energy sources, this paper will discuss about Tesla Motors. The discussion specifically elaborates the three competencies of leadership, the company background, and its adaptation to the automobile industry.

2. Tesla Motors: Corporate Background

Amidst the development of fuel-efficient cars, Tesla Motors come up with the idea of developing the electric cars although some people still consider the type of vehicle have lots of design and performance sacrifice. This condition challenge people at Tesla to design the vehicle that both excellent in design and powerful in performance as if customers drive the fuel the gasoline-internal-combustion-engine vehicles.

After years of developing the electric cars, Tesla believes that they already deliver the best electric cars in the world that also nullifies the comments that electric cars is a step backwards in product design, efficiency, and performance. The corporate mission is to develop and deliver the super efficient and high performance of electric cars. This represents the capability of Tesla Motors to integrate the latest and attractive style and acceleration by using advanced technologies those Tesla cars as the most efficient yet the fastest cars in the world (Tesla Motors, 2009a).

One key technology that Tesla Motors keep developing is the 100% electric power train that hoped to be the basis of future electric car models, which combine the efficiency and performance issues. Figure 1 above shows the recent models of Tesla cars that exhibit these objectives: attractive design, efficiency, and performance.

Figure 1 Tesla Products

Source: <http://www.teslamotors.com>

3. Three Competencies of Leadership

3. 1. Design

The designs of cars have shifted from merely those functional benefits to additional emotional benefits. This condition is obvious as automobile manufacturers do not only rely on the executives and calculating engineers to design the upcoming cars but also involve the particular design department to come up with the creative cars design.

Patrick Schiavone, who heads the Ford's North American design, reveals that the things that the automobile manufacturers look for is the sexier-look that would buyers who once may have been sold on power, performance, warranties or amenities (Patton, 2007).

This condition suggests that car designers consider cars as one form of clothing in which the design should be clearly different from the rest and effectively defines the brand that the car represents. For example, one key feature in the cars design that clearly differentiates one brand from another is the design of headlights and highlights (Patton, 2007).

Figure 2 Tesla Roadster

Source: <http://www.teslamotors.com>

According to Tom Peters, General Motors designer, the designs of headlights and highlights represent the personality of the cars in which in Peter's words, the lights become the faces and the vehicle is a person that he wants to know. The appearance of electric vehicle (EV) manufacturers in several talk shows becomes one indication that they aim to bring the EV into becoming the popular culture (Patton, 2007; Edmunds, 2009).

3. 2. Efficiency

When the price is high, consumers will slow down their spending. It means the public spending is decreasing. The consumer mostly will like to invest their money in their bank saving or fixed deposit.

In terms of oil consumption, customers tend to decrease the use of gasoline to bring down the costs associated with it. One of the solutions is by using more fuel-efficient cars or buy new hybrid cars.

The efficiency in the cars design for electric cars like Tesla is not merely related to the fuel-efficient but also to the weight of the vehicle. This may be reached as an electric car has just one moving part: the rotor; compared to standard four-cylinder-engine cars that consists of more than a hundred of moving parts. This condition causes Tesla cars to have less weight and fewer parts that might be broken over time (Copeland, 2008).

3. 3. Performance

By definition, a hybrid car is a vehicle that employs a combination of two or more different fuel sources for its propulsion. This situation causes many combinations of fuel sources. In general the hybrid cars refer to the use of following fuel sources:

A gasoline internal combustion engine

An electric motor

A battery that powers the electric motor, which have the capability to store some energy for further use (Powers, 2006)

Currently, there are many kind hybrid cars from various brands such as Toyota, Honda and many others. Some examples of famous hybrid cars

include the Toyota Prius, Honda Civic Hybrid (HCH), and the Honda Insight (Powers, 2006).

The distinctive characteristics of hybrid cars compared to ‘conventional’ cars are that hybrid cars receive can provide better gas mileage vehicle. In addition, the hybrid cars are also known for aerodynamic model and usually come in three general models: two-seaters, compact cars and mid size cars.

Hybrid cars work by seamlessly employing a gas engine, an electric motor and a high-powered battery as discusses earlier above. This kind of recapturing of energy referred to the concept known as regenerative braking. In some cases, the power generated from the gas engine can be used to recharge the battery as well.

Based on how gas engine, electric motor and battery work together, it is best to divide hybrids into two categories: mild hybrids and full hybrids. Each has its own approach to incorporating the three components.

In the Full hybrids integrate the electric motor, gas engine and battery so that the electric motor can operate on its own when certain conditions are met. For some hybrids it does this under low speed, and once the vehicle reaches higher speeds, the gasoline engine starts up and takes over. Under hard acceleration, both the gas engine and the electric motor can work together to provide the needed power. Unlike mild hybrids, full hybrids are able to generate and consume electricity at the same time.

Tesla cars represent the full hybrids model where they are completely powered by the battery, which also represents the biggest challenge for the

designers as they need to minimize the battery's appearances that are bulky, heavy, and expensive. Fortunately, while the speed performance of Tesla cars was outstandingly disclosed, the Tesla Roadster's battery pack, which powers up the cars, is considered as the most advanced battery packs in the world (Tesla Motors, 2009b).

The battery packs composes of lithium-ion battery technology, which further packed in multiple layers to ensure the safety. The performance of this advanced battery pack can power a car to reach 0 to 60 mph in less than 4 seconds. In addition, the battery can store enough energy for the car to travel about 220 miles before recharging. This incredible battery performance attracts Daimler to buy about a 10 percent stake in Tesla Motors worth \$50 million, according to industry estimate (Tesla Motors, 2009b; Abuelsamid, 2009).

4. Conclusion

In addition, other sector such as transportation and electricity also experience the negative impact driven by the increasing oil prices. Because of that problem, consumers have to pay more to obtain same amount of oil products like before.

In the automobile industry, this situation is considered as a challenge since it causes the rising costs of production, which further causes the rising price. Concerning the electric vehicles (EVs) that use the alternative energy sources, this paper will discuss about Tesla Motors regarding the three competencies of leadership, the company background, and its adaptation to the automobile industry.

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