



Best in the Midwest

Case Prompt

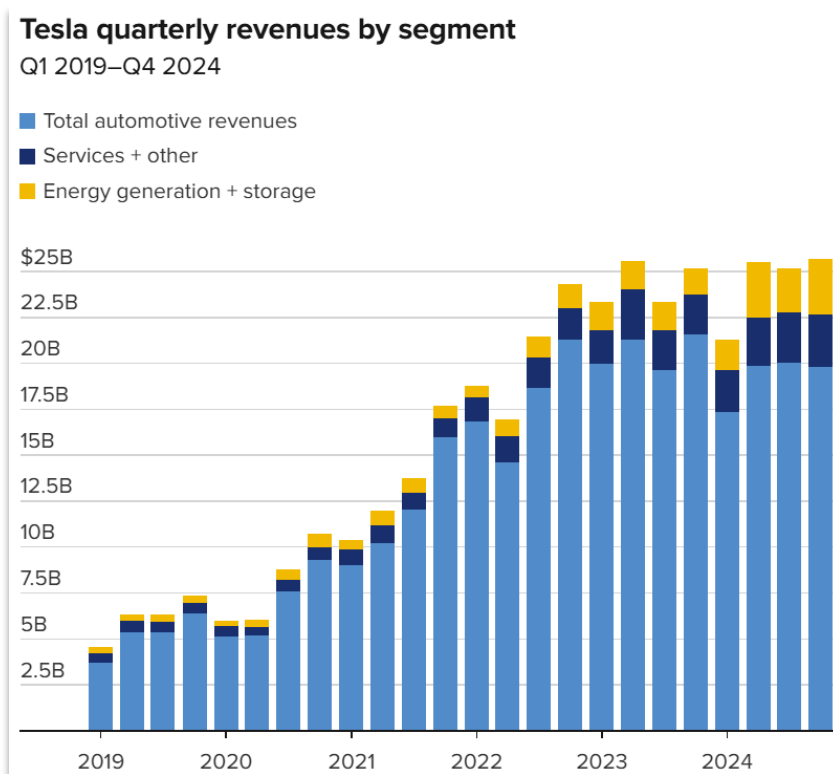
Released on Feb 20, 2025

Presentations on Feb 22, 2025

Prompt

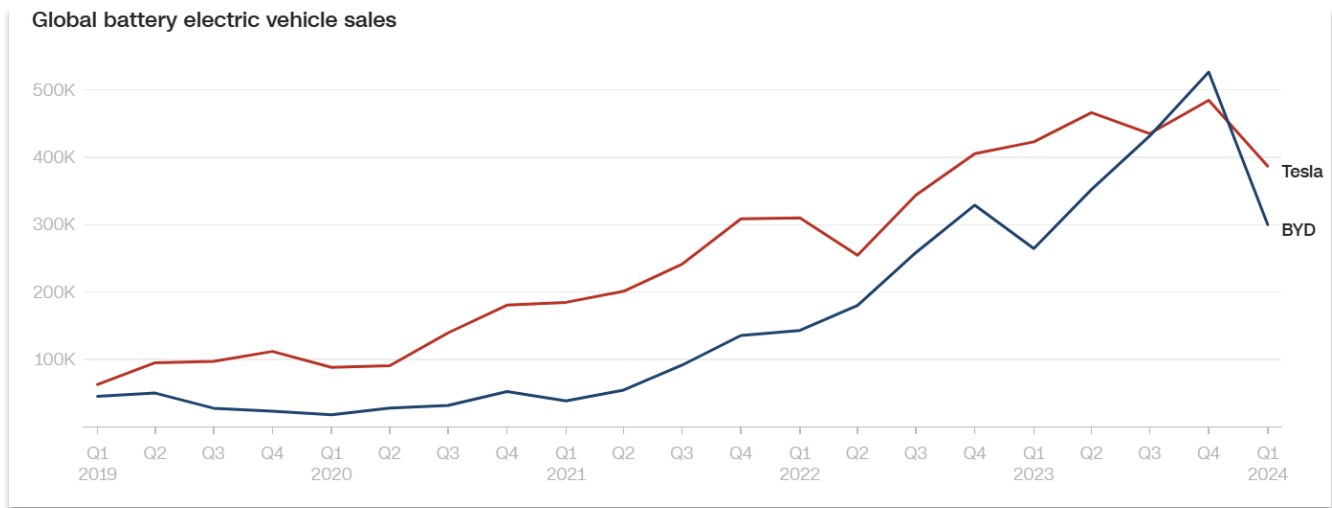
Tesla Inc., the renowned American electric vehicle (EV) and clean energy company, founded in 2003 to accelerate the world's transition to sustainable energy, has been facing significant challenges since 2023. Despite its position as the #1 most valuable automaker in the world since 2020, the company has recently seen its vehicle deliveries drop, margins shrink, and market capitalization tumble since its peak in 2021.

Stunningly, the stock declined over 25% in just the first six weeks of 2025. In Q4 2024, automotive revenue dropped 8% and total revenue fell \$1.5B short of analyst estimates. The company's product lineup has grown dated, and its ambitious plans for innovation beyond its core business, such as fully autonomous driving and robotics, have yet to generate significant revenue or profits. Furthermore, Tesla's CEO, Elon Musk, has become an increasingly eccentric and polarizing figure, drawing both praise and criticism for his business ventures and political and public persona.



Source: *BYD, Tesla, CNBC*

The company is also grappling with an industry level challenge, as cooling consumer appetite for EVs has started to unfold. To stimulate demand, Tesla has been reducing prices, a move that has adversely affected its once-enviable profit margins. Meanwhile, Chinese automakers, led by hard-charging BYD, have emerged as agile competitors, offering technologically advanced and affordable EVs in certain markets. For comparison, BYD's entry model in China is just under \$10K, while Tesla's Model 3 is priced at \$34K.



Source: Tesla, BYD, CNBC

Despite these struggles, Tesla remains a formidable player in the EV market, both in the U.S. and globally. While **operating margins have shrunk from a high of 19.2% (Q1 2022) to 6.2% (Q4 2024)**, the firm still manages to turn a profit on its vehicles, while many traditional car manufacturers are struggling to do the same with their EVs. However, the bright future envisioned by Musk, with millions traveling in fully autonomous Tesla EVs, could be a distant reality.

Tesla seeks your expertise to identify strategies for rekindling its growth trajectory and reassuring its shareholders. The company aims to not only retain its leadership position in the EV market but also set a clear path towards its future goals, including affordable EVs and fully autonomous driving.

Understanding that full autonomy may still be distant, Tesla is particularly interested in strategies that leverage its current capabilities and align with market realities to drive **immediate and sustainable growth**. Your insights will shape Tesla's strategic direction and help it navigate the challenges ahead.

Here are some potential questions you might want to address as you explore growth options:

- Given the competitive threat posed by Chinese EV manufacturers and other emerging players, what strategic steps should Tesla take to maintain its leadership in the global EV market? Where should it focus geographically?
- With shifting consumer preferences and an aging product lineup, should Tesla expedite the introduction of new cars, or instead focus on redesigning and updating its current models? What key product considerations should it prioritize?
- Considering Tesla's current capabilities and the market environment, how might it diversify its revenue sources or explore alternative business models to fuel sustainable growth and profitability?

Rules:

- No person can be a part of more than 1 team.
- The decision of the judges will be final and binding in all instances.

Deliverable Guidelines:

- Entries should be in the form of a .ppt/.pptx with a total of 7 slides.
- The slides should cover the following concepts (in order), but should have unique, insight-oriented taglines:
 - Cover Slide
 - Executive Summary (be explicit about the amount of incremental revenue generated from your idea)
 - Market Analysis
 - Customer Analysis
 - Competitive Analysis
 - Company Capabilities
 - Next Steps

The objective is to devise a strategic plan that enables Tesla to navigate its current challenges and uncover new avenues for growth in the next 5 years. **Remember, Tesla's primary focus areas are immediate and sustainable growth, profitability, and maintaining leadership in the evolving EV market.**

Schedule

- 8:00 – 8:30 | *Cap Fed 1020* | Welcome from Management Consulted
- 8:30 – 11:30 | Assigned rooms [here](#) | Teamwork time, MC mentor check-in
- 9:00 – 10:00 | *Room 1170* | Advisor Meeting
- 10:15 – 11:30 | Grab-and-go brunch provided by EY Professionalism
- 11:30 | **All slide-decks due** via email to team@managementconsulted.com (no changes allowed after submission). *1pt deducted for every minute late.*
Title email: {team number} BMW Final Deck

Round 1

- 11:45 – 1:11 | room assignments can be found [here](#) | 5 min presentation + 3 min Q&A

Round 2

- 1:20 – 2:46 | **All teams attend** | room assignments can be found [here](#) | 5 min presentation + 3 min Q&A

Finalists

- 2:55 | Scores released (scored based on average of first and second round scores)
 - Top 5 Teams of BMW bracket advance to finals
 - Top 5 Teams of KU bracket awarded prizes and conclude competition
- 3:00 – 3:55 | *Cap Fed 1020* | Final Presentations | 5 min each + 5 min Q&A
- 3:55 | Announcement of Final Ranking/Winning teams
 - 1st Place - \$1,000
 - 2nd Place - \$750
 - 3rd Place - \$500
 - 4th Place - \$250
 - 5th Place - \$250

4:15 – 5:30 | Winning teams, judges and exec off-site reception

Scoring Rubric (out of 60):

10 – Executive Summary

10 - Market Analysis

10 – Customer Analysis

10 – Competitive Landscape

10 – Company Capabilities

10 – Presentation delivery

Presentation delivery scores will be used as the tiebreaker in case of a tie.