EPFL

Objective(s): The objective of this assignment is to better understand the journey of digital transformation (digitization, digitalization, and digital transformation) in automobile industry; more specifically Tesla's innovation and disruption, and the future of electric cars. Also, we will learn how to manage digital transition and how to drive (implement and roll out) a successful digital strategy.

Task(s):

1. Read the **book chapter: Platforms and Ecosystems** (Driving Digital Strategy**)** https://moodle.epfl.ch/pluginfile.php/3437670/mod_resource/content/1/Reading-Driving%20Digital%20Strategy-Platforms-70-90%5B1%5D.pdf

2. Read the following **case study: Tesla Motors – Disrupting the Auto Industry?** https://moodle.epfl.ch/pluginfile.php/3430344/mod_resource/content/1/Case%20Study%20-%20Tesla.pdf

3. No submission is required; however, like Assignment 2, we will discuss this case study as a group in class.

- **Discussion points and case questions:**
   o Tesla is on the Forbes list of the world's most innovative companies (top five for the last five years), Which of you would invest in Tesla and who would not?
   o Why would Tesla enter such an unattractive industry? What are the risks to Tesla in entering such a difficult industry?
   o Is Tesla a disruptive technology?
   o What are the elements comprising Tesla's business model? How did Tesla's business model change over time to accommodate its development from niche to a mass-market player?
   o How is Tesla different from its rivals? How does Tesla deviate from the business model of a traditional auto maker? Why does Tesla do it differently?
   o What are Tesla's value propositions? What makes Tesla distinct from its rivals in terms of key resources? What are the partnership that Tesla maintains? Why? How are activities of Tesla's partners interconnected?
   o Tesla make products or platforms? Explain more and create a list for your argument.
   o Is Tesla foolish to pioneer a new architecture and do it all in house or Tesla should outsource? Why? What are the risks?
   o Why Tesla opened up its patents? What are the pros and cons? If it's willing to open the patents, why are there no tours of the Gigafactory?, what does this tell us about Tesla's innovation strategy?
   o Tesla is making its own components, charging stations, dealerships and repair centers. Should it have diversified into Tesla Wall? Is this a distraction from the core, or it is a plus?
   o Should Tesla enter new markets (for example: solar energy, Tesla restaurants, …) or stick to car production? How can Tesla refine its services?
   o What factors are most important for predicting Tesla's future success?