

MASTER OF BUSINESS ADMINISTRATION


STRATEGIC MANAGEMENT

Please refer to the **Academic Calendar** for the assignment submission dates.

TECHNICAL REQUIREMENTS AND ASSIGNMENT INSTRUCTIONS

- Ensure that your **first name, surname, student number, the course code number and total number of pages** appear on the front cover of your assignment.
- Assignments **must be submitted online via the Turnitin link** on your course subject page. Assignments may not be submitted via e-mail.

Here is an example of the assignment submission link:

 [BPM_Public_Policy_Assign_Sub_7April2016](#)

- You will find instructions on how to upload assignments in the Turnitin guide to submitting papers here: <https://portal.regenesys.net/course/view.php?id=43>
- Answer this assignment according to the guidelines in the Assignment Submission Guide, which you can download here:
https://portal.regenesys.net/pluginfile.php/1400/mod_resource/content/10/Assignment_Submission_Guide_Acad_ver7.pdf
- Ensure that you have a thorough understanding of the frequently used terms in assessments. For an explanation of assessment terminology, go to:
https://portal.regenesys.net/pluginfile.php/1400/mod_resource/content/10/Assignment_Submission_Guide_Acad_ver7.pdf
- Start this assignment as soon as possible. It will help you focus on important parts of the subject content early in your studies.

Assignment format

Programme assignment submission guidelines	Assignment body length in words – excludes cover page, tables of contents and references	Minimum references required in bibliography	Maximum similarity index permitted
Masters	5,000-6,000	15	15%
Postgraduate diploma	4,500-5,500	10	15%
Third year	3,500-4,500	7	20%
Second year	3,000-4,000	5	20%
First year and higher certificate	2,500-3,500	3	20%

Assignment document settings

	Main heading	Subheadings	Body text
Font	Arial	Arial	Arial
Text size	18 pt	12 pt	11 pt
Line spacing	Single	Single	Single
Margins	2 cm top, bottom, left and right		

- Write your responses in **ESSAY AND PARAGRAPH FORMAT**. Avoid bullet-type responses.
- Appendices may be a maximum of three pages each. The information in them must be relevant to the assignment, summarised, with links provided so that your assessor can evaluate your sources.
- Respect the introduction, body and conclusion format for answering questions. It counts for marks.

MARK ALLOCATION GUIDELINES					
Introduction and conclusion	Up to 5% for clear statement of purpose, clear outline of aspects covered in assignment, summarising key issues in the assignment; relevance of summary to assignment				
Referencing	No in-text referencing or reference list = 0%	Minimal referencing evident = 1-4%	Referencing evident but inconsistent, incomplete, and fewer than required = 5%	Depending on application of referencing techniques in text, in reference list, and variety and number of references consulted – substantially exceeding the minimum number required = 6%-9%	Perfect in-text referencing, reference list, variety and number of references consulted and substantially exceeding the minimum number of references required = 10%
Body	The marks awarded for the questions you answer or tasks you perform will be calculated out of 100. These will be recalculated to count for 85% of the total assignment mark.				
More details on mark allocation can be found in the assignment submission guidelines at https://portal.regenesys.net/course/view.php?id=43					

Referencing

- Plagiarism is a serious offence. Do not copy directly from any text unless absolutely necessary. Enclose quotes in inverted commas to indicate that they are not your words, and include an in-text reference with each quote. Paraphrase all the reference comments that you use and include appropriate reference and page numbers.
- Use the in-text referencing method prescribed by Regenesys under guidelines and policies on the student portal. Consult the referencing mark allocation guide for the minimum number of references needed for this assignment.
- Full referencing of all sources, including page numbers in in-text referencing, is essential. For example: (Gitman, 2010:15) in text, and then in your reference list:
Gitman, L.J. (2010) *Principles of Managerial Finance*. Pearson Education.
- Extensive and credible academic references are required to demonstrate that you have researched the topics fully and so that you can substantiate your arguments critically.

NOTE: At postgraduate level, you are expected to substantiate your answers with evidence from independent research.

You may work on this assignment in a group **BUT** you must write the assignment individually, and in your own words. If **NOT**, you will be told you have copied and you will have to do a brand new assignment. The mark will be capped at 60%, and you will have to pay a resubmission fee.

INTRODUCTION TO THE ASSIGNMENT

- This assignment consists of **EIGHT** compulsory questions.
- The question is based on a scenario. All your answers should relate to the scenario provided. Generalised and purely theoretical answers will not score higher marks.
- Where professional marks apply, ensure that your answers are presented in an appropriate format to earn those marks.
- All the best.

ASSIGNMENT QUESTIONS

Read, analyse, and interpret the case study, then answer the questions below. The case study focuses on Tesla, Inc. Tesla is an American company. They are based in California, and they focus on electric vehicles and clean energy. Their product range currently includes solar products, electric cars, battery energy storage from home to grid scale, and a variety of other related services. The current CEO is the South African-born Elon Musk. According to him, the predominant goal of Tesla is to move towards a solar electric economy away from a fossil fuel and hydrocarbon economy. To achieve this, Tesla must continue to build affordable solar panels and electric vehicles. Tesla has been chosen as the case study because it addresses a wide variety of strategic concepts that need to be considered when formulating an organisational strategy, such as globalisation, sustainability, return on investments, mission and vision statements, and their influence on success, stakeholders, and operations.

Case study:

Tesla Motors: A Business Strategy

Globalisation permitted organisations to gain access to new markets and to foster the flow of technologies and scientific knowledge. This can be leveraged to stimulate the manufacturing of cutting-edge products which can enhance peoples' living standards. In the case of Tesla Motors, the organisation developed as a technologically advanced company, who significantly indulged into research and development to deliver the most sophisticated electric vehicles and batteries. Recent innovations in the motor industry centred on the fight against pollution, by developing more environmentally friendly electric vehicles. Tesla Motors have outshone the rest by attracting motor enthusiasts with their development of electric cars that have enough torque and which run on green energy. Globalisation, on the other hand, has allowed the organisation to operate in different countries, thereby entering a more significant customer base. Globalisation and technological innovation have thus contributed to larger organisational successes. The motor industry is highly competitive and is typified by the presence of numerous well-recognised brands.

The evaluation of their five competitive forces

1. **Power of buyers:** Customers in the motor industry have a variety to choose from. This increases their bargaining power by dropping their switching costs. Tesla Motors, on the other hand, attained a substantial competitive advantage by developing technologically advanced electric vehicles which are not available from others in the industry. This allows Tesla to increase their returns.
2. **Power of suppliers:** Vehicle manufacturers rely on raw materials supplied to them by supplier firms. Suppliers providing quality components thus have a higher bargaining power. To reduce the dependence on suppliers, Tesla Motors have created their own battery factory that enables them to achieve vertical integration in the supply chain, thereby achieving higher competitive advantage.
3. **Threat of new entrants:** Barriers to enter the motor industry are relatively high. The high capital investment makes it difficult for new entrants. This secures Tesla position in that there is a low threat that new entrants will disrupt their market.
4. **Threat of substitutes:** Public transport is the direct substitute for privately owned cars. Since the ease and benefits provided by a personal electric vehicle cannot be matched, this threat for Tesla Motors is limited.
5. **Rivalry among firms:** The motor industry consists of several well-established firms such as Ford, Opel, Volkswagen, Mercedes, Toyota, etc. These brands are continually looking for new ways to nurture competitive advantage by developing new products with appealing value propositions. However, the product line of Tesla Motors presents unique products that offer both power and electric driving, without compromising the aesthetic appeal. As a result, this has made it quite attractive for customers.

The resource-based model discusses the value produced by the organisation, by using its resources and skills. An analysis has been done to assess the resources of Tesla Motors.

Valuable: The brand image is one of the valuable resources of the company. The organisation was recently valued at \$700 billion. This mirrors the financial position of the organisation. The patented designs and innovations of Tesla are also part of its competitive advantage.

Rare: The distinctive value proposition presented by the organisation, which includes a blend of aesthetic appeal, power, and electric drive train, is relatively exceptional in the industry. This assists to create a strong differentiation in the market and to gain more than average returns.

Inimitability: One of the key matchless resources of the organisation is the brand image and related brand elements, such as the brand logo and brand name. The organisation's patents such as designs and technologies are also inimitable. They are viewed as the intellectual property of the company.

Organisational exploitability: Tesla Motors have effectively been able to control its existing resources to create a firm footstep in the motor industry, especially in the electric vehicle sector. As a result, this has allowed the company to attract many potential customers. The industrial organisation and the resource-based model has clearly highlighted that the company is able to produce above average returns.

Tesla's mission is "to accelerate the advent of sustainable transport by bringing compelling mass-market electric cars to market as soon as possible." The mission statement clearly indicates that the company has realised that the opportunities ahead is dependent on green and sustainable energy. This proactive tactic taken by the organisation has allowed them to take a first mover attitude to come up as a mainstream electric automotive organisation. It seeks to boost the evolution of the industry from fossil fuel to green energy and to try to stand in the front of the shift process.

The vision of the company is to create the most compelling car company of the 21st century by driving the world's transition to electric vehicles. Tesla Motors also pursues to grow its product line up to accommodate a wider demographic range of the population. Their vision also incorporates expanding the production of the lithium ion cells to reduce the energy cost and to make the world a sustainable place.

Thus, it can be stated that the company is trying to bring drastic improvements in the industry and to fast-track the growth of the electric vehicle sector and energy storage systems. This has improved the company's potential to proceed towards its success and to create a strong competitive advantage in the market.

Impact of stakeholders

The stakeholders of Tesla Motors include the customers, investors, ecosystem, and the governments. The customers are offered products with unique and rare value propositions, which as a result will help the company to increase its sales. Thus, the customers directly impact the sales and consequent revenue generation of the company. The investors' contribution to the company offers financial support and stability that is essential to maintain the sustainability of the company.

The eco system or the environment in which the company operates plays a significant role in its business. The mission of the company is to create a sustainable environment where the ill effects of fossil fuel-based vehicles on the environment can be reduced as much as possible. Thus, the existing deteriorating condition of the environment due to the pollution has encouraged the company to take major steps in the development of green energy-based vehicles. The government policies and regulations have allowed the company to run its operations in a favourable environment. Thus, it can be stated that the stakeholders of Tesla Motors positively contribute to its success and ensures its future growth and sustainability.

The case study highlights that Tesla Motors have successfully leveraged the influences of globalisation and technological advancement to generate a strong differentiation in the industry. The external environment in which the company operates has been assessed to be quite competitive in nature, but the strong competitive advantage of the company has fostered the creation of a strong brand image in the market to ensure its sustainability and growth.

- (Source: www.tesla.com. Compiled, November 2021)

QUESTION 1**[15 MARKS]**

Analyse the case study on Tesla and examine how strategy, strategic management, and strategic planning complement each other as part of the overall strategy of the organisation.

QUESTION 2**[10 MARKS]**

Identify Tesla's stakeholders, as well as the impact they have on the organisation and environment.

QUESTION 3**[15 MARKS]**

Tesla is all about innovation. Identify all the different innovations from the case study and indicate how it influenced product development at Tesla.

QUESTION 4**[15 MARKS]**

Search for the vision of Tesla in the case study provided. Analyse it by taking into consideration what researchers stated the criteria for a vision statement must be. Also search for the mission statement of Tesla in the case study provided. Analyse it by taking into consideration the criteria for a good mission statement. List improvements if you think it is necessary for both the vision and mission statement.

QUESTION 5**[10 MARKS]**

In the Tesla case study, external and environmental factors were taken into consideration. Work through the case study and identify the external and environmental factors that Tesla Motors are taking into consideration when making strategic decisions.

QUESTION 6

[15 MARKS]

Identify the strengths that Tesla has accumulated within the organisation. Analyse their application of their strengths in building their brand and company.

QUESTION 7

[10 MARKS]

When reading the Tesla case study, what would you determine as their long-term goals?

QUESTION 8

[10 MARKS]

What would you consider to be Tesla's competitive advantage, based on the case study? How sustainable is their competitive advantage?

SCORING				
TOPIC	POOR = 0%-24%	ROOM TO DEVELOP = 25%-50%	PROFICIENT = 51%-74%	MASTERLY = 75%-100%
CRITERIA				
1. Strategy, management and planning	No or limited attempt to identify the links between the three concepts based on the case study	Basic attempt made to define the three concepts and to link their interaction	Satisfactory attempt made to identify the link between the three concepts in the case study	Advanced attempt made to indicate the synergizing link and unity between Tesla's strategy, management strategy and their planning done
2. Stakeholders and their impact	No or limited attempt made to identify the stakeholders AND their impact	Basic attempt made to identify the stakeholders AND their impact	Satisfactory attempt made to identify the stakeholders and their impact on the organisation	Advanced attempt made to analyse the impact which the different stakeholders have on the organisation and environment
3. Innovation and its influence	Poor discussion or identification of innovations and its influence on product development	Basic attempt made to discuss and identify innovations at Tesla and its influence on product development	Satisfactory attempt made to identify and discuss innovations at Tesla and its influence on product development	Advance attempt made to analyse and discuss innovations at Tesla synergizing it with product development
4. Vision and mission	No or limited attempt made to research criteria and evaluate mission and vision statements	Basic attempt made to evaluate mission and vision statements.	Satisfactory attempt made to research criteria, evaluate mission and vision, and suggest improvement	Advanced attempt made to research criteria, evaluate and analyse mission and vision statements by applying criteria and making suggestions for improvement
5 External and environmental factors and their influence	Poor attempt to identify external and environmental factors	Basic attempt to identify external and environmental factors influencing Tesla's decisions.	Satisfactory attempt made to analyse external and environmental factors which Tesla consider when making decisions	Advanced attempt in analysing external and environmental factors considered in decision making by Tesla

SCORING				
TOPIC	POOR = 0%-24%	ROOM TO DEVELOP = 25%-50%	PROFICIENT = 51%-74%	MASTERLY = 75%-100%
CRITERIA				
6. Strengths and its application	No or limited attempt made to identify Tesla's strengths	Basic attempt made to identify Tesla's strengths	Satisfactory attempt made to identify tesla's strengths and way in Which they apply it to build brand	Advanced attempt made to evaluate Tesla's strengths and role it plays in building their brand and company
7. Long-term goals	No discussion or identification of long term goals	Basic attempt made to identify and discuss their long term goals	Satisfactory attempt made to identify and discuss Tesla's long term goals	Advance attempt made to analyse and discuss Tesla's long term goals
8 Competitive advantage and its sustainability	No or limited attempt made to discuss the competitive advantage of Tesla	Basic attempt made to discuss the competitive advantage of tesla	Satisfactory attempt made to discuss Tesla's competitor advantage and its sustainability	Advanced attempt made to evaluate, analyse and discuss Tesla's competitive advantage and its sustainability.
9 Recommendations with key arguments on the concept and the learner's attempt to tackle the situation	Limited attempt shown to argue the concepts and to tackle the situation by making recommendations	Basic attempt made to argue the concepts and to tackle the situation by making recommendations	Satisfactory attempt made to argue the concepts and to tackle the situation by making recommendations	Advance attempt made to argue the concepts and to tackle the situation by making recommendations

Total Marks: 100