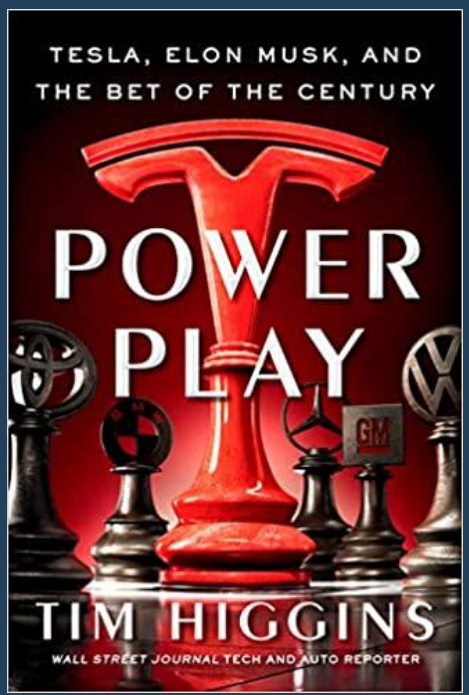

Power Play: Tesla, Elon Musk and the Bet of the Century

Year of publication: 2021
Author: Tim Higgins
400 pages

Who would have thought that it would be possible to charge a vehicle on electricity just as we charge our cell phones? Or sleeping in the driver's seat while the car drives autonomously? Although at first it looks like something out of a futuristic movie, this is already possible thanks to Tesla.
In the summary of the book "Power Play: Tesla, Elon Musk and the Bet of the Century", the author, Tim Higgins, tells the story from the beginning of the company's founding in 2003 to current innovations that are directly impacting the environment, the economy and in the behaviors of the world society.
As the work's name mentions, the implementation of electric vehicles developed by Tesla is considered the "bet of the century", capable of transforming and impacting humanity as much as the replacement of animals by Henry Ford's vehicles did in the previous century.
Keep reading this summary to discover how Tesla has become one of the most profitable and influential companies in the world in less than two decades, surpassing the value of traditional automakers such as Toyota, Volkswagen, Mercedes-Benz, General Motors, BMW and Ford itself, together.

Main ideas of the book

- Look at situations from a different perspective is what makes innovation possible far more than the development of fancy ideas;
- If something has already gone right once, it doesn't mean that it will work forever or, at least, that it cannot be improved;
- The search for continuous improvement is what separates the "good" from the "excellent", and what differentiates companies that avoid setbacks from those that have to deal with them;
- It is necessary to know how to balance the trust we place in others: overconfidence can make us dependent, while a lack of it makes us overloaded;
- Believing in a purpose greater than money is what keeps organizations together, especially in the toughest times;
- Trusting yourself is not arrogance, it is what sustains the focus on the main objective.

To whom is this book indicated?

"Power Play: Tesla, Elon Musk and the Bet of the Century" is indicated for people interested in innovation and technology, and who would like to understand how Tesla has reached its current level, transforming an existing idea into a multi-billion dollar enterprise.
The book is essential for anyone who would like to know and understand the principle of producing electric vehicles, autonomous cars and other technologies that, until years ago, only seemed possible in science fiction films.

Overview of the book

The Principle of Electric Vehicles

Did you know that the idea of electric vehicles is as old as the idea of gasoline powered cars? And that Henry Ford's wife even owned an electric car? So why was this technology really implemented just over a century later?
Well, the answer lies in production viability. As vehicles were being implemented in society and revolutionizing the means of production, it was necessary that they could be mass-manufactured and that, in addition, they had an affordable price for the rising class of that time.
Therefore, as the electric vehicle did not meet these demands and a chain of automotive assemblers and gasoline supply networks was soon created, it was quickly forgotten.
Wouldn't it be ironic if, nowadays, vehicles were responsible for most of the emission of polluting gases, such as CO2, but that all this emission could have been avoided from the beginning?
The idea, then, was being developed by several scientists, engineers and automotive enthusiasts for years, but it never proved to be viable and sustainable, whether for its price, its quality or the autonomy of its batteries.
Until the appearance of Tesla.
Tim Higgins records in his book that Tesla's main objective was to make electric vehicles really work, to surpass their predecessors, powered by gasoline, in quality, technology, economy and sustainability.

The Founders

Although, currently, Elon Musk being the biggest name behind Tesla, the initial idea about the feasibility and production of electric vehicles did not come from him.
Tesla Motors, as it was initially called, was named after the physicist and inventor Nikola Tesla, responsible for developing the alternating current system, which generates electrical power throughout the world.
The company was born in 2003 in Delaware. Founded initially by Martin Eberhard and then connected to Marc Tarpenning. It was one of the big startups that soon relocated to Silicon Valley and became global powerhouses.
Initially, Eberhard and Tarpenning had the idea of developing an electric vehicle that would overcome the big problem of those who tried to apply the idea before them: making battery prices - which added tens of thousands of dollars to the car's value - to become viable.
The two colleagues would need to figure out what it takes to break into the automotive industry, and consider what should be done differently from global automakers that had already tried to implement the electric car and failed – such as General Motors.
Meanwhile, J.B Straubel had a similar idea, having connected with Eberhard and Tarpenning for converting a Porsche into an electric vehicle. Soon they started working together to develop the same idea. But only ideas did not produce vehicles, there was an important detail missing: money.
It was then that Elon Musk entered the venture, as Tesla's main investor, he was responsible for ensuring - with his own money and with partnerships, loans and other businesses - that Tesla was able to receive the necessary fortune for its development.
According to Musk, “belief created the vision; the vision would create a market; the market would create cash; and cash would create cars”.

A Really Expensive Car

Considering the charging efficiency, the idea was to use lithium ion batteries to charge vehicles which, despite being cheaper than the other alternatives, would still correspond to about half the value of the car, which, consequently, would be more expensive than gasoline powered cars.
As the idea was totally revolutionary in the market, just the promise that the vehicle price would compensate for the economy in gasoline would not be enough. Tesla wanted to develop a car that wasn't just purchased by “friends of nature” who would like to contribute to a more sustainable world.

Tesla's initial goal was to build a sports car that would be more comfortable, beautiful, economical, fast, efficient and would still be electric, reducing the emission of carbon dioxide into the atmosphere.
With this principle, its focus was on the implementation of batteries, which would be the unprecedented and revolutionary part of the project. The predecessor to Tesla vehicles was the Tzero car, an electric sports car developed by the AC Propulsion company.
A lot of research, people, tools, equipment and, of course, tens of millions of dollars were invested to launch Tesla's first vehicle: the Roadster.

The Tesla Roadster

As a startup and with funding unmatched by major automakers, Tesla decided to build on a pre-existing sports car model so that the biggest resources were concentrated on converting it into an electric vehicle. For this, they used the Elise model, produced by the British automaker Lotus. The idea was to make some changes in its design to make it a unique model, in addition to replacing its combustion engines with electric ones.
Eberhard intended to bring all of his knowledge acquired as an entrepreneur in Silicon Valley to a century-old industry, which would totally change the way vehicles were manufactured.
Knowing the high cost of starting production - around 40% of the value would be earmarked just for the batteries which was expected to reduce as production increased and demand for batteries grew - the Roadster would not be developed for the masses, but for the higher classes.
The Roadster launch ceremony was aimed at Hollywood celebrities, wealthy entrepreneurs and Silicon Valley CEOs. (A corious fact: did you know that one of the first people other than Tesla employees to board a Roadster was Arnold Schwarzenegger?).
Tesla would then be a brand focused on customer experience above all else. Since the development of its first model, the company's main focus has been to continue designing vehicles so that they become accessible, so that the impact on society and the environment could be really felt.
The delivery of Roadster model cars began in 2008.

A Not to Secret Plan

After the launch of the Roadster, investors wanted to know what the next steps would be, many were skeptical of the idea of Tesla reaching the world. Because of this, Elon Musk established Tesla and made public a strategy he called “The Secret Tesla Motors Plan”.
The "secret plan" was actually absurdly simple, and consisted of 3 steps:

1. Build an expensive sports car, starting at around $89,000, that could attract attention;
2. Build a luxury sedan that could compete against the German luxury cars and sell for about half of the original sports car, at $45,000;
3. Build a third-generation car that would be much more affordable and appeal to the masses.

With the strategy written on the back of a napkin, Elon Musk defined the company's fate for the coming years.

Model S

Considering that the Roadster would only be purchased by a more modest number of consumers, the Model S would be the sedan model that “Step 2” of Elon Musk's plan referred to. It would be a popular car that would reach a wider audience.
Higgins mentions that the United States Government, in an attempt to encourage the adoption of more sustainable means, made certain credits available to consumers looking for an electric car, which enabled Tesla to reduce the value of its vehicles.

According to Tesla engineers, the Model S would reach around 60 miles in less than 6 seconds, in addition to having a battery life of 300 miles per charge and costing around U$50,000. Its production started in 2011.

Model X

Although the Model X was not specified in Elon Musk's plan, the car was produced as a family vehicle with three rows of seats, being Tesla's first SUV. Its design was considered totally innovative, its production began in 2015.

Model 3

With major expenses and internal problems, the Model 3 would come to market with the aim of determining whether Tesla was really an automotive company.
The third step in Musk's secret plan would be this, to build a quality car for the main population. The model was unveiled in 2016, and its sales showed that in addition to Tesla being really a great carmaker, it was capable of surpassing the big traditional ones.

The Complex Elon Musk

Elon Musk was one of the main responsible for keeping Tesla up and running in the toughest times. He is considered one of the most eccentric CEOs nowadays, even being known as the "Real Lifelron Man".
Tim Higgins relates in "Power Play" Musk's great conflicts during Tesla's existence, as well as his sacrifices - in one of the company's most difficult moments, he offered almost all of his million-dollar fortune, needing loans to keep up until Tesla's recovery.
He was also responsible for connecting SpaceX and SolarCity with Tesla, which provided a fusion of innovations never seen before.

Innovation's Challenges

Playing with Fire

The biggest challenge for Tesla was, surely, the implementation of the batteries. They were developed as smaller battery packs that fit into the vehicle shell.
The search for the ideal battery at the best price was also very difficult, being finally found in partnership with Japanese giant Panasonic. In the future, Tesla would be able to produce its own batteries, to lower its cost and meet the demands.
Another problem faced was the safety of cars powered by hundreds of small battery packs. You may have seen on the internet news of smartphones or notebooks batteries that caught fire when overheated. So, imagine what could happen to thousands of these connected devices.
The solution found by Tesla was not easily or quickly discovered, but, in the end, they developed a system for cooling the batteries and a system for separating them when any one presented an inappropriate behavior.
Despite some initial accidents during the research, finally, Tesla's solution proved to be efficient and safe, passing all safety tests and later being considered one of the companies with the safest vehicles in the world (even when compared to those powered by gasoline).

Tesla's Marketing Strategies

The author, Tim Higgins, mentions in the book “Power Play” that Elon Musk's purpose was to use marketing strategies similar to those applied in Apple, where he hired the same person responsible for making Steve Jobs' brand a world reference.

Tesla, from the beginning, wanted to promote its brand in the most organic way possible, that is, without spending millions on advertisements. To do so, used the consumer himself, who, in addition to being a client of the brand, became its fan, promoting and assisting in the company's sales, even if indirectly.
Some customers, by the way, became employees, given the great effort they had to take Tesla around the world, even if, at first, it was only out of admiration.
Another major strategy was to encourage discussion about the brand on internet forums, make announcements on Tesla's own blog and website, and on Elon Musk's personal Twitter account, which was indispensable reading for The Wall Street shareholders.

Bringing the Best User Experience

More than changing the way cars were manufactured and sold, Elon Musk wanted to change the customer experience when buying a Tesla, so the company prioritized the customer, making the experience of having an electric vehicle the best ever offered, from before acquisition to after sale.
Tesla offered technical support, maintenance and free charging, as well as priority on upcoming purchases and sales and direct delivery to the consumer.Also provided specialists on electric vehicle technology to answer possible doubts, for example.

Educating the Consumer

Tim Higgins mentions another major challenge for Tesla, if not the biggest, as consumer education.
Decades automakers were already consolidated in the automobile market. Also, car consumers, in general, tend to be loyal to the same brand. Added to that, there was another big detail: the innovation of electric cars.
How could Tesla convince consumers that the less than decade old brand could produce quality cars? And that even the electric ones, an innovative and unprecedented technology, were safer and even better than the traditional ones?
Tesla then decided to develop something like galleries to promote the company, initially in malls and other places with high public access. There, the operation of the vehicles was explained, possible doubts were taken away from people and, most importantly, it offered test-drives with the cars.
Elon Musk claimed that Tesla vehicles would not need millions of dollars in advertising, or fancy publicity strategies, as the cars would speak for themselves.
Nobody needed to be convinced of the quality of a Tesla, as long as they were able to drive one.

Going Global

During the years following the launch of the first vehicles, Tesla's technology and culture spread, initially reaching Asia, but then, across the world.
During Tesla's history, there have been many financial problems between owners and investors, shortage of resources from suppliers, needs to add more and more assets, many technical problems, intrigues between founders and employees and even boycott and espionage by big rivals.
It all sounds like something out of a movie, doesn't it? In fact, Tesla's path to becoming the most valuable automaker in the world, overcoming more than 16 major brands together, was a very arduous one.
Its value was not due to the number of cars sold, but to its innovation and quality, the desire for a more sustainable future and, undoubtedly, its persistence.

What do other authors say about it?

In "**Inside Steve's Brain**", Leander Kahney discusses the history of Apple's creation, presenting the influence and importance of Steve Jobs for its development until it became a billion dollar company. So, addresses strategies and lessons applied by Jobs in one of the most famous companies in the world.

In "**The Startup Way**", Eric Ries brings the principles of entrepreneurship employed in startups and the search for innovation and continuous improvement present in all successful companies. He also explains how such attitudes made garage startups dominate the market of traditional companies.

Finally, Michelle E. Messina, author of the book "**Decoding Silicon Valley**", unveils the functioning of Silicon Valley, the largest innovation hub in the world, where large companies started and developed, such as Facebook, Google, Apple, and , of course, Tesla Inc..

Okay, but how can I apply this in my life?

The history of Tesla's foundation and development shows us the importance of some actions that led the company to the level of the world's most valuable assembler:

- Keep your team together and recognize the importance of all its components;
- Trust your potential even when other people say otherwise;
- Recognize that with partners supports you can go further and faster;
- Always prioritize the quality of the user experience;
- Focus on your work more than you focus on beating the competition.

If you like this book, visit our complete collection with hundreds of Pocketbooks of the greatest sucess in the áreas of management, marketing and sales, leadership, strategy, personal development and entrepreneurship!

www.pocketbook4you.com

The content presented above reflects the vision and critical analysis of our writing team, respecting the fundamentals of intellectual property in Brazil (article 8, item I).
No part of the book is being copied. They are unique and exclusive content, always giving credit to the authors and indicating the link to purchase the complete work. PocketBook4You respects the copyright code in accordance with Brazilian law, Law 9.610 / 98.
This content is the exclusive property of PocketBook4You and is protected by Copyright Law in its articles 46, I, (a) and its article 47, because it is not reproduction and do not imply any discredit, on the contrary, The moral right is protected and, as noted earlier, the reader receives a link to acquire the work. Reproduction of this material without permission of the company is prohibited.