

Asper School of Business, University of Manitoba

Member Information

<u>Name</u>	<u>Year</u>	<u>Degree</u>
Laura Mickey	2021	BComm (Hons.), Finance
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Dolly Taneja	2021	MBA, Supply Chain
Shyam Moorthi	2021	MBA, Leadership & Organizations and Finance
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Advisor(s): Judith Jayasuriya, Aditya Kedia, Arly Akerstream

Topic: Tesla: Use of Autopilot Features

Division: Graduate

Audience: Tesla's Board of Directors

Executive Summary

The global autonomous car market is expected to grow to US\$ 60 billion by 2030. The magnitude of this opportunity has led to a hot bed of competition as automotive manufacturers seek to capture market share and define industry dynamics. Company leaders in this space are introducing various kinds of autonomous vehicles at an unprecedented pace resulting in tradeoffs between game-changing innovation and ethical business practices. As an industry leader, Tesla Motors (Tesla) faces many of these challenges as they introduce autonomous features to their electric vehicles (EVs).

Tesla boldly claims their EVs are 'self-driving' vehicles when, in fact, they are not fully autonomous. This sets a dangerous precedent for consumers, industry, and society as it allows for misinterpretation, contributes to misuse of the product, and has resulted in fatalities. Of concern, Tesla has taken an indifferent stance on these accidents and merely offered to upgrade their software.

Tesla's relentless focus on disruptive innovations has led to a culture that prioritizes the speed of technology development over thoughtful consideration of potential impacts. This permeates into various aspects of the business from a product design that allows humans to override the autopilot feature to perpetuating consumer misinformation. How can Tesla ensure the safety of consumers and society at the heart of their autonomous electric vehicles?

Our consulting firm recommends that Tesla undergo a transformational change in its culture to reward ethical decision making in conjunction with disruptive innovation. We propose an action plan and framework that will promote an ethical mindset and usher in a new way of serving its customers to establish Tesla as the trusted leader in automotive technology.