Investments

Dear Reader,

Two things moved me to make Tesla the subject of this editorial. The first was a 3000-km test drive from Germany to Italy in a Tesla Model S. The second is the tendency on the part of market observers to gleefully seize upon any development suggesting that Tesla and its founder, Elon Musk, are failing to fulfill their mission. For his part, Musk was recently able to report that Tesla had finally reached a 5000-a-week production target for its Model 3. "I think we just became a real car company," he wrote in an email to his employees. Musk seems increasingly willing to accept justified criticism, including criticism directed at the company's underperformance when it comes to turning a profit. "We will never achieve our mission unless we eventually demonstrate that we can be sustainably profitable," he conceded recently.

Establishing an electric-vehicle brand is no easy task. Up until now, no other enterprise has attempted doing so on the same scale as Tesla. It is therefore surprising to see criticism coming from less entrepreneurial quarters. Musk has long since established a dedicated fast-charging infrastructure for his customers. The relatively fine-meshed network enables a long-distance driving experience that is well-navigated and efficient. For its part, Germany is just getting around to installing a comparable, publicly-funded fast-charging infrastructure, this after witnessing the failure of the private manufacturers to take the lead on the necessary investment.

Tesla's ecosystem also includes the company's own battery cell and system production facility. In Germany, neither the country's automotive industry nor its lawmakers have been able to secure independent battery cell production. Attempts have been foiled by inflated

expectations. And now they are confronting Musk with these same inflated expectations? Personally, I regard the contentious and enigmatic entrepreneur as a pioneer of electric-vehicle technology. And the investments he has made have lightened the burden for others, as evidenced, for instance, by what others will save in terms of marketing. Beyond the marketing efforts, there are the many years of experience, of learning from mistakes, of listening to customers and of developing an invaluable capacity to anticipate their concerns.

Despite some glitches, these customers will remain faithful to the brand. So far, I have only met satisfied customers, people for whom gap-and-flush measurements are less important. With 30 of its own Tesla vehicles and around 3 million km, the consulting firm Bridging IT has gained much valuable experience. Its founder Klaus Baumgärtner extols a number of virtues, including the charging process, up to 70 % of which takes place at home or work. German automobile manufacturers will also acquire this experience, but much later than they originally predicted.

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