

Author: Elena Skalovskaia

2nd Deliverable - Designing a strategy

1. Do a SWOT Analysis of your company (Lucid Motors)

Strengths – luxury, innovative design, advanced technologies, experienced management, new investors, attractive car models with competitive range and other characteristics and lots of storage

Weaknesses – no car ready to sell yet, expensive, battery limitation, new and unfamiliar brand, maybe hard to penetrate the markets, competition from Tesla and other models, delayed production compared to what was initially advertised

Opportunities – big markets ready to purchase (Nordics, Western Europe, China, USA, Middle East), possibility to create new jobs and attract talents by creating a positive brand

Threats – new entrants on the EV market, tariff wars with China and Europe, economic instability from pandemic when the purchasing power of the population will decrease, reducing support from governments which incentivise green initiatives, scarce resources, no technological advancements to make the battery cheaper, not able to meet its sales estimates in the following years

2. Formulate between 3-10 Strategic Objectives for the EV Company you're working on. If the Strategic Objectives are available (public information), please critique / edit / add / support it with your own arguments. If this info is not available, please create it.

Announced strategic moves: <https://www.lucidmotors.com/media-room/>

- Going public in 2021
- Start Production of Lucid air in spring 2021
- Announced a new Gravity SUV model which will start in 2023
- Opening new studios in US and then globally for their direct-to-consumer model of selling their cars

Comments: They are taking careful steps, and progressively moving towards implementing strategic moves. They are backed with a reputable management team, with experts who previously worked for Tesla and Mazda. They are focused on providing excellence and they want to offer a memorable premium product. You can reserve your model and their campaign looks well elaborated. In some ways they resemble Tesla, as they create tension to wait for the models to appear. I like their model of selling directly to consumer, this means that it is sort of an Apple way of doing customer service where you will know everything about the car you are buying from the people who are actually making the cars. This strategy can be powerful and create a good brand awareness. They are strong

on the US market, their native country, but they announced of being interested in China. Could be a good competitor for Tesla, as their models have all the superior characteristics.

Recommended moved:

- Opening offices in Europe, especially Nordic countries, France, UK and Germany
- Opening Offices in the middle East and China
- Supporting equitable extraction practices at the raw material sites in Africa, Latin America and Asia
- Investing in R&D and technology innovation
- Try to produce the battery in USA
- Make a deal with battery manufacturers outside of China
- Announce a few more new models with a different price range

Comments: would recommend for them to also focus on Europe, as the European population is concerned with the environment and the political clout is supporting green initiatives and governments support EV incentives and tax reliefs for EV owners. There is a faster infrastructure penetration and a strong buying power, especially in the Nordics and Western Europe.

To create a positive brand, Lucid would better show that they care about what they do and where they get the raw materials from, so they could create programs for humane and ethical raw material extractions, where they can train the workers and also pay them equitable salaries.

Trying to be independent of China for the batteries would give them good publicity and would create more equitable manufacturing possibilities in a more regulated environment, as China is not always respecting environmental balances.

By announcing more models they might attract more investors.

Investing in R&D will maybe result in more efficiency and reduce cost on a long run.