

SWOT ANALYSIS

Rivian Automotives

by Andre Ynouye

Strengths

- Performance and Growth: High potential of investments, holding approximately \$276 billion of market value.
- Innovation: Holds 45 patents for exterior design, mechanical projects, battery, and electric source, interior design, autonomous driving system, and others. It also has in its portfolio 34 registered trademarks.
- Manufacturing: Has four primary locations. The HQ in Irvine, California, is dedicated to vehicle engineering, design, propulsion, and battery system development, adding commercial functions. A facility in Plymouth, Michigan, focuses on vehicle engineering, prototyping, supply chain, and accounting. A facility in Palo Alto, California, developing self-driving technology and data. And a 2.6-million-square-foot factory in Normal, Illinois, manufactures vehicle components such as battery packs, paint shop, robotics, stamping machines, and production equipment.

Weakness

- Higher costs: Rivian will deploy its firsts model as soon as June 2021. The price starts at \$67.500 going to \$75.000. You can also pay up to \$10.000 for accessories.
- Limited models: The brand will only offer two models for its EVs. The R1T and R1S, both SUV truck models.

Opportunities

- International markets: Rivian is based in the US and intends to explore the US Market. But the growth opportunity in Asia and Europe can be relevant for the company.

- Reposition parts: The company holds a good number of patents and has intentions to deploy more projects. Also, with four production sites, the company can produce mid-market products, accessories, and spare parts.

Threats

- Competition: Large global players are aggressively investing in electric vehicle production and development.
- Lack of critical resources: There is a limited mineral resource available globally, and growing demand by other competitors could cause supply difficulties.

Strategic Objectives

1. Launch more car models: currently Rivian has only two models announced to the market. The brand's positioning is to respect the environment and to promote the adventurous spirit. To increase its market penetration, the brand must have models to cover different sizes, characteristics and different costs.
2. Establish a reposition part market: As designers and manufacturers of the parts themselves, Rivian could serve its customers through a vast distribution network, offering high availability of parts and developing sub-markets to replace and customize its vehicles.
3. Worldwide insurance coverage: Rivian has an insurance plan that serves the North American market. But as the brand expands its sales, it can also offer the insurance service through partners and licensees to help its international market.
4. Marketing: Unlike any other electric vehicle manufacturer, Rivian stands for environmental preservation initiatives, respect for the environment, reduced fossil fuel consumption, and nurtures a message of adventure. To position itself in the market, the company must reinforce its values in the ESG pillars to strengthen its message, which comes uniquely in its segment.