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## CANOO SWOT ANALYSIS

### Strengths

**Innovation** One of the key strengths of Canoo is continuous innovation which is supported by its strong R&D facilities which allows it to develop unique products. The strong R&D helped in building strong Intellectual Property as Canoo has ongoing various patents applications on its innovations.

**One System Various Design** The heart of the Canoo system is its "skateboard" architecture, which houses the batteries and the electric drive train in a chassis underneath the vehicle's cabin. All of the company's vehicles will have the unconventional design that takes advantage of the flatter structure, a skateboard platform, that will offer a skeleton to multiple electric vehicle components stacked atop it and a more significant cabin space for different applications centered around minimalism and functionality.

**Technology Simplicity** Canoo's vehicle design embraces a harmony between the technology style and utility. Beneath this exquisite design drivers will use their own phones or tablet devices as the vehicle's primary interface to handle things like music and navigation, and even to control the vehicle's heating and air conditioning using a downloadable app. to give ultimate performance.

**Sustainable Financially** Subscribers would pay a monthly fee that could include registration costs, insurance, maintenance and charging costs. Customers would keep their vehicle, as with a lease, but they wouldn't have to commit to a set time period. This becomes really beneficial and hassle free for the drivers.

**Value** Rather than operating through retail auto dealers, Canoo will deal with customers directly using mobile apps and websites to deliver an authentic experience. The company won't sell its cars should help it avoid the sort of legal conflicts with established auto dealers.

**Consumer focus** Canoo designs its products with a focus on consumers while keeping their mind in the future. They always try to imagine the things which even the consumer has not imagined yet. Canoo has developed breakthrough electric vehicles, reinventing

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the automotive landscape with bold innovations in design, pioneering technologies, and a unique business model that defies traditional ownership to put customer first.

## Weaknesses

**Brand valuation** Canoo is going public at a valuation of \$2.4 billion in an effort to raise enough money to help bring its first multi purpose vehicle 'loft on wheels', so the brand equity is currently low.

**Matching Customer expectations** Being one of the EV companies that went public, listed on the stock market has the consumer expectation going through the roof. People expect great things year after year and maintaining these expectation levels is not easy for anyone.

**Dependency on few products** Canoo has only 3 products in its portfolio set to launch in comparison to the various products that its closest competitors on the EV market . Hence the dependency of Canoo on each of its products is very high. If one product fails, then that is a high loss to the brand. Hence, there is a common demand from Canoo to increase its product portfolio.

## Opportunities

**Growth in Universal Consumer Electric Vehicle** market Electric Vehicle Market is projected to reach 26,951,318 units by 2030 from an estimated 3,269,671 units in 2019, at a CAGR of 21.1% This is primarily driven by the concern over greenhouse gas emissions and their contribution to global warming, dissatisfaction with the ICEV.

**Research&Development Worldwide** for energy storage, infrastructure that provides new, green technologies, zero emissions and improvements in battery technology.

**Time** Canoo has one more year ahead untill the first model to be launched on the market. Therefore, this time could be used to produce and provide the elements and teqniques that were not yet ready before Covid19 impact and the initial launching date in 2021.

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**Location** California is the state with the most aggressive deployment targets, with a goal to have 5 million EVs on the road by 2030. Other states have adopted goals for ZEV deployment, and provided rebates for ZEVs and incentives for ZEV infrastructure, such as EV supply equipment (EVSE) infrastructure. Canoo has its headquarter located in Torrance, California.

## Threats

**Rapid changes in Technology:** The company has to keep up its speed with the changes in technology. This requires a huge investment in R&D and increases costs for Canoo.

**Distribution** Has its own production based in LA and Canoo will start offering its subscription vehicles in one geography and scale slowly from there. The controlled expansion plans and modest goals for geographical reach could make difficult to become known to clients on the markets.

**Market penetration and competition** One of the key threats to Canoo is the market penetration by other brands in the EV market. ICEV currently dominates the global market share still the EV remains low on customer's preference. There are also small amount of consumers that decide to return to gas vehicle due to various personal reasons. The competition is ever-increasing in the automotive market.

**Commercial infrastructure** The poor infrastructure of charging stations and service specialized staff represents currently a decisive factor for customers when making an automobile choice based on their location area.



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## STRATEGIC OBJECTIVES

1. Develop an environmentally and financially more sustainable vehicle, the “skateboard” architecture system, 100% electric, which houses the batteries and the electric drivetrain in a chassis underneath the vehicle’s cabin that enables all Canoo vehicles to share the same platform providing a large SUV space atop a compact footprint.
2. Create an electric vehicle utilizing lightweight high-strength steel that exceeds rigorous strength, safety and performance requirements.
3. Implement the Bauhaus philosophy, centered around minimalism and functionality, started with the reduction to the absolute minimal need.
4. Offer the EV by subscription concept with no down-payment, no commitment.
5. Implement a sustainable experience with our customers, based on a win-win system.
6. Target the urban consumers directly in a controlled expansion plan after launching.
7. Cultivate healthy management, communication and engagement of employees at all levels of organisation.
8. Become the first EV company that makes a profit with an EV.