

Student: **Elena Skalovskaia**

Business Street Smarts Summary

Business Street Smarts focuses on assessing on communication of information, sources of information, assessing those sources of information, and supporting the opportunity to make well informed choices.

The session dealt with effective outbound communication, assessing inbound communication and reports, reviewing intellectual property and critical information, how and where fraud and corruption can occur, managing contracts and engagements and how to manage any comprehensive due diligence assessment.

Signature projects included:

Addressing and rewriting the disastrous memo by Oscar Munoz of United Airlines after security officers rendered a ticketed passenger unconscious while trying to remove the man so a crew could be repositioned.

Crafting an Intellectual Property (IP) and Critical Information (CI) assessment registry so a company could understand what bit of IP and CI they had and who should have and not have access to the information. IP and CI represent over 80% of the book value of most companies and those are the most stolen and compromised assets. This section is of significance as so many young professionals will be entering companies who only significant assets are intangibles and they need to be accounted for and defended.

The final session dealt with Due Diligence and working real life scenarios that were from real life cases – not imagined case studies where the teams of students both presented on their two cases studies and assessed the other team’s analysis and dissection for their cases studies. The case studies bring to life the value of the tools taught.

All professors and students worked on the interdisciplinary project. The project was not easy, it was very hard. As a group all of the students dissected the electric vehicle industry. The purpose was to learn to work as part of a diverse group and at the same time learn about electric vehicles. From this knowledge gathered, they were to assess a single electric vehicle company. This is part of the process of applying unique research to an industry and applying that research and knowledge to an individual company.

The Communications Exercise is to rewrite the Oscar Munoz Memo

Oscar Munoz Memo:



September 8, 2015

Dear fellow employees:

Today we are announcing a series of executive changes, which are effective immediately. I

recognize that this news is unexpected, and I want you to hear it directly from me, as United's new CEO.

Jeff Smisek, Nene Foxhall, EVP of communications and government affairs, and Mark Anderson, SVP of corporate and government affairs, have stepped down from their roles. These departures are in connection with United's previously disclosed internal investigation related to the federal investigation associated with the Port Authority of New York and New Jersey.

In addition, the company announced Henry L. Meyer III, a current United director and the lead independent director, has been named non-executive chairman of the board.

As we move forward, let me take a moment to tell you a little bit about myself. As you may know, I have been on the board of directors of United, and previously Continental, for more than a decade. I am also a longtime United customer. Before today, I was the president and COO of CSX, one of the largest railroads in North America. Prior to that, I worked for several well known consumer brands including AT&T, Pepsico, and The Coca-Cola Company.

I took this job because I am excited by what we can do together. There is incredible opportunity for innovation, for earnings growth, and for improving an experience that is essential to the vitality of global business and to the personal lives of millions of people. I will be relentless in pursuing these goals, and I hope and expect that all of you will share that same passion.

In the coming weeks, I will be making my first visits around the system. I want to talk to as many of you as possible because I want to get to know you and what you think about how things are going. How can we operate better? How can we better serve our customers? What support do you need to deliver that? You'll be seeing me frequently; I intend to regularly travel the system to hear about our operations directly from you – and you can hold me accountable for that.

In my career, I've found that three things are critical to any successful business. First, we must focus on customers and what we can do help them. In the telecommunications, consumer products and railway businesses, there are very real consequences if you don't meet the consumer's needs and desires. There are also substantive rewards for doing so, and especially for exceeding customer expectations. Every day, you win or lose customers based on the slightest change in value and quality.

As you know, in the airline business, this is especially critical. Getting people where they want to go, reliably and happily, can make or break their ability to succeed in a work endeavor or to hug a family member at an important moment.

At United, I will dedicate myself to making our airline flyer-friendly. Continued...

Second, in any organization, especially a great airline, it's all about teamwork. I like to refer to this as "shared purpose." We are in a service business, and the thousands of people who work here are the key ingredient determining our success. To get our passengers where they want to go safely and happily requires thousands of us working together with a shared purpose of supporting each other in serving our customers. To achieve this, we must create and sustain a respectful dialog about our common goals – an ongoing conversation among ourselves. We cannot do this apart.

Third, I am excited to be a part of a company and industry that demands innovation. The world around us is changing. There are new forms of loyalty programs and affinity groups, a constantly changing regulatory environment, plus new digital and networking technologies that are emerging on a daily basis. At United, we will embrace this change, and make this an energized and exciting place to work.

Above all, my career has taught me that safety is paramount. Our passion for the safety of our people and our customers must be at the core of everything we do.

As we bring this airline forward, I promise to hold true to these principles of customer focus, teamwork through our shared purpose, continual innovation, and of course, safety.

I want our customers, my fellow workers, and our communities to respect each other and take pride in our accomplishments. Thank you for your dedication to our customers and to United, and I look forward to meeting you soon.



Student rewrite:

Dear All,

I am deeply sorry for the circumstances of flight UA3411 which took place on April 9, 2017, when a passenger was mishandled. This has portrayed our company in negative lights and we will investigate the circumstances with due care. I thank you for continuing to be a great team and doing your job with dedication.

Yours,

Oscar Munoz

The Next exercise is the understanding of Intellectual Property and Critical Information

Crafting an Intellectual Property (IP) and Critical Information (CI) assessment registry so a company could understand what bit of IP and Ci they had and who should have and not have access to the information. IP and CI represent over 80% of the book value of most companies and those are the most stolen and compromised assets. This section is of

significance as so many young professionals will be entering companies who only significant assets are intangibles and they need to be accounted for and defended.

Students work:

See: *Archive-2/Elena Skalovskaia/Assignment 4 - IP Asset Registry.docx*

Author: Elena Skalovskaia

IP Asset Register

(x indicates who can have access)

Assets	Founder / Management	Financ	Sales/Marketing	Shareholders	Operations	External	Communication	Product	Supply	Administration
Patents	x							x		
Utility models	x									
Trademarks	x		x				x			
Copyrights	x									
Trade secrets	x									
Industrial designs	x									
Strategies	x									
Systems & Processes	x				x					
Bid Procedures	x		x		x			x		
Pricing	x		x					x		
Formulas	x									
Contracts	x		x					x	x	
Key Customer Lists	x		x		x			x	x	
Key Vendor List	x		x		x			x	x	

Have a register of all IP and CI elements which is stored and protected. Access can be granted in the following way:

1. a written access request should be submitted in advance (a few days prior)
2. the request should clearly state who is requesting the access and for which purposes
3. There should be a sort of agreement with binding legal consequences should the data be used to harm the company in any way. The person who is having access to the data should familiarize themselves with the agreement and sign it
4. access is only given strictly temporarily and then retrieved back
5. access should be given only if the IPCI responsible person has seen the request and has talked with the person who requested it (not by email but by phone)

These simple steps should at least hinder unauthorized access or drastically reduce the risk. There should be a clearly dedicated person who is the owner of the IPCI and who is giving access to the IPCI data. In this way the IPCI owner is aware who is interested to have access to the data and for which purposes and could take further counteractive measures to protect the data. Normally this should be a C-level person or the founder himself or someone in his direct supervision who has decision-making power. So only a few critical departments should have access or be given access to the IPCI, all the rest should be denied access.

Based upon the research we did as an interdisciplinary of studying the EV industry each student took the time to analyse a company in the EV industry.

Student report:

Author: Elena Skalovskaia

Report on Lucid Motors for Investor Recommendation

1) History of company

Lucid Motors (formerly known as Atieva) is a public American electric vehicle manufacturer headquartered in Newark, California. The company was founded in 2007 and as of 2020 its first car, Lucid Air, is in development. The company originally focused on building electric vehicle batteries and powertrains for other vehicle manufacturers. Some of Lucid's 500 employees as of 2016 had previously worked at other car companies such as Tesla and Mazda. The company has seen investments from Tsing Capital, Mitsui, Venrock, JAFCO, and others, providing an estimated US\$131 million by 2016¹. Venrock, Mitsui, and JAFCO are still current investors in the company.²

The company rebranded to Lucid Motors in October 2016 and officially announced its intent to develop an all-electric, high-performance luxury vehicle.³

On November 29, 2016, state and company officials announced the planned construction of Lucid's US\$700 million manufacturing plant in Casa Grande, Arizona, which was projected to employ up to 2,000 workers by the mid-2020s, initially building 20,000 cars and expanding up to 130,000 cars per year. The factory was then to be designed to support a maximum capacity of 380,000 cars per year.

On September 17, 2018, Lucid Motors announced that they were in talks with the Public Investment Fund of Saudi Arabia for a funding valued at over \$1 billion. The investment was completed in April 2019.⁴ The investment will fund: the final engineering and testing of the Lucid Air model; the first-phase construction of its manufacturing plant in Casa Grande, Arizona; the commercial production of the Lucid Air; and Lucid's worldwide retail strategy, beginning in North America. Construction of the plant began in late 2019, the first-phase was completed in December 2020. The second-phase construction is ongoing and will increase production capacity from 34,000 to 90,000 vehicles a year. The completed factory (4 phases) will have a combined manufacturing capacity of about 400,000 cars per year.

In February 2021, Lucid Motors announced a deal valued at \$11.75 billion to merge with Churchill Capital Corp IV (ticker CCIV), a publicly traded special-purpose acquisition company.⁵ CEO Rawlinson announced Lucid's intention to produce its Project Gravity SUV by 2023, then offer a competitor to Tesla's Model 3 by 2024 or 2025.

Product: Lucid Air

A prototype of the Lucid Air fully electric car was unveiled in December 2016. Lucid Air production is expected to start in spring 2021. In November 2020, The Lucid Air Pure was announced with 406 miles (653 km) of projected range and 480 horsepower (360 kW) and a

¹ <https://www.motortrend.com/news/lucid-motors-prototype-sedan/>

² <https://www.crunchbase.com/organization/atieva#section-investors>

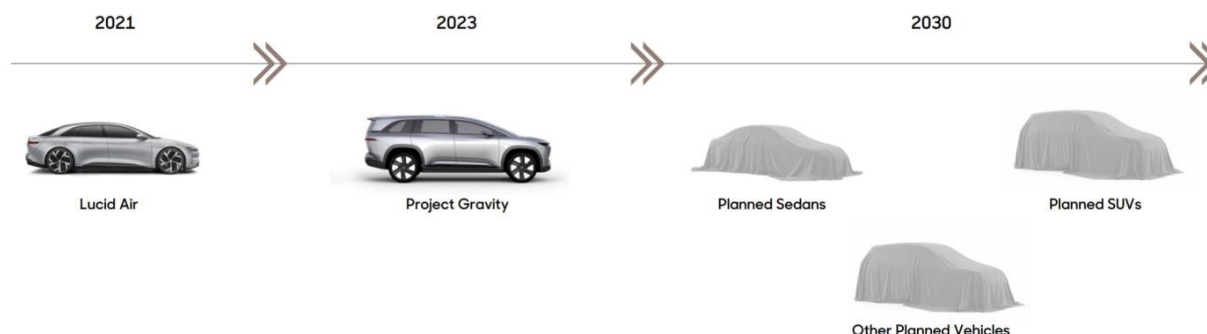
³ <https://techcrunch.com/2019/07/01/ev-startup-lucid-motors-snaps-up-teslas-former-production-executive/>

⁴ <https://techcrunch.com/2019/07/01/ev-startup-lucid-motors-snaps-up-teslas-former-production-executive/>

⁵ <https://www.lucidmotors.com/media-room/lucid-motors-public-merger-churchill-capital-corp-iv/>

starting price of US\$69,900 (after US federal tax credit). The full range of models includes Lucid Air Touring, Grand Touring, and Dream Edition versions.⁶

Fig.1 Production Strategy



Source: Lucid Motors⁷

On August 11, 2020, it was announced that the car is expected to have an estimated EPA range of 517 mi (832 km) on a single charge.⁸

Lucid is collaborating with Amazon to build in compatibility with Amazon's voice assistant Alexa, allowing drivers to use the voice assistant for navigation, phone calls, media streaming, smart home control, and other activities while driving.⁹

Batteries

The Lucid Air will debut with a 900V+ electrical architecture, custom lithium-ion battery cells.¹⁰

Lucid's car uses the 2170 standard for its lithium-ion battery cells, and supply agreements have been signed with both Samsung SDI and LG Chem.¹¹

Lucid has designed, developed, manufactured and supplied battery packs for all race teams in the 2018–19 Formula E season, and continued to do so for the 2019–20 season, in collaboration with McLaren Applied Technologies and Sony.¹² The Formula E specification calls for a battery weight of 250 kg (550 lb), 54 kWh energy, and peak power of up to 250 kW.

⁶ <https://www.caranddriver.com/news/a34777320/2022-lucid-air-pure-priced/>

⁷ <https://lucid-ir.s3-us-west-2.amazonaws.com/lucid-investor-presentation-february-2021.pdf>

⁸ <https://www.cnbc.com/2020/08/11/lucid-makes-a-run-for-tesla-with-luxury-ev-sedan-with-a-record-517-miles-of-range-per-charge.html>

⁹ <https://www.wired.co.uk/article/lucid-motors-lucid-air-ev>




¹⁰ <https://www.lucidmotors.com/media-room/lucid-air-fastest-charging-ev/>

¹¹ <https://www.forbes.com/sites/alanohnsman/2016/12/06/would-be-tesla-rival-lucid-motors-inks-battery-supply-pact-with-samsung-sdi/?sh=5ff38baa7813>

¹² <https://web.archive.org/web/20170602204628/https://apexracingpr.com/2016/10/23/three-way-partnership-for-formula-e-battery-supply/>

Lucid Motors partnered with Electrify America to use their nationwide charging network as an option for recharging Lucid's electric vehicles on the road. The Lucid Air will be able to add 300 miles in as fast as 20 minutes when using the station's 350 kW charging capability.¹³

Fig. 2: Raising capital

Asset	 Clarivate Analytics	 skillsoft + Global Knowledge	 MultiPlan
Vehicle	CHURCHILL CAPITAL I	CHURCHILL CAPITAL II	CHURCHILL CAPITAL III
Acquisition Announced	January 2019	October 2020	July 2020
Sector	Info Services	Education Technology	Transaction Processing / Healthcare
Transaction Size	\$4B	\$1.7B	\$11B
High Value of IPO Capital ¹⁾	\$2,837 / 311%	\$860 / 25%	\$1,383 / 26%

LUCID CHURCHILL CAPITAL IV Raised July 2020	\$2.1B	\$52.94 / sh.
CHURCHILL CAPITAL V Raised December 2020	\$500mm	
CHURCHILL CAPITAL VI Raised February 2021	\$552mm	
CHURCHILL CAPITAL VII Raised February 2021	\$1.4bn	

176% Return on IPO Capital To Date

Source: Lucid Motors¹⁴

¹³ <https://www.thedrive.com/tech/23813/lucid-motors-to-use-electrify-america-charging-network-for-its-air-electric-car>

¹⁴ <https://lucid-ir.s3-us-west-2.amazonaws.com/lucid-investor-presentation-february-2021.pdf>

2) Management

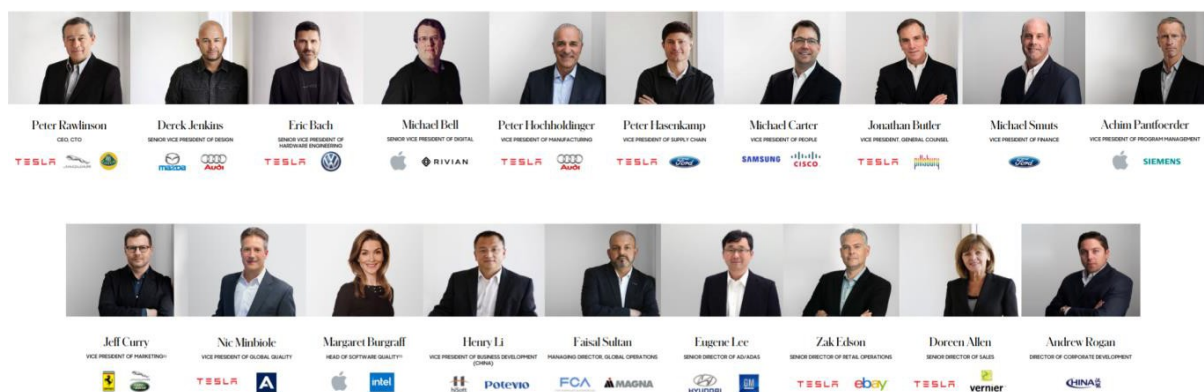
Lucid Motors has a quite diverse and international team in the top management, all of whom have extensive experience in the automotive industry, ranging from traditional manufacturers to other EV manufacturers but also other tech industries.

Peter Rowlinson (CEO/CTO) - British automotive industry executive with 30+ years of experience. Previous Vice President of Vehicle Engineering at Tesla and Chief Engineer of Model S.

Derek Jenkins (Senior Vice President of Design) – American automobile designer. Lead Lucid’s Design, brand creative and brand strategy. Previous Director of Design at Mazda North America Operations. He is currently the vice president of design at Lucid Motors. He is known for his contribution to the design of the Mazda MX-5 as well as the Lucid Air.

Michael Smuts (Vice president of Finance) – South African citizen, Vice President of Finance at Lucid Motors. Before joining Lucid, Smuts spent 25 years in key finance management roles at Ford Motor.

Fig.3: International and Experienced Management Team¹⁵



3) Company SWOT Analysis

Strengths:

1. Legitimate track record: Management team with track record of helping to bring disruptive products to market, including the Tesla Model S and iPhone
2. Validated innovative technology
3. They have a defined long term strategy with small progressive steps
4. High quality product
5. In-house manufacturing in Arizona with plans for expansion
6. In-house sales and service management: retails focused for high-end first-hand customer service
7. New investors with good track record
8. Luxury, innovative design, advanced technologies, attractive car models with competitive range and lots of storage, very fast charging time for the battery and can also charge anywhere

¹⁵ <https://lucid-ir.s3-us-west-2.amazonaws.com/lucid-investor-presentation-february-2021.pdf>

Fig. 4

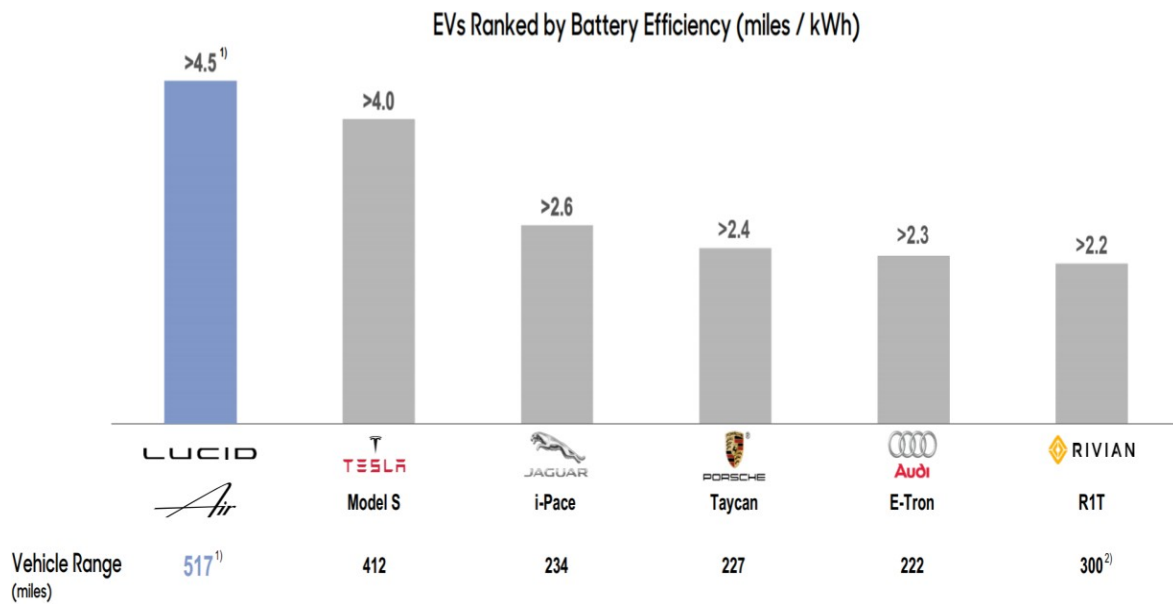


Fig. 5

	Dream Edition	Grand Touring	Touring	Pure
Horsepower	1,080 hp	800 hp	620 hp	480 hp
Range	Projected >500 mi. *	Projected >500 mi. *	Projected >400 mi. *	Projected >400 mi. *
Cost	\$161,500 inclusive ⁽¹⁾	From \$131,500 ⁽¹⁾	From \$87,500 ⁽¹⁾	From \$69,900 ⁽¹⁾
Reservation Payment ⁽²⁾	\$7,500	\$1,000	\$1,000	\$300

Source: Lucid Motors¹⁶

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. The industry is extensively supported by governmental incentives, so there is attractiveness.

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,

¹⁶ <https://lucid-ir.s3-us-west-2.amazonaws.com/lucid-investor-presentation-february-2021.pdf>

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

4) Recommendation for investors

As Lucid Motors has only gone public this year, there is no financial information publicly available yet. This will be available next year at the earliest.

Lucid Motors's estimated annual revenue is currently \$599.3M per year. The company received \$1000.0M in venture funding in September 2018 and its estimated revenue per employee is \$330,000. The company has 1816 employees, growing its employee count by 110% last year. They are actively recruiting with over a hundred new job openings.

The company has strong strengths derived from the SWOT Analysis. These are quote solid and could be a good base for investing in this company. The arguments based upon financial, strategic and human aspects are to consider buying their stock.

Fig.6 Luxury Vehicle Market Opportunity

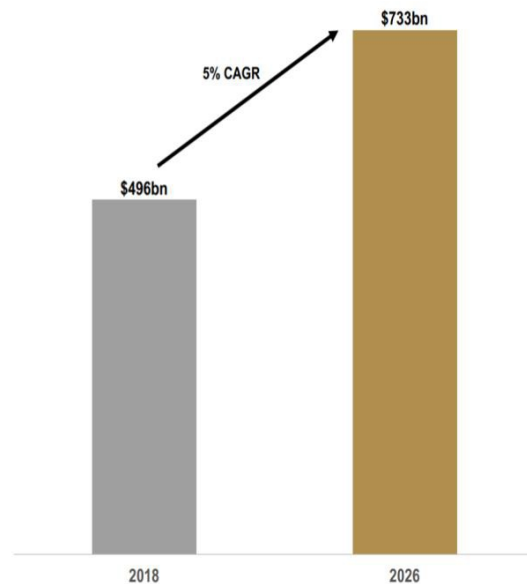
The global luxury car market was estimated to be **\$495.7 billion** in 2018 and is projected to reach **\$733.2 billion** by 2026, registering a CAGR of ~5.0% from 2018 to 2026

This presents an **opportunity** for a true luxury EV company to address unmet needs and revolutionize this market

With increased government mandates for electrification, combined with consumers' growing desire for clean energy vehicles, electrification of the automotive industry is taking place **globally at a rapid pace**, representing **5% of all new car sales** in 2020

"Production of electric luxury vehicles to meet stringent emission standards provides a remarkable growth opportunity for the players operating in the luxury car market."

-Allied Market Research, Feb. 2020



Source: Lucid Motors¹⁷

4) How does Lucid Motors company compare to lessons learned in the report crafted on the entire EV industry.

The report was loose and I cannot make a good comparison here, unfortunately.

But generally, despite the risks involved from the raw materials, battery limitation, end of life options, there is strong support from governments around the world for the EV

industry and this makes this industry attractive. Lucid Motors has valid chances to be successful, given an experienced team and their current elaborated and detailed strategy.