Apply Project Metrics

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The opportunity related to government incentives to sustainable energy is essential to Tesla Inc. because it will reduce the cost of production to some considerable extent. The electric cars are affected by a problem of the high price associated with a high-performance battery. The company is yet to secure suppliers of batteries at a lower cost (Berdichevsky, Kelty, Straubel&Toomre, 2006). When the government offers incentives to this company, it will be able to direct some of its money to research and development in order to produce its batteries rather than depending on suppliers. This will significantly lower the cost of production and thus the cost of the electric car. More people will afford the product, and the sales of the firm will rise.

The other opportunity that is of great importance to Tesla is the increasing demand for an electric car. People have already developed some desire towards electric cars; this is following their performance and convenience. Consequently, the increased pollution calls for the resolution to opt for greener fuel and the most feasible option available is the electric car. This demand is significant to the company, as it will help in increasing its revenue. Furthermore, the increased customer base is vital to the company as it allows the development of the electric car brand line (Eberhard &Tarpenning, 2006). Therefore, the company can use this opportunity to develop its brand and increase its sales of electric vehicles. In addition to this, a good number of countries have encouraged the purchase of electric cars to lower the rate of climate change; this increases the demands of electric vehicles. Moreover, there is an opportunity for diversification presented. This means that Tesla may concentrate on the production of electric cars as well as batteries. These batteries can be sold to other minor firms which may not have dependable suppliers. This is important to Tesla as it promotes diversification and assurance of income throughout the year.

Objectives

The first objective is to reduce the production cost by 10%. The person responsible is the project manager. The other objective is to increase sales of electric vehicles by 5%. The person responsible is the marketing manager and sales team. The last objective is to increase the production of battery by 25%. This is the responsibility of the IT department and project manager. The objectives are significant to the project as they will facilitate a decrease in production cost and an increase in sales and revenue.

Metrics

Metrics are critical in ensuring and measuring the success of the project by evaluating the achievement of the objectives. The primary metrics, in this case, will include increased sales and reduction of the production cost. The reduced cost of production is an important indicator of whether the course of action taken by the company is in the right direction. The decrease in production cost in a specific financial year by a particular percentage is an indication of the project success and effectiveness of proposed changes. The increased profit can be an indication of the reduced cost of production.

The increase in sales is another important metric. It is hypothesized that the increase in the production of the battery will make the company be self-sufficient and reduce its reliance on suppliers. This means that the company may direct the money paid to suppliers toward R&D or other essential projects. For instance, if the supplier provides one batter at $90, and the company can produce it at $50, it means that the firm may save about $40 per battery. This money may be directed towards other important projects. This cost of producing batteries may reduce if a large scale production is adopted.

The last metric, which indicates the increased sales is the increase in market share. Increased sales increase market share. Nevertheless, the increased sales are not always an indicator of increased market share. Therefore, the reduced cost of production will result to increased sales. The production of batteries can reduce the cost of production.

References

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