

Musk cuts off questions about Tesla's first quarter losses



By Ilse van den Berg

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NEWSWATCH: On Wednesday's quarterly conference call with analysts, Elon Musk didn't seem too keen to talk about Tesla burning through about \$1bn during the first quarter as the Model 3 sedan production struggles continue.

According to a report on *The Wall Street Journal*, Musk "wanted to talk about the future of Tesla Inc. - self-driving cars, its next all-electric sport-utility vehicle and opening a factory in China".

The Wall Street Journal's Tim Higgins reports that Musk "sparred with analysts over their 'boring, bonehead' questions, cutting off two of them after they asked about Tesla's capital requirements and Model 3 reservations."

“ Elon Musk: No 'bonehead' analyst questions please <https://t.co/eKVdw6BylN>— BBC News (World) (@BBCWorld) [May 3, 2018](#) ”

“ □□□□□□□□□□ Elon Musk: 'Dry' Investor Questions 'Killing' Him <https://t.co/Zt3hSDJLKE>
— J.M. Hamilton (@jmhamiltonblog) [May 3, 2018](#) ”

After Musk began diverting questions, Tesla's stock fell more than 5% in about a 20-minute span.

“ 💡💡 @elonmusk brushed analysts off, told them their questions were boring, and spent a significant amount of time fielding questions from a guy with a YouTube channel <https://t.co/ZQZ4QhhdC7>— Amrita (@amrita_ux) [May 3, 2018](#) ”

Christian Stadler of Warwick Business School, is professor of strategic management and researches the car industry. He says if Tesla carries on the way it is going it will not survive - investors are right to be worried.

"One of the ways out of this is for Tesla to partner with a tier one supplier like Magna, who have experience in the mass production of cars. Magna already works with OEMs like BMW on producing a model for them. It is more efficient and cheaper for the OEMs and gives them some flexibility if demand drops," says Stadler.

"Tier ones might not be so well versed in producing electric cars, but this is where Tesla can work with them and form a

partnership to overcome any problems. It will take time to find a way to co-operate, especially around any technology secrets leaking, and there are risks, but Tesla has found mass production is more difficult than it anticipated. It has a great product, but its marketing has created a lot of demand that it can't meet, which may well damage its brand in the long term.

"The tier one suppliers don't have a brand or R&D facilities, and I think somebody like Magna would be a good fit for Tesla to get over its production problems. Of course, these problems are well documented so Tesla might be at the mercy of the tier one suppliers, which might eat into their profits, but the tier one suppliers need the car brands as well, they will want to make any partnership work - they need each other and electric cars are the future," he continues.

"On the one hand, I think Tesla would have broken down long ago if it wasn't for Elon Musk driving this great excitement around the brand. He is prepared to take on great risk, and he has already had a near corporate death in 2008 so he is used to this sort of panic about finances. But investors are getting more and more worried, the hype is starting to wear off for them and Tesla needs to find solutions quickly," concludes Stadler.

Read about Musk's comments to the analysts' questions [here](#).

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- [Tesla Continues to Burn Through Cash](#)
- [The price of Musk cutting off analysts? For Tesla, it's \\$2 billion](#)
- [Tesla's Record-Setting \\$710m Loss Sends Shares Tumbling](#)

ABOUT ILSE VAN DEN BERG

Ilse is a freelance journalist and editor with a passion for people & their stories (check out Passing Stories). She is also the editor of Go & Travel, a platform connecting all the stakeholders in the travel & tourism industry. You can check out her work here and here. Contact Ilse through her website here.

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