

TESLA

2-STRATEGIES

— how far — How will you move forward to achieve your vision? What are the guiding policies that enable you. The approach to meeting your aspirations is by creating enabling constraints.

A set of coherent actions — hence verb-sentences — with a punch. Game-changing insights that reframe a competitive situation and/or slay obstacles. Use STRATEGY CANVAS to explore BLUE OCEANS.

- You decided where you can play to win and just as decisively where you will **not** play.
- You can express how much each strategy contributes to your vision.

Imagine × Key Results

- All key results must support multiple imaginations.
- All imaginations must be supported by multiple evidences.

3-OBJECTIVES

— how now — in verb-sentences.

An objective details the coherent actions you will take to implement the strategies in the form of bets. Achieving objectives contributes to your strategies. Objectives are about **how** you plan to win by building your core capabilities by running a series of bets — experiments based on hypotheses to be tested and the work to be done to implement the strategies.

Ownership of an objective is taken, not assigned.

- Every objective is driven by a single and skilled leader.
- Each leader owns and drives at most two objectives.

Working the x-matrix

Link each section with a closed or open dot as you move through imagine → strategies → objective → key results → team.

- Imagine — horizon — Long term thinking without any reservations. Think big and compelling (BHAGS). What breakthroughs do you want to create in 3–5 years? What legacy do you want to leave behind? 1–3 items.
- Strategies — soon — 3–5 OKRs aligned (linked) with your aspirations, to be achieved in the next 4–6 quarters.
- Objectives — now — 5–8 bets (improvement opportunities, experiments) with tangible, observable outcomes to be achieved in the next 1–2 quarters.
- Key Results — now — Evidence in the form of specific metrics on progress on each bet. TTI, Target To Improve.
- Team — accountability. — Key individuals taking ownership and responsibility for each bet.
- Revisit, refactor, refresh at least every quarter.



Design by Martien van Steenberg | AardRock.com | revision 03 | 2017-08-09

2—STRATEGIES

Accelerate the world’s transition to sustainable transport.

Make electrification cool, and propell safest EV for the masses.

Harvest solar energy dirt cheap.

Produce batteries massively with zero footprint.

Sell only direct (zero dealerships).

Strategies × Imagine

- Everything you imagine should be covered by two or more strategies.
- Each strategy drives at least one of your burning desires.

1—IMAGINE

The whole world has abundant energy, requiring zero fossile fuel.

100% safe mobility worldwide is transitioned to electric vehicles.

Rest of mobility and energy industry compelled to follow our lead.

1-IMAGINE

— what — the gist of the size and ambition of your challenge. Your BURNING DESIRE or BHAGS.

- You all are crystal clear about your winning aspiration.
- Everyone can list the top three results you aim to achieve.
- The BRAND CLICK is shared by all.



If you want to build a ship, don’t drum up people to collect wood and don’t assign them tasks and work, but rather teach them to long for the endless immensity of the sea.

— Antoine de Saint-Exupery

Strategies × Objectives

- Each objective supports two or more strategies.
- You really understand each individual objective.
- You cannot think of a more effective objective.
- It is an essential objective and cannot be omitted.

4—KEY RESULTS

Now Plan Cost Rev.

Model 3 ships.

US & EU 30% coverage of charging stations.

100 km² covered with solar roofs.

Open two Gigafactories for batteries.

Get monthly production for Model 3 up to 30,000.

Provide two communities of 20k people with electric power.

Deliver world’s largest battery storage for Australian wind farm.

Switch on huge solar energy plant on the island of Kauai.

METRICS

Metrics × Objectives

— Impelementing objectives generates evidence.

- All key results have at least one supporting objective.
- Every objective effectively results in key results.
- Every objective sufficiently improves key results.

Each and everyone:

- fully understands every individual aspect;
- feels and acts responsible and accountable; and
- lives the dream and its strategies.

METRICS

— meaningful measurable facts

Metrics are the real bets. Which bets are you taking? How much money will you invest, and what will be the expected return on that investment? All short term: 1–2 quarters. Actions that result in meaningful outcomes that, when succesful, lead to observable impact. Leading indicators of outcomes, preferable expressed in Y€\$ or qualitative (e.g. on a scale of 1–5). Facts that help you to know where you are and guide you where to go and/or tell us how to improve our perspective.

- Every metric contributes to the economic results you value.
- You know how much each metric contributes to the outcome.
- Everyone can explain how each metric contributes to the desired behaviour.
- All metrics easily compare planned versus actual.



4-KEY RESULTS

— how much — meaningful observable outcomes. Leading indicators which provide quick and frequent feedback on whether the objectives are having the desired short term impact.

- All key results prove that the strategic choices are working.
- All key results are clearly observable.
- All key results are leading indicators.
- All key results can be expressed in Y€\$.
- All key results are quantified and trendy.

ANTIFRAGILE — That which does not kill you, makes you stronger. Antifragile systems benefit from shocks, and thrive and grow when exposed to volatility, randomness, disorder, and stressors and love adventure, risk, and uncertainty.

BHAG — Big Hard Aggressive Goals. Collective yearning, longing. Compass. Gives direction. Similar to TRUE NORTH.

CATCHBALL — To toss big ideas around — up, down, and across the organization — so that others cocreate and already know about them and can tune and tweak them to make them ever better. Increases COMMON GROUND and buy-in. Fosters a culture of collaboration, understanding, and learning.

ENABLING CONSTRAINTS

FRAGMENT — cascades down. An objective at the current level is the strategy for the next level down. Reverse: the objectives at the current level are the strategy of the next level up.

HOSHIN HANRI — Hoshin = Japanese for compass. Kanri = Japanese for management. Facilitates and catalyses focused communication on all levels. Applies recursively, on all levels of scale.

FULLY INTERLOCKING — All areas are coherently, consistently, and completely linked. The system is the product of the interaction (links) between its parts.

INTENT 2 UP — this x-matrix is fully aligned with the INTENT 2 LEVELS UP, also known as the COMMANDER’S INTENT.

LEADING INDICATOR — Opens up possibilities, by limiting the choices, by restricting the possible options available and leaving just enough so that creative ways to deliver can still emerge.W

OKR — Objectives and Key Results. Objectives are the tactics. Key Results are SMART.

TRUE NORTH — Orients which informs what should be done. TRUE NORTH a direction and vision, not a destination. All your decisions should take you towards your True North. Just like the BHAGS. Examples: a world without diabetes; a fully electric world; a man on the moon; the network is the computer.

X-MATRIX: — What contributes to what? Who is responsible for what? Does it feel good? Does it make sense? Does it work?

SCALE FREE — Three (organizational) levels: strategic, tactical, operational.