Future Investment Opportunities

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**Introduction**

With inevitable technological changes, organizations have to be creative and innovative-change accordingly to remain relevant and profitable in the market. As such, there is need for them to invest in new technologies while eliminating old methods of doing business. This ensures that they remain relevant and competitive in market by making their processes effective and efficient. Such investments projects can also involve phasing out some old ways of doing things in the organization. For purposes of this paper, we can deny Tesla is the more advance automaker in technology on your cars and the new revolutionary technology auto company.

**The Most Probable Investment for This Organization and Why**

Based on my knowledge Tesla has been growing since they start with no investment on advertise. This is not includes having a website and a wide social media presence as a way of attracting new customers and stimulating the existing albeit dormant ones. The core of this investment will be havingan investment on advertise like outdoor, Tvs commercial, radio etc. which will be essentially its new market apart from the old traditional ways of reaching customers. The main features as they use already on the strategy of the website but will be also to enable customers interact with sellers through way of chatting where they will be asking questions and get answers real time. Tesla has delivered in 2014, 41% more then 2013, in 2015 they sell 55,000 vehicles, 74% more thanit did last year. To sustain this type of growth, the company will need demand for its vehicles to continue grow (Sparks, 2015). This investment for the organization will increase customers viewing on your vehicle reducing operational costs while attracting new customers to the business. This with no doubt will be a great way of the organization to start thinking about the future investing on more channel to reach more customers! The financial impact will be to reduce costs of operations, increase sales and by extension profits (Devaux, 2015).



**Approximate Costs and Benefits of This Investment**

This will be a mega modernization project for the organization and as such its financial costs cannot be over emphasized. The initial outlay cost for the online infrastructure will be high-such costs include consultancy costs, installation costs and as well switch over costs. With a lake of technology Tesla put on the vehicle this is will be an immediate turn point on escalated on sells.For the first few months of implementation of this project the company will incur high sunk costs, with immediate benefits. In fact, automotive makers spent $8 billion on advertising, the most of any industry in the U. S in the last year (Duttge, 2010). However, in long run, the organization will reap benefits such as, increasing customer base and as well increasing organizational awareness to the potential customers who might consider buying the products. The organization will be able to expand more local and international markets that it may not have been able to reach yet. This investment will affect financial decision- making. For instance, the organization may be forced to seek external financing to boost the project. In the meantime, cash flows may be negative but in long run when the effects of the new project sink the cash flows will be positive (In García & In Lev, 2015).

**Effects of the Investment on Budgeting**

Well as indicated earlier, the investment will involve large financial outlay initially. This will affect the organizational finances to the extent that it will be forced to borrow. However, once the inflows from the new investment start flowing within a period of the first year the organization will have its income increased three times. Therefore, the initial cost is worth the investment (In Peris-Ortiz & In Sahut, 2014).

**References**

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