

MUSINGS ON MOBILITY

Essays by Michael L. Sena

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MUSINGS ON MOBILITY essays touch on everything associated with why and how people move, the ways they get from where they are to where they want or need to be, and the infrastructure that sometimes enables and sometimes obstructs their movement. The author of these essays was trained and worked as an architect and urban planner, and then changed careers to work with the automotive manufacturing industry and its systems and service suppliers on designing, developing, and putting into use products and services that make driving safer, more secure, and more comfortable.

Elon Musk changes Tesla's narrative: Jacques Nasser of Ford tried it twenty-five years ago

"The key to investing is not assessing how much an industry is going to affect society, or how much it will grow, but rather determining the competitive advantage of any given company and, above all, the durability of that advantage."

Warren Buffett

TESLA'S EARNINGS CALL on Thursday, the 24th of July 2025, brought me back on a magic carpet ride to the summer of 2000. Twenty-five years is a rounding error at ten decimal places in Earth time, but for people born in 1947, like Jacques Nasser and your editor, two thirds of our lives reckoned by where we are today was behind us in 2000. Jacques Nasser would turn 53 at the end of that year, and he was at the pinnacle of his career, having been named President and CEO of Ford Motor Company in 1999. Where Nasser, Ford Motor Company, and the rest of the car companies were in the summer of 2000 is where I was taken on that carpet by what I heard from Elon Musk about Tesla in the summer of 2025. What happened to Nasser and Ford after that summer had a major impact on many lives, including my own. What will happen after this summer to Musk and Tesla will have lasting impacts as well.

First, Tesla's earnings call. Even Tesla's fan boys had difficulty putting a positive spin on what Elon said, and especially on what he did not say. Musk, who turned 54 on the 28th of July – yes, around Jacques Nasser's age 25 years ago – was on a call with the press and financial analysts, ostensibly to discuss the company's second-quarter earnings report. It was the lack of earnings that you might think should have been on the minds of those who were on the call. Sales of its cars, which is responsible for over 80% of its revenue, continue to decline in most markets. They were down 88% in Sweden and 60% in the UK in July. During the first six months of '25, they are down 33% in the EU from the same period in '24. VW has taken over the crown from Tesla as the number one seller of BEVs in Europe. As a result, Tesla's profits have decreased for three quarters in succession. The source of a major contributor to Tesla's profits for the past ten years, zero-emissions tax credits that are sold to car companies which do not produce enough zero-emissions cars according to previous U.S. governments, is being eliminated by the current U.S. government.¹ The battery electric vehicle \$7,500 tax credit, which helps less-than-wealthy car buyers in the U.S. choose a Tesla rather than a more affordable hybrid, will be history in

¹ Zero emissions tax credits were created by government programs to encourage carmakers to manufacture vehicles with lower or zero carbon emissions. Tesla, or other battery electric vehicle manufacturer, can sell credits to other automakers who need to comply with climate-related regulations established in Washington (U.S. federal government), Sacramento (California), and Brussels (European Union).

October. One might expect that the question to Musk would have been: "What are you going to do to increase car sales?"

Anyone who had that expectation has never listened in on a Tesla earnings call. If you mention the elephant in the room to Musk, the best you can expect is a dismissive, "Dumb question. Next." One analyst, who probably will not be invited to the next call, did ask whether investors should be worried about what is happening right now to Tesla. Musk responded: "We're in a weird transition period and could be in for a few rough quarters." Musk's sole message on the call was that Tesla is no longer in the business of building and selling cars that people purchase and drive themselves, which is the business it has been in since its founding and was making a very decent job of it, until Musk decided to make a major political statement by backing one of the presidential candidates in the most recent U.S. presidential election, . In 2006, Musk said the following: "The overarching goal of Tesla is to help reduce carbon emissions and that means low cost and high volume. We will also serve as an example to the auto industry, proving that the technology really works and customers want to buy electric vehicles."²

Sage Advice

"Don't be afraid to give up the good to go for the great."

John D. Rockefeller

"Yesterday's home runs don't win today's games."

Babe Ruth


Today, Tesla is in the AI and robotics business, said Musk on the earnings call. Building and selling cars is now a secondary business with a yet-to-be-determined future. This is the message that was hammered home during the earnings call, and the analysts on the call who were given access to the microphone dutifully focused on this (new?) fact. There were no details provided on how the 80% of revenue that is car sales-related would be flipped to be AI and Optimus robot-related, or when that may happen. It was, basically, "One day it will be awesome. Trust me."

Those who have followed Musk on his Tesla journey will see nothing new or problematic with his obfuscation. This is what he does. This is who he is. Don't look at what you see; look at what you don't see. It's there if you are smart enough to believe me and believe in me. Starting in Tesla's 2021 annual reports, there were statements about the company having the ambition of selling 20 million cars by 2030. In 2024, those claims were removed, just at the time that it was becoming very clear that such a goal was a pipe dream. Moving the focus from cars to AI and robots and robotaxis may simply be a way to justify a trillion-dollar market cap for a car company that sells less than one-half the number of cars that Ford sells and has one-half of Ford's annual revenue. But then, Ford's market cap is a puny \$44 billion.

Ford CEO Jacques Nasser tried to sell a pipe dream in 2000

Jacques Nasser was born in 1947, the same year that Henry Ford died. Unlike Ford's children, grandchildren, or great grandchildren, Nasser had no reason to believe that his destiny would be tied to the Ford Motor Company star. He was born in Lebanon and

² Exclusive Q & A with Elon Musk on the Tesla Roadster and the future of EVs". Interview with Sebastian Blanco, www.aubitlog.com. July 26, 2006.



“One hundred years ago, Henry Ford put the world on wheels,” said Nasser, “now we aim to put the Internet on the road. It means the motorist will never be out of communication with the outside world.”


Jacques Nasser

moved with his family at the age of four to Melbourne, Australia. He was a student intern at Ford Australia when he was attending the Royal Melbourne Institute of Technology in its business program, and joined Ford when he graduated in 1968, not yet twenty-one. What followed during the next thirty-three years was a global cruise on the Ford ship in which he moved constantly up from the lower decks to the captain’s chair on the bridge. First, he was sent to South Africa in 1982, a year later he made his first sojourn in Dearborn at Ford’s headquarters, and in 1985 he got his big chance to make a major impression when he was named head of finance and planning for Latin America. Next came a stint in Europe, then he was sent back to Australia to become head of Ford Australia, and in 1993 he was promoted to Executive Vice President and Chairman of Ford of Europe. He was approaching the age of 46. In 1996 he became president of Auto Operations, and by 1997, he was being credited with bringing back Ford to profitability. The company’s stock was heading into the stratosphere, and it began using its new wealth to acquire other companies, including Aston Martin, Jaguar, Land Rover, and Volvo Cars. On the 1st of January 1999, he became the youngest CEO in the history of the company who had not descended from the company’s founder. He took over from Sir Alex Trotman, who had held the positions of Chairman and CEO. Bill Ford, Jr. was named Chairman.

The only thing that is predictable is unpredictability

The last year of the 20th century was Jacques Nasser’s year. In March 1999, Ford completed the purchase of Volvo Cars, the last horse in the Premier Automotive Group stable. Nasser immediately began to change the narrative of not only Ford, but the entire automotive business. In December, he predicted that the 21st century would be an “incredibly fortunate time for all industries, but especially for the automotive industry”. Communications systems, navigation systems, security systems, and e-mail would be strong growth areas for industry, he said, and claimed “there is no reason that one’s office or home could not be duplicated in a car”. He questioned whether there was any such thing as stability in a world that was changing so quickly.

The dot.com bubble was growing larger. I recall how, at the 1999 annual ITS World Congress in Turin, telecoms companies like Vodafone and Deutsche Telekom walked in the limelight and talked like they would soon own the core of the automotive business and its customers. In January of 2000, Nasser spoke at the North American International Auto Show in Detroit and revealed that from 2001 model years, Ford cars sold in the UK would have voice-activated access to personalized Internet information via their mobile phones, automatic telephone dialing, and navigation. “One hundred years ago, Henry Ford put the world on wheels,” said Nasser, “now we aim to put the Internet on the road. It means the motorist will never be out of communication with the outside world.” At the same auto show he said, “We’ve entered a world where you measure speed in gigahertz and pipeline bursts, not horsepower.”




And then, he announced the launch of Ford's Wingcast Telematics unit, partnering with Qualcomm. Ford owned 85% and Qualcomm the rest. It was going to provide additional revenue streams from telecoms services when car owners would pay monthly subscription fees, similar to what GM was attempting to do with its OnStar service.

The ultimate car guy had become the ultimate net geek. He saw the Internet not only as a way to generate more income, but as a way to connect more directly with customers. Nasser began a major diversification campaign, investing in e-commerce, junkyards, auto repair shops, and car distribution. In August of 1999, Ford acquired the Kwik Fit exhausts and brakes chain in Europe. It also acquired the consumer finance arm of Japan's Mazda. In a move that alienated white collar staff, he instituted a human resources policy of mandating that 10% of low-performing staff could be subject to termination, and in a move that alienated manufacturing staff and the unions, he began to close plants that were losing money, living up to the nickname he earned in his drive to the top: 'Jack the Knife'. And in late 1999, he set the wheels in motion to sell Ford's in-house parts company, Visteon, meaning he would further dismantle the vertical integration business model that helped Ford produce cars at the lowest possible costs.

But in August of 2000, the reality of the automotive world struck with a vengeance. Its newly updated Ford Explorer began to experience an unusually high number of roll-over crashes. The problem was investigated by Ford and Firestone, its tire supplier, and both companies sent root-cause analyses to NHTSA (National Highway Traffic Safety Administration). Ford said that it was all due to the tires, and Firestone was to blame. It said that Firestone's tires were weaker than Goodyear and Michelin tires. Firestone countered with a claim that the vehicle weight, low recommended inflation pressure, and Ford's tire design specification contributed to the failures. It admitted that lower adhesion for tires manufactured at its Decatur plant shared in the blame. Ford recalled the SUVs and replaced tires at its own cost, which severely affected the company's profitability. Firestone cancelled its contract with Ford in May 2001, which it had had since 1906.³

Nasser took charge of Ford's fight on the "tiregate" dispute to minimize damage, but he made one unforgivable mistake: He threw Firestone under the bus, ignoring the fact that Chairman William (Bill) Clay Ford, Jr.'s mother was born Martha Parke Firestone. The Ford board was losing patience and its trust in Nasser, and the Ford family was not inclined to offer him any support. In October, Bill and Jacques had a quiet sit-down in the executive dining room. Bill said they came to a mutual decision that Jacques would step down and move out. Bill would take over as both CEO and chairman. Jacques' time at the top of the automotive pyramid was over. Back to basics making cars was the message coming out

³ <https://supplychainnuggets.com/lessons-from-the-ford-firestones-supplier-relationship-collapse/>



of the new CEO's office. Nasser became a professional board of directors' member, never occupying a corner office again.


Defining a new competitive advantage is risky business

We can speculate where Ford Motor Company would be today if the tires had not come off Jacques Nasser's juggernaut, both figuratively and literally. "A man ahead of his time," was and still is how Nasser is described by some. "A true visionary" say others. Sound familiar? Isn't that how Elon is described by his fans and hard-core investors? Whether Nasser was or was not a visionary, or a was or was not a competent CEO who just had some bad luck, can be debated. However, I believe that Jacques Nasser made two mistakes that damaged Ford in the short term and has had long-term negative effects on the company's fortunes and the automotive industry. The first was that he told both investors and customers that Ford was in the wrong business. It had been in the car-making business since its founding in 1903 and had been making cars that many people wanted to buy since 1908, beginning with the Model T, but it wasn't going to do that anymore as its main business, said Nasser. The reason he gave was that times had changed, even if people had not yet realized that fact, and Ford, with Nasser at the helm, would lead that change.

Then, he told investors and customers he was going to do something totally different, which was to use the cars that Ford made – and maybe cars that other companies made – to deliver services to customers that they had not yet asked for and did not yet believe they needed to have as part of their automobiles. He went even further, asking both investors and customers to take as a matter of faith that Ford could deliver these services better than any of its current and not-yet-existent competitors. When the tires in Ford's Explorers started to lose their treads, it delivered a simple message to both investors and customers: We don't care about the bells and whistles; just make sure the cars carrying those bells and whistles are safe, comfortable, and affordable.

Returning to Warren Buffett's cautionary advice to investors, which should have guided what Jacques Nasser did when he became Ford's CEO, make sure you always explain your competitive advantage and why it is durable, and do it in a way that is easy to understand. Make it clear that you will always work as hard as you possibly can to keep that advantage. Do not, under any circumstances, abandon your current competitive advantage until you have a better one that is just as easy to understand, just as durable, and is easily understood by your customers. "Ford makes cars that are easier to drive and cheaper to buy" is what made Ford the company it was when Nasser took over.⁴ Nasser's new narrative was not even close to being a compelling argument to keep its customers and gain new ones.

⁴ MUSINGS ON MOBILITY Essays by Michael L. Sena July 2025 – Volume 01, Issue 03. (<https://www.michaellsena.com/musings-on-mobility/>).



There is little left of Nasser's legacy. Bill Ford shut down Wingcast the following year in a move that was described at the time as stopping the digging to get out of the money-sucking hole. Alan Mulally, who came from Boeing, took over from Bill in 2006. The Premier Automotive Group was wound down and all the car companies sold off by 2010. The "T-word"⁵ was not uttered at Ford ever again. Ford went into a Bluetooth-only shell, refusing to consider embedded SIM-card solutions for even safety-related applications until the EU's eCall directive that came into force in 2018 forced it to do so. With the help of Microsoft, it developed its SYNC solution. Its car sales peaked in 2000 when all the acquisitions' sales were included, and collapsed beginning during Mulally's tenure. Ford avoided the embarrassment of declaring Chapter 11 as Chrysler and GM did in 2009, mostly by concentrating on building up sales in China.

Warren Buffett's Berkshire Hathaway does not own any Ford or Tesla stock. The Oracle of Omaha has stated that his company is not interested in automotive manufacturing companies in general because he feels "the auto business is just too tough".⁶ There are too many automaking businesses to generate attractive returns, he says. The shift to battery electric vehicles is a major drain on capital and involves very high risks to determine which companies will succeed and which ones will fail to make the transition. He specifically does not invest in Tesla because Tesla does not meet its "value investing" criteria: durable competitive advantage, reliable and capable leadership, and consistent returns on invested capital. Tesla is facing increasing competition from many companies, especially those in China, which threaten its long-term advantage, and Musk's leadership style is too unpredictable for Buffett. The big question that Tesla has not answered is how much money will be required for realizing the positive impacts of AI and robotics, if they are indeed the heart of the "new Tesla", and where that money will come from if sales and subsequent profitability of Musk's cash cow, cars, slow to a crawl or begin to turn negative. Those are the kinds of risks which Buffett avoids like the plague.


Maybe Elon's just tired of hawking cars

Elon Musk has been CEO of Tesla for seventeen years, beginning in 2008. According to Harvard Law School Forum on Corporate Governance, the average tenure rate for CEOs is around 7 years, down from 7.6 years in 2018.⁷ Musk became the longest serving automotive CEO in 2021 when he passed Dieter Zetsche's thirteen years. Henry Ford was Ford's operational CEO for only fifteen years (1906-1919, 1943-1945) because his son, Edsel, was leading the company from 1919 until his death in 1943. Henry installed himself as CEO when his son died. He was eighty at the time, and past his prime. Henry Ford II, Edsel's son, took over as President

⁵ T for 'telematics'.

⁶ <https://www.barrons.com/livecoverage/berkshire-hathaway-warren-buffett-annual-shareholder-meeting/card/berkshire-won-t-be-investing-in-automakers-buffett-says-AtdFLjBhjbTPNnJLrbbT>

⁷ <https://corpgov.law.harvard.edu/2023/08/04/ceo-tenure-rates-2/>



in 1945 when his grandfather (Henry) was forced by his grandmother (Henry's wife), and his mother (Edsel's wife) to abandon his effort to run the company, threatening to sell their shares if he did not. Henry Ford II held the position of CEO for thirty-two years, 1947-1979, but he was only thirty years old when he started. Musk was thirty-seven when he became CEO of Tesla. It is possible that Musk is just trying to keep life interesting by moving not only Tesla's goal posts but the entire playing field. It's also possible that, like Nasser, he believes he is on to something big and he wants everyone else to believe it too.

Jacques Nasser was forced out of Ford as he approached the age of fifty-four because he did what Musk appears to be doing now, that is, changing the narrative of his company. Nasser has never become a CEO again. There was a ready replacement to Nasser waiting in the wings in the form of Bill Ford, Henry Ford II's son, who would put back in place the old Ford narrative when Nasser left. Musk does not have a son (or daughter) capable of taking the reins of Tesla while their dad dabbles in more interesting (to him) areas, as Henry Ford did when he was the same age as Elon Musk is today. Henry continued as Chairman while Edsel made sure new models started coming out of the factories. Musk lost the Chairmanship when he was sanctioned by the SEC in 2018, but he has many other interests that could surely keep him busy if he is tired of building cars, as Henry Ford tired of what had been his principal occupation up to the time he turned fifty-six.


Don't keep the bathwater and throw out the baby

It would be a pity if America's most promising car company collapsed because its CEO and principal owner no longer wants to put his efforts into keeping it running and growing, and there is no one he can trust to take it over. Those robots he is trying to build can drive any car brand, if that is Musk's automotive-related application for them. Musk already has an AI branch on his X-tree. We might think that rather than the board of directors luring him back to his job with a huge payout, as it has done following Musk's detour into the D.O.G.E.⁸ ⁹ and the world of government, maybe the board should have let him continue to play world saver (or galaxy explorer or dancing robot developer or brain enhancer or social media crusader) and used the money to find and pay someone who could take over as a full-time, hands-on chief executive.

So, do Elon Musk, Tesla's board of directors, and Tesla's investors really want Tesla to be in the robotics and AI business or in the business of building cars that are robots and which drive themselves? Here's what I believe, for whatever you, my readers, think

⁸ D.O.G.E. – Department of Government Efficiency: an initiative by the second Trump administration within the federal government of the United States. Its stated objective is to modernize information technology, maximize productivity, and cut excess regulations and spending. It was the brainchild of Elon Musk, who ran it as a non-paid, non-full-time advisor to President Trump. His tenure ended at the end of May 2025.

⁹ On the 3rd of August, the Tesla board granted Musk 96 million shares of restricted stock with a total value of around \$29 million. This was after a \$56 billion pay package was revoked by a Delaware judge. One analyst was quoted as saying that creating this new compensation package will now keep Musk as CEO of Tesla at least until 2030 to lead the company through an "inflection point," as Tesla transitions to an AI-first company.



it's worth. Tesla, with Elon Musk at the helm, has managed to do something that few other car companies have done, which is to start from zero and get to sales of one million vehicles with a single brand in 18 years. Ford did it, starting in 1903 and reaching a million in 1921. It was 2003 and 2021 for Tesla, exactly one hundred years later. VW made it in 16 years, 1937-1953. GM got to the milestone in 11 years, but with multiple brands. It took Toyota 31 years after its founding in 1937 to reach 1 million units.

Is Elon Musk really serious about Tesla being in the AI and robotics business and not the car-making/selling business? Lots of companies are in the robotics business and a growing number of companies are in the AI business, but Tesla has been in the car manufacturing business, and until Musk started acting like he was bored by the whole thing and began whinging about his low salary, Tesla was doing very well selling those cars. Tesla was on track to sell two million cars in 2024 when the tires came off the wheels as a result of Elon's antics, increased competition from both European and Chinese brands, and a cooling of the electric car frenzy.

I do not believe that Elon Musk has any interest in giving up the Tesla car business. It is the basis for everything he is doing with all of his Xes. Tesla builds cars that do all the things other cars do, including getting its driver and passengers from any A to any B, which dancing robots and AI software cannot. But Tesla has a car that people want to buy because it does things that other cars cannot do without adding lots of extra, unsightly equipment, like drive itself. Who will pick up the Tesla driverless car ball if Tesla no longer makes cars? Will Musk sell the car-making business and all those Tesla engineering and manufacturing jobs to a lower-cost car manufacturer in Asia? Will he sell the driverless functionality to one or many other companies, like Waymo is planning to do, or will he give it away for free as he has, at times, intimated? Is Elon Musk really considering throwing out the baby and keeping the bath water? No he is not.

There is a very big difference between Elon Musk and the Jacques Nassers and Bill Fords of the automotive industry. Musk has had to (unwillingly) learn the car business, which Nasser knew very well but forgot it when he became enamored by the "phone on wheels" vision. Musk had to learn to manage a global operation, which the Ford family had hired experts to do from the time of Henry the First. Elon Musk is not a techno-neophyte who hires consultants to tell him what they think he should know and do, as Nasser did, or who has no thoughts about how cars can extend their value proposition, which none of the other car companies have done—at least not yet. Musk has done a pretty good job of satisfying his investors, large and small, in spite of not having the stamp of approval of value investors. I think he is going to keep on doing that while he keeps on making cars that do what cars have always done, only better.



About Michael L. Sena

Through my writing, speaking and client work, I have attempted to bring clarity to an often-opaque world of highly automated and connected vehicles. I have not just studied the technologies and analyzed the services. I have developed and implemented them and have worked to shape visions and followed through to delivering them. What drives me—why do what I do—is my desire to move the industry forward: to see accident statistics fall because of safety improvements related to advanced driver assistance systems; to see congestion on all roads reduced because of better traffic information and improved route selection; to see global emissions from transport eliminated because of designing the most fuel-efficient vehicles; and to see everyone who needs a ride get one.

I put vehicles into their context. It is not just roads; it is communities, large and small. Vehicles are tools, and people use these tools to make their lives and the lives of their family members easier, more enjoyable, and safer. Businesses and services use these tools to deliver what people need. Transport is intertwined with the environment in which it operates, and the two must be developed in concert.



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