

# 46. Fremont Factory Hell

**\*\*Chapter 46: Fremont Factory Hell - Tesla, 2018\*\***

In the spring of 2018, Elon Musk's attention pivoted to Tesla's Fremont car-assembly factory, hoping to escalate its Model 3 production rate from two thousand to five thousand per week by the end of June, a goal viewed skeptically by Wall Street given the factory's production constraints. This prompted Musk to require managers to procure adequate parts, risking Tesla's financial stability for a production surge, while Tesla stocks became a focal point for short-sellers, betting against Musk's ambitious target due to Tesla's history of losses despite its soaring stock value.

The challenge of meeting production goals was compounded by Musk's battle against short-sellers, who used drones and insiders to gather real-time data on Tesla, betting heavily on the company's failure to meet its production objectives.

Despite skepticism, including from within Tesla, Musk enforced a relentless crackdown on inefficiencies within the Fremont factory. Utilizing a micro-management approach, Musk embarked on "walks to the red," personally addressing production bottlenecks and eliminating unnecessary processes or components, often questioning the need for certain parts and sensors deemed to slow production. His disdain for over-automation, influenced by prior experiences, led to a significant reduction in robotic machinery in favor of hands-on human labor, culminating in a drastic workforce-driven effort to fulfill production quotas.

In an unconventional move reminiscent of wartime ingenuity, Musk initiated the construction of a temporary outdoor assembly line under a giant tent, exploiting a zoning loophole intended for minor vehicle repairs. This audacious strategy, designed to circumvent the impossibility of expanding production within the existing factory constraints, utilized gravity to move cars along the production line, significantly enhancing Tesla's production capabilities.

Despite facing critical scrutiny over work conditions and the alleged compromise of safety standards to achieve production goals, Musk's hands-on leadership and strategic shifts gradually yielded results. By late May 2018, Tesla's production rate had increased notably, though still short of the five-thousand weekly target.

As June 30 approached, Musk's relentless focus and strategic gambles, including the rapid establishment of the makeshift outdoor assembly line, positioned Tesla tantalizingly close to achieving its ambitious goal. On Musk's 47th birthday, his commitment remained unwavering, as he continued to fine-tune the production process up to the deadline, ultimately celebrating the achievement of the five-thousand Model 3s per week target, a milestone that, according to Musk, solidified Tesla's status as a genuine car manufacturer.

The chapter culminates with Musk reiterating "the algorithm" - a set of principles derived from hard-earned lessons during Tesla's production challenges, emphasizing rationalization, deletion, optimization, acceleration, and cautious automation, alongside management insights stressing practical experience, constructive criticism, willingness to undertake ground-level tasks, and a relentless push for efficiency and innovation.