

## Better Place: Charging into the Future?

In the fall of 2009 Shai Agassi was hoping that his success would continue. As the CEO and founder of Better Place, Agassi had “bet the family farm” on widespread adoption of electric vehicle technology. Having left a lucrative and promising career at SAP, Agassi had poured all of his efforts into creating a market-based transportation infrastructure that supported electric vehicles.

Founded in 2007, Better Place was Agassi’s response to the question of how he could make the world a better place by 2020. As he explained:

I started thinking about the next version...of SAP, and none of them made me feel like I would make the world a better place by 2020. I started thinking of the question, “How would you run a country without oil?” as the answer for “How are you going to make the world a better place?” I never thought it would be something I would do personally, but I built it as a business idea or a government agency, which I was pitching around to a lot of governments, sort of NASA for the oil on the planet. Until the first day of January 2007, when [Israeli] President Peres told me: “You’ve got to do this. It’s more important to your world, to your country, to your kids than another version of SAP.”<sup>1</sup>

Hailed as an environmental visionary by some and an unrealistic dreamer by others, Agassi was determined to achieve his goal of a world that did not rely on oil. Since its establishment in 2007, Better Place had attracted venture capital funding and garnered a great deal of publicity. With partnerships and developments in nations across the globe, Better Place seemed poised to succeed in the burgeoning electric vehicle market. Yet Better Place’s proposition relied on a revolutionary shift in the automobile industry. Would the company witness the widespread adoption of electric vehicles in the near future, or would competing technologies, environmental regulation, financial considerations, or other players in the electric vehicle market thwart Shai Agassi’s plans?

### Market Evolution

Electric vehicles existed as a viable technology at the beginning of the 20<sup>th</sup> century, but at the end of the century were only a tiny portion of the entire automotive industry. Due to a convergence of factors, the first decade of the 21st century saw a rapid increase in interest, regulation, and development of the electric vehicle market.

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