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## General Motors' EV Dilemma: Navigating to Emissions-Free Vehicles

It was urgent for Grayson Stone,<sup>i</sup> director of new product development, to assist General Motors (GM) CEO Mary Barra as she prepared for a September 2023 meeting with her executive team. Stone knew Barra and the other GM top executives faced a vexing strategic dilemma—whether or not to maintain GM's aggressive commitment to exclusively produce electric vehicles (EVs) by 2035, amid softening consumer demand and escalating competitive threats.

The 115-year-old automotive pioneer had garnered much attention since 2021 by staking its future on a revolutionary pledge to phase out gasoline-powered vehicles. It was the first major automaker to vow a full switch to electric.<sup>1</sup> GM invested billions in retooling its global operations around emerging battery and EV technologies, confident that consumer enthusiasm and government carbon reduction policies would accelerate adoption.

However, ambitions now outpaced practical realities. Rising costs and anxious consumers wary of limited charging infrastructure were repressing sales of EV models such as the Chevy Bolt.<sup>2</sup> At the same time, old rivals and youthful startups alike intensified competition in the nascent EV market. Stone reflected on how Barra's decision could determine GM's destiny for the next generation. Could the company realign its EV strategy to match emerging realities without losing the bold vision that captured headlines and investor enthusiasm? Or, would it recommit to the bold strategy of phasing out internal combustion engines within a little over a decade, regardless of what may result for consumers, competitors, or financial results? Might there be a middle ground of moderating targets and timelines to align with an EV market sweet spot?

With current auto industry dominance pushing against challenges of the future, the course charted by company executives would reverberate across boardrooms and showrooms alike.

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<sup>i</sup> Grayson Stone is a fictional character.

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