

BY THE NUMBERS

- Founded in **2009** by **26 year-old** Rensselaer and MIT grade **RJ Scaringe**
- Original capital: friends, family and **second mortgages** (RJ's and his dad's)
- Raised **\$8.2 billion** to date in **9** funding rounds
- Building **100,000** custom electric vans for **Amazon**
- **Valuation** as of January 2021: **\$27.6 Billion** <https://www.bloomberg.com/news/articles/2021-01-19/amazon-backed-ev-startup-rivian-raises-2-65-billion>
- **IPO** expected to be **\$50 Billion** (may happen as early as September or be pushed to 2022) <https://markets.businessinsider.com/news/stocks/rivian-ipo-tesla-competitor-ev-startup-electric-vehicle-public-debut-2021-2-1030067115>
- **First trucks** will roll off assembly line in **June, 2021** https://www.pantagraph.com/business/local/rivian-plant-gearing-up-for-june-launch-in-normal/article_9065038c-d60d-58c3-bae0-e4e7c9e9628c.html
- The R1T has a **range of up 400 miles**
- The R1T and R1S trucks can accelerate from **0 to 60 mph in 3 seconds**
- Sticker price: ~ **\$70,000** - more with additional bells & whistles
- Average price of a home in Normal, IL, where Scaringe has a home with his wife and young children: **less than \$200,000**. Rivian's main factory, a former Mitsubishi plant in Normal, was purchased from a liquidation firm for \$16 million. Rivian's corporate office is in Irvine, CA, so the Family Scaringe also have a home there.

.....

OVERVIEW

Rivian is a thoughtful, ambitious company built on solid design and good values. Like Tesla it is very much a reflection a driven, brilliant **founder, but R.J. Scaringe** (first name Robert, but everybody calls him R.J.) is pretty much the anti-Elon. Although raised in Florida, he is almost the stereotype of a Midwesterner: clean cut, fit, earnest, solid, sensible, pragmatic, reliable. (He grew up in Melbourne, which is near Orlando. The name Rivian is a hat tip to the nearby Indian River. The company was founded as Mainstream Motors, but quickly changed names.)

Before you read any further, watch this video: <https://youtu.be/aAS-9iHKbr4>

There are a LOT of videos, which you can either browse on the company site (<https://rivian.com> - scroll down) or on Rivian's extensive YouTube channel: <https://youtube.com/c/RivianOfficial>

While Tesla, with a valuation of \$800 billion, is the gorilla of the automotive space (not just the EV sector), its m.o. has been Musk's: the individualistic, hard-driving outsider, taunting incumbents. By contrast, Rivian has managed to carve out a distinctive niche while creating powerful, enduring partnerships with incumbents that are deeply vested in Rivian's success.

For example, in 2019 **Ford invested \$500 million in Rivian** to partner on building EVs for Ford: <https://media.rivian.com/rivian-announces-500-million-investment-from-ford-partnership-to-deliver-all-new-ford-battery-electric-vehicle/>. The disaster that was 2020 put the kibosh on that, but they are still singing each other's praises and plan to collaborate going forward: <https://www.motortrend.com/news/ford-and-rivian-partnership-explained/>

At the heart of this willingness to work with competitors is **Rivian's "skateboard platform,"** which is unique in the industry. The undercarriage of a Rivian truck is specifically designed for batteries and optimized for high performance both on and off road. It is also modular and adaptable. Both the R1T and R1S trucks are built on the same skateboard—and the skateboard design can be licensed to other manufacturers: <https://www.autoevolution.com/news/analyzing-the-skateboard-architecture-of-the-rivian-r1t-and-r1s-152013.html>

I have seen other attempts to create modular vehicle platforms, notably with a Canadian startup focused on autonomous farm equipment, but nothing nearly as well done. **This is brilliant and scalable.**

.....

Another big sector investor is **Cox Automotive, which has a \$350 million equity stake:**

<https://media.rivian.com/rivian-announces-350-million-investment-from-cox-automotive/>

“..Cox Automotive, a subsidiary of Cox Enterprises, is the home of nearly 30 automotive brands, including Autotrader, Kelley Blue Book, Pivet, RideKleen and Manheim, which transports, services, and auctions vehicles across more than 150 global locations...”

Amazon’s \$700 million investment is interesting on all kinds of levels. Beyond the jaw-dropping order for 100,000 custom electric vans, an EV is as much about programming as batteries. Having a close relationship with AWS is a valuable thing to have. Also, Jeff Bezos see Rivian as his counterpoint to Musk’s Tesla. This is terrestrial Blue Origin versus SpaceX.

Other investors include **T.Rowe Price, Black Rock, Fidelity, Soros** — There are 14 in all, according to Crunchbase: <https://www.crunchbase.com/organization/rivian-automotive>

RIVIAN’S GOOD GREEN HEART

Amazon additionally invested in Rivian through its \$2 billion **Climate Pledge Fund**. <https://press.aboutamazon.com/news-releases/news-release-details/amazon-announces-first-recipients-investments-2-billion-climate>

A key part of Rivian’s origin story is the pivot from building a prototype sports car to instead focus on off road adventure trucks. In the video I told you to watch before reading further, one of the original core team members recalls RJ saying, **“I don’t think this is a big enough vision. We can do better.”**

By focusing on trucks with features that lots of people want, RJ figured he could sneak in “Oh by the way, this is a path to zero carbon.”

Vehicles have long supply chains and are made from materials with significant carbon footprints, so it’s not only about emissions. But **zeroing out the tail pipe is a start.**

Also, by focusing on trucks, Rivian was able **to leverage an enthusiastic, young fan base of off road adventurers**, while testing the vehicles under every which kind of harsh condition (there are lots of videos...). While Tesla's Terminator-ish truck is still a long way off from production, Rivian trucks have been put through their paces. Adapting the design to make sure they would handle well for city and highway driving was a matter of engineering. These trucks will be coming off the assembly line in June with an impressive track record — and an extensive pre-order list.

.....

The batteries are designed to have a second life. One the looming “next dragon” problems already creeping up on us is what to do with all the kaput lithium batteries piling up. **The Rivian team designed their batteries so they could be adapted for community solar projects.**

Yes, please!

R.J. has a big bromance with Alex Honnald, the rock climber who solo'ed his way up El Capitan. <https://youtu.be/FRGF77fBAeM> & <https://youtu.be/SR1jwwagtaQ>. Rivian has partnered with the Honnald Foundation to prototype using the batteries in Puerto Rico. <https://media.rivian.com/rivian-demonstrates-battery-second-life-capabilities-in-honnald-foundation-partnership/> 2020 knocked that off track, so I sent out some feelers to a friend who has worked in Puerto Rico (funded by the Roddenberry Foundation <https://youtu.be/QpzVqF1UxCQ>) to see whether this is still a live project. If it didn't happen, I am sure something like this will happen somewhere.

.....

Also under discussion is a **“Farm to Factory” project**. Normal is surrounded by corn & soy fields and Rivian just purchased an additional 380 acres for expansion. As part of the deal, about 60 acres will be reserved for farmland. The idea—still very proto—is to work with nearby Illinois State, a land grant university, to **regeneratively grow healthy food for workers:** https://www.pantagraph.com/business/local/watch-now-rivian-closes-deal-on-380-acres-west-of-normal/article_eb2eed81-a2ec-5d18-9d98-3ebda37e92f1.html & <https://www.chicagotribune.com/business/ct-biz-rivian-plant-ev-production-launch-20210416->

[ns54kjoa5zfuvntuufaes|pdq-story.html](#). I am one degree (maybe less) removed from people who may be involved with this, so stay tuned.

.....

Rivian has also done a lot of things right making friends with the locals: <https://www.cnn.com/2021/03/24/cars/rivian-illinois-town/index.html>. Normal, which is about a 3 hour drive from Chicago, had hit times. It wasn't only Mitsubishi pulling out, but State Farm and Caterpillar left, too.

The build out was largely done by unionized labor: <https://www.wglt.org/local-news/2021-05-21/for-rivian-buildout-union-workers-the-benefits-go-beyond-the-paycheck>. Relations with unions have been so good that the UAW is optimistic about unionizing the autoworkers: <https://www.theverge.com/2021/4/28/22406064/uaw-union-rivian-lucid-motors-faraday-future-lordstown-labor>. We'll see.

.....

SALES

"It's a business with a very low probability of success. You need a thousand engineers. We need hundreds of suppliers. We need a really tight market position. The first dollar of our revenue comes after spending \$3 billion." —R.J. Scaringe

After a dozen years, which seems like no time at all, the first Rivian trucks are about to roll off the assembly line and it's game on. As of last August there were a **guesstimated 30,000 buyers on the waitlist, each putting down a \$1,000 deposit:** <https://insideevs.com/news/437341/rivian-r1t-30-thousand-reservations/>

So what does "game on" look like?

Customers order ("configure" - there are some nifty paint jobs) online — there is no dealership network. That said, **Rivian just opened the first of what will be a nationwide network work of ten showrooms in Seattle** (no coincidence — it's Amazon's hometown): <https://www.geekwire.com/2021/interest-electric-trucks-rise-rivian-gets-ready-business-seattle-area/>

They are also **opening 40 service centers and building out a charging network**: <https://www.caranddriver.com/news/a35892061/rivian-adventure-ev-charging-network/>

To make the experience more human, **each new truck owner gets a Rivian Guide**, an individual who will be there to answer all their questions. <https://rivian.com/?vid=v7rOnMTrpsnJFhKURZi3QY3> (My first question: How does the truck get delivered to its owner?)

There is some pushback from dealerships, including a new lawsuit in Illinois. But given the precedent of Tesla and the popularity of jobs-generating Rivian with state legislators, I don't think it's going to go anywhere. <https://www.wglt.org/post/why-illinois-car-dealers-are-suing-rivian-secretary-state-stop-direct-consumer-sales>

Rivian also partnered with Nationwide Insurance, so you can buy insurance for the Trucks as part of the purchase process. This is another example of developing a partnership with an incumbent who has a vested interest in Rivian's success: <https://stories.rivian.com/rivian-insurance> & <https://www.wglt.org/show/wglt-sound-ideas/2021-04-28/rivian-to-partner-with-nationwide-for-insurance-program>. The insurance is currently available in 40 states and they are working on the rest. By contrast Tesla insurance is available only in California.

PEOPLE

Rivian also just hired **Laura Schwab**, Aston Martin North America's now former President, **to head up marketing**: <https://www.autoweek.com/news/people/a34855540/speculation-ends-former-aston-martin-boss-laura-schwab-has-a-new-job/> & <https://www.linkedin.com/in/lauraschwab/>. This is big hire. Prior to Aston Martin she was director of marketing for Jaguar Land Rover. From the press, it seems like she is very well liked and respected in the industry.

Larry Parker, Executive Creative Director, has been with Rivian for 6 years: <https://www.linkedin.com/in/larry-parker-24a24326/> His background is in industrial design. Prior to moving to Irvine, he was a Detroit. I think he may be from Michigan originally.

THE ANTI-ELON

For the first time ever Elon Musk is going to have some serious competition, even though Rivian is a fraction of the size of Tesla. If Rivian is Tesla's dragon, then R.J. is Elon's.

Elon is flash and dazzle

R.J. is smarts and plaid-shirt work ethic.

Elon promotes himself.

R.J. talks about the team. (According to a **2019 NYT profile**, the core team, plus R.J.'s then-girlfriend, now-wife, lived together in a house in Detroit as they were working out the first prototypes: <https://www.nytimes.com/2019/07/02/business/rj-scaringe-rivian.html>)

Elon undercut his green cred with that whole bitcoin fiasco. Everybody knows—and has known for a long time—that mining bitcoin is an environmental disaster—a colossal waste of energy and time—even the *Wall Street Journal* (<https://www.wsj.com/articles/bitcoin-miners-are-giving-new-life-to-old-fossil-fuel-power-plants-11621594803>)

R.J. is working on upcycling batteries for community solar projects.

Elon flaunts community rules, even during Covid, fights unions and looks for tax breaks.

R.J. / Rivian in the pride & joy of Normal, IL, exceeding job minimums to qualify for tax breaks.

Elon's personal life, complete with weird baby names, is part of the show.

R.J.'s wife is so publicity-wary, I couldn't find her name. It was purposefully left out of the NYT article. I know that as of 2019, they had three kids. The oldest would be about 5 now. And that's all there is to know. They have worked very hard to stay under the radar and maintain a private life. Good for them...and thank you!

.....

There is plenty of room in the world for Tesla, Rivian and dozens of other companies in the EV space. Lithium batteries will give way to better batteries and eventually fuel cells, but **the glory days of the internal combustion engine are over.**

Energy geeks love to compare street photos of NY in the 1910s and 1920s. Within the space of a decade, the streets went from being mostly filled with horse-drawn buggies and carts to mostly filled with cars and trucks.

The transition to electric has been a long time coming. **And it will happen in a blink.**

- Janet