ANSWER KEY

SRTRATEGIC MANAGEMENT (IAT-1) MBA-II SEMESTER (2017-2019 BATCH)

Part A - Answer Any Two Full Questions (16*02=32 Marks)

1 (a) What is a strategy?

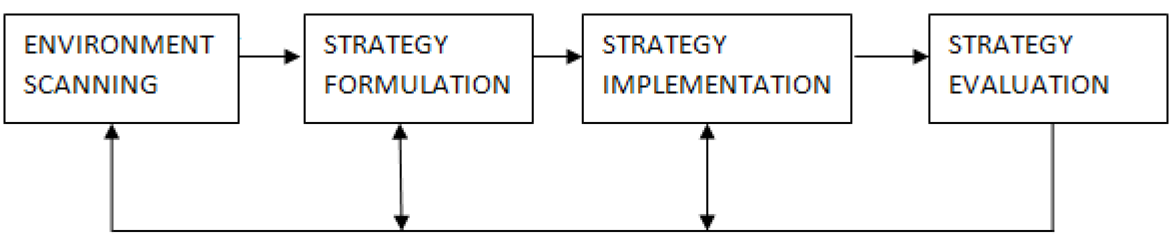
ANSWER: Strategy is an action that managers take to attain one or more of the organization's goals. Strategy can also be defined as "A general direction set for the company and its various components to achieve a desired state in the future. Strategy results from the detailed strategic planning process".

A strategy is all about integrating organizational activities and utilizing and allocating the scarce resources within the organizational environment so as to meet the present objectives. While planning a strategy it is essential to consider that decisions are not taken in a vaccum and that any act taken by a firm is likely to be met by a reaction from those affected, competitors, customers, employees or suppliers.

Strategy can also be defined as knowledge of the goals, the uncertainty of events and the need to take into consideration the likely or actual behavior of others. Strategy is the blueprint of decisions in an organization that shows its objectives and goals, reduces the key policies, and plans for achieving these goals, and defines the business the company is to carry on, the type of economic and human organization it wants to be, and the contribution it plans to make to its shareholders, customers and society at large.

1(b) Discuss the process of strategic management.

ANSWER: Strategic management is a continuous process that appraises the business and industries in which the organization is involved; appraises its competitors; and fixes goals to meet the entire present and future competitor's and then reassesses each strategy.



1. **Environmental Scanning-** Environmental scanning refers to a process of collecting, scrutinizing and providing information for strategic purposes. It helps in analyzing the internal and external factors influencing an organization. After executing the environmental analysis process, management should evaluate it on a continuous basis and strive to improve it.
2. **Strategy Formulation-** Strategy formulation is the process of deciding best course of action for accomplishing organizational objectives and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business and functional strategies.

3. **Strategy Implementation-** Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources.
4. **Strategy Evaluation-** Strategy evaluation is the final step of strategy management process. The key strategy evaluation activities are: appraising internal and external factors that are the root of present strategies, measuring performance, and taking remedial /corrective actions. Evaluation makes sure that the organizational strategy as well as its implementation meets the organizational objectives.

These components are steps that are carried, in chronological order, when creating a new strategic management plan. Present businesses that have already created a strategic management plan will revert to these steps as per the situation's requirement, so as to make essential changes. Strategic management is an ongoing process. Therefore, it must be realized that each component interacts with the other components and that this interaction often happens in chorus.

1© Explain the concept of "Balanced Scorecard" and analyze its role in today's competitive scenario, with a suitable example.

ANSWER: The balanced scorecard (BSC) is a strategic planning and management system that organizations use to:

- Communicate what they are trying to accomplish
- Align the day-to-day work that everyone is doing with strategy
- Prioritize projects, products, and services
- Measure and monitor progress towards strategic targets

The system connects the dots between big picture strategy elements such as mission (our purpose), vision (what we aspire for), core values (what we believe in), strategic focus areas (themes, results and/or goals) and the more operational elements such as objectives (continuous improvement activities), measures (or key performance indicators, or KPIs, which track strategic performance), targets (our desired level of performance), and initiatives (projects that help you reach your targets).

The *balanced scorecard* revolutionized conventional thinking about performance metrics. When Kaplan and Norton first introduced the concept, in 1992, companies were busy transforming themselves to compete in the world of information; their ability to exploit intangible assets was becoming more decisive than their ability to manage physical assets. The scorecard allowed companies to track financial results while monitoring progress in building the capabilities needed for growth. The tool was not intended to be a replacement for financial measures but rather a complement—and that's just how most companies treated it.

Some companies went a step further, however, and discovered the scorecard's value as the cornerstone of a new strategic management system. In this article from 1996, the authors describe how the balanced scorecard can address a serious deficiency in traditional management systems: the inability to link a company's long-term strategy with its short-term financial goals. The scorecard lets managers introduce four new processes that help companies make that important link.

The first process—*translating the vision*—helps managers build a consensus concerning a company's strategy and express it in terms that can guide action at the local level. The second—*communicating and linking*—calls for communicating a strategy at all levels of the organization and linking it with unit and individual goals. The third—*business planning*—enables companies to integrate their business plans with their financial plans. The fourth—*feedback and learning*—gives companies the capacity for strategic learning, which consists of gathering feedback, testing the hypotheses on which a strategy is based, and making necessary adjustments.

Adapted from Robert S. Kaplan and David P. Norton, "Using the Balanced Scorecard as a Strategic Management System," Harvard Business Review (January-February 1996): 76.

2 (a) Cite any two examples each of vision & mission statement of a company.

ANSWER:

<u>MISSION STATEMENT:</u>

Nike: "To bring inspiration and innovation to every athlete in the world."

Starbucks: "To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time."

<u>VISION STATEMENT:</u>

AMAZON: Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.

AVON: To be the company that best understands and satisfies the product, service and self-fulfillment needs of women – globally.

2 (b) Distinguish between strategy and tactics. Discuss the characteristics of a good strategy.

ANSWER:

Basis	**Strategy**	**Tactics**
Who formulates?	A prerogative of top management	Lower level management
What is the scope?	Deals with many things	Narrow focus
Time horizon	Longer period	Shorter period
Timing of action	Prelude to action	During the action
Type of guidance	General guidance to whole organisation	Specific and situational guidance to specific section of organisation

CHARACTERISTICS OF A STRATEGY:

1. Strategy is a systematic phenomenon:

Strategy involves a series of action plans, no way contradictory to each other because a common theme runs across them. It is not merely a good idea; it is making that idea happen too. Strategy is a unified, comprehensive and integrated plan of action.

2. By its nature, it is multidisciplinary:

Strategy involves marketing, finance, human resource and operations to formulate and implement strategy. Strategy takes a holistic view. It is multidisciplinary as a new strategy influences all the functional areas, i.e., marketing, financial, human resource, and operations.

3. By its influence, it is multidimensional:

Strategy not only tells about vision and objectives, but also the way to achieve them. So, it implies that the organisation should possess the resources and competencies appropriate for implementation of strategy as well as strong performance culture, with clear accountability and incentives linked to performance.

4. By its structure, it is hierarchical:

On the top come corporate strategies, then come business unit strategies, and finally functional strategies. Corporate strategies are decided by the top management, Business Unit level strategies by the top people of individual strategic business units, and the functional strategies are decided by the functional heads.

5. By relationship, it is dynamic:

Strategy is to create a fit between the environment and the organisation's actions. As environment itself is subject to fast change, the strategy too has to be dynamic to move in accordance to the environment. Success of Microsoft appears to be very simple as far as software for personal computers are concerned, but Microsoft strategy required continuous decisions in a turbulent and dynamic environment to remain leader.

2 © "Victorious warriors win first and then go to war, while defeated warriors go to war first and then seek to win." Justify the statement with reference to the importance and relevance of strategic management in organization.

ANSWER: Strategic management is both an Art and science of formulating, implementing, and evaluating, cross-functional decisions that facilitate an organization to accomplish its objectives. The purpose of strategic management is to use and create new and different opportunities for future. The nature of Strategic Management is dissimilar form other facets of management as it demands awareness to the "big picture" and a rational assessment of the future options.

RELEVANCE OF STRATEGIC MANAGEMENT:

- **Reduction in Fixed and Flexible Expense**: The capital invested in the fixed assets is a fixed capital. Instead of purchasing the fixed assets, the managers may buy such assets on rent to decrease the fixed capital investment. In the same way, the flexible expenses can also be reduced through collection arrangement. Making changes in packing, of making changes in full, by acceptance, the strategy of machinery resources in management etc.

- **Motivation to Group Activity**: By taking strategic decisions through the group, integration between group members increases on accepting various optional strategies which result in to co-operation and unity. Not only that, but the managers can also get the advantage of special strength of group members.

- **Reduction in cost of capital**: It is a fact that the unit which is successful in raising the capital of the lowest possible cost is almost eligible to face the competition right from the beginning. After getting the estimate of capital requirement the managers select the sources of capital from where they can acquire the capital in a strategically manner. The strategic managemen**t** has been proved to be very useful to raise the estimated capital at lowest possible rate, simple conditions for mortgage, return of borrowed capital and conversion of borrowed capital into owner's capital.

- **Acceptance of Organizational Changes**: Normally the employees do not accept the changes made in the organization, because due to that the change occurs in their roles also. As a result the necessity to giving training of the new work to the employees arises. Not only that but because of such changes many departments also have to be closed. In these circumstances the problem of the safety of job arises.

- **Increase in rate of return on investment**: Due to the strategic management there is a noble increase in the rate of return on investment made in the project. On the basis of the information received through analysis of internal and external environment the managers can increase the rate of return on investment by making a maximum use of resources.

- **Prevention of Overlapping of Work**: Due to the interaction with employees and officers working at all the levels of the organization the question does not arise at all for the distribution of one work to more than one employee or event he overlapping work is also not possible. When the same activity is done by more than one employee. At that time there is wastage of time and materials. The problem of co-ordination also arises. With the help of strategic process, the managers can prevent the overlapping of work.

- **Prevention of Organizational Gap**: Out of the departmental activities organization if any activity is not allotted to any employee, that activity is known as organizational gap.

If the allotment of any work is left out by mistake, then none of the employees can be held responsible for it. In strategic management process, because of the interacting process being done with each employee, all the employees are given equal works and so there does not arise a questions of organizational gaps.

- **Increase in trading on equity**: Trading on equity depends upon many factors. Among on this, by making a maximum use of borrowed capital in a creative manner through strategic management process, the profitability of the unit can be increased and the equity share holders can be paid maximum dividend. If an appropriate strategically arrangement is not made for the use of financial resources, then its profitable use will not be successful and the interest on the borrowed capital will also become burdensome.

CHARACTERISTICS OF STRATEGIC MANAGEMENT:

- **Conscious Process**

Strategies are a product of the developed conscience and intellect that we humans proudly possess and employ. Strategic management implies the usage of the brain and the heart and is not a routine ever continuing process. It requires great skill and experience to be carried out effectively and requires full application of one’s conscience.

- **Requires Foresight**

The future is uncertain. We cannot predict what will happen. However on the basis of the information that is available to us we will be able to presume certain things about the future. For instance, a discovery that the item XYZ causes cancer can allow us to make a very reasonable presumption that the item XYZ will be banned in the near future. This presumption thus allows us to not make any investment in anything directly related to XYZ.

- **Dependent on Personal Qualities**

The above two considerations make it amply clear that Strategic Management is heavily dependent on the personal qualities of the managers occupying the top level positions. These personal qualities including skills and experience obtained over years of employment and observation cannot be imparted by training or coaching classes and requires practical exposure for extended periods of time unless the person is born with the talent of strategizing (which is rare).

- **Goal Oriented Process**

The process of Strategic Management is a goal oriented process. The process is done with the intention and goal of analyzing the various elements through SWOT analysis and other tools and to develop a plan or strategy that effectively allows the business to maneuver itself around every hurdle and make use of its strength. This process also plays the role of making all other functions of the business goal oriented as well.

- **Facilitates decision making**

Strategic Management plays an integral role in making important decisions. Whenever a manager has to make a decision he has to think about the bearing of such a decision on the overall strategy and the business' trajectory. Thus the strategies developed acts as a guide to make efficient and accurate decisions.

- **Primary Process**

Strategic Management is the primary process in any business. The strategies that the business has to apply in its activities are developed at the initial stage itself and only after the creation of the strategy that other processes commence by making the strategy as its basis.

- **Pervasive Process**

Strategic Management is a pervasive process seen in all levels of the business. The core strategies are formulated for the entire business by the top level management and strategies to efficiently achieve the overall goal so laid down by the top level management is developed through the various lower business units.

- **Allows for Risk Management**

Risk management can be considered as a subset or a specific form of strategic management. Risk is the probability of a future loss and risk management involves formulating various strategies to combat the risks making risk management a form or variety of strategic management. Strategic management in this form allows for identifying and eliminating the risks posed by various hazards to the business.

- **Drives Innovation**

The development of strategy is not a simple process and requires making the best out of often very restrictive situations. This drives innovations and allows managers to approach problems from different angles and solve problems more efficiently. After all necessity is the mother of all inventions.

3(a) Define company philosophy with a suitable example.

ANSWER: It stands for the basic beliefs that people in the business are expected to hold and be guided by—informal, unwritten guidelines on how people should perform and conduct themselves. Once such a philosophy crystallizes, it becomes a powerful force indeed. These are "general laws that furnish the rational explanation of anything."

Examples of Company Philosophy:

1. Maintenance of high ethical standards in external and internal relationships is essential to maximum success.

2. Decisions should be based on facts, objectively considered—what I call the fact-founded, thought-through approach to decision making.

3. The business should be kept in adjustment with the forces at work in its environment.

4. People should be judged on the basis of their performance, not on personality, education, or personal traits and skills.

5. The business should be administered with a sense of competitive urgency.

3(b) Write short notes on:

i) Strategy Formulation: Strategy formulation is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Sometimes strategy formulation is called "strategic planning."

Strategy formulation refers to the process of choosing the most appropriate course of action for the realization of organizational goals and objectives and thereby achieving the organizational vision. **The process of strategy formulation basically involves six main steps**. Though these steps do not follow a rigid chronological order, however they are very rational and can be easily followed in this order.

1. Setting Organizations' objectives -
2. Evaluating the Organizational Environment
3. Setting Quantitative Targets
4. Aiming in context with the divisional plans
5. Performance Analysis
6. Choice of Strategy

ii) Financial Objectives: Financial Objective means the financial requirements or goals that a company or an organization plan for the future. In simple words it means to set a target how to achieve profit and make more money .But sometimes it also includes the amount of money that is required for a specific goal, the timeframe in which that task must be finished and how to spend the money.

Financial objectives are goals on earnings and revenues that the company aims to achieve with an specific indicator that will allow it to be measured in an specific period of time. Financial goals touch on everything money-related that a company wants to achieve within a given period — say, one month, quarter or fiscal year. These objectives may span a shorter stretch if top leadership must cope with an immediate operational crisis, the kind that may happen if a major customer owing substantial amounts suddenly files for bankruptcy.

FINANCIAL OBJECTIVES OF A FIRM:

1. Profit Maximization Objective:

Profit as an objective has emerged from over a century of economic theory. In this traditional economic theory, the typical firm was small, owner managed and competing with a large number of similar firms.

2. Wealth Maximization Objective:

Wealth maximization means maximizing the net present value (or wealth) of a course of action. The net present value of a course of action is the difference between the present value of its benefits and present value of its costs. A financial action which has a positive net present value creates wealth and, therefore, is desirable.

3. Value Maximization Objective:

The goal of firm is to maximize the present wealth of the owners i.e., equity shareholders in a company. A company’s equity shares are actively traded in the stock markets, the wealth of the equity shareholders is represented in the market value of the equity shares.

4. Other Maximization Objectives:

i. Sales Maximization Objective:

The interests of the company are best served by the maximization of sales revenue, which brings with it the benefits of growth, market share and status. The size of the firm, prestige, and aspirations are more closely identified with sales revenue than with profit.

ii. Growth Maximization Objective:

Managers will seek the objectives which give them satisfaction, such as salary, prestige, status and job security. On the other hand, the owners of the firm (shareholders) are concerned with market values such as profit, sales and market share.

iii. Maximization of ROI:

The strategic aim of a business enterprise is to earn a return on capital. If in any particular case, the return in the long-run is not satisfactory, then the deficiency should be corrected or the activity be abandoned for a more favorable one. Measuring the historical performance of an investment centre calls for a comparison of the profit that has been earned with capital employed.

iv. Social Objectives:

The business enterprise is an integral part of the functioning of a country. As such, in return for the privileges and rights granted to it by the state, the business firm should be made increasingly responsible for social objectives.

3© Differentiate Vision & Mission statement. Discuss the elements of a mission statement.

ANSWER: DIFFERENCE BETWEEN VISION & MISSION

Basis	**Mission Statement**	**Vision Statement**
About	A Mission statement talks about HOW you will get to where you want to be. Defines the purpose and primary objectives related to your customer needs and team values.	A Vision statement outlines WHERE you want to be. Communicates both the purpose and values of your business.
Answer	It answers the question, "What do we do? What makes us different?"	It answers the question, "Where do we aim to be?"
Time	A mission statement talks about the present leading to its future.	A vision statement talks about your future.
Function	It lists the broad goals for which the organization is formed. Its prime function is internal; to define the key measure or measures of the organization's success and its prime audience is the leadership, team and stockholders.	It lists where you see yourself some years from now. It inspires you to give your best. It shapes your understanding of why you are working here.
Change	Your mission statement may change, but it should still tie back to your core values, customer needs and vision.	As your organization evolves, you might feel tempted to change your vision. However, mission or vision statements explain your organization's foundation, so change should be kept to a minimum.

Developing a statement	What do we do today? For whom do we do it? What is the benefit? In other words, Why we do what we do? What, For Whom and Why?	Where do we want to be going forward? When do we want to reach that stage? How do we want to do it?
Features of an effective statement	Purpose and values of the organization: Who are the organization's primary "clients" (stakeholders)? What are the responsibilities of the organization towards the clients?	Clarity and lack of ambiguity: Describing a bright future (hope); Memorable and engaging expression; realistic aspirations, achievable; alignment with organizational values and culture.

ELEMENTS OF A MISSION STATEMENT:

1. The mission statement is clear and understandable to all personnel, including rank-and-file employees.
2. The mission statement is brief enough for most people to keep it in mind. This typically means one hundred words or less, which is possible.
3. The mission statement clearly specifies what business the organization is in.
4. The mission statement should identify the forces that drive the organization's strategic vision.
5. The mission statement should reflect the distinctive competence of the organization.
6. The mission statement should be broad enough to allow flexibility in implementation but not broad enough to permit a lack of focus.
7. The mission statement should serve as a template and be the means by which mananagers and others in the oragnization can make decisions.
8. The mission statement must reflect the values, beliefs, and philosophy of operations of the organization.
9. The mission statement should be achievable. It should be realistic enough for organization members to buy into it.
10. The wording of the mission statement should help it serve as an energy source and rallying point for the organization.

Part B - Compulsory (01*08=08 marks)

4. Case Study – Tesla's Global Strategy.

4 (a) Identify the key focus areas of Tesla. Discuss importance of each one of them in detail.

ANSWER: FOCUS AREAS OF TESLA:

1. Innovation
2. Research & Development (R&D)
3. Customer

4 (b) Conduct a SWOT analysis of Tesla and summarize its global business strategy which is making it a market leader.

ANSWER:

Strengths:

- Brand recognition – Tesla is a well recognized brand. Apart from its vehicles, it is also known for a large range of other kind of sustainability products. The brand has gained reputation and global recognition through its products and services. It has attracted heavy publicity and recognition based on its differentiated business model. Brand recognition is an important factor that aids at generating sales and in case of Tesla, it is a major leverage. From Quora to several business news sites and media, the internet is constantly abuzz with discussions over the brand and its products.
- Sustainable innovation – The sustainable innovation model adopted by Tesla is one of its most critical strengths. From its vehicle to solar energy and energy storage systems, all of its products are related to sustainability. The focus is on helping the world transition towards a better and energy efficient world. Both its Model X and model S are fully electric, high performance vehicles with exceptional functionality. Apart from its range of vehicles, Tesla makes energy storage and solar energy systems. Its vehicles and energy storage systems are highly innovative and equipped with best in class technologies and several exceptional functionalities.
- Growing vehicle sales – Tesla's vehicle sales have kept growing globally. It markets and sells its vehicles over the world through the company owned stores. From 2015 to 2016, it has seen some major growth in its revenue. This happened due to a sharp growth in vehicle sales of around 55%. From 2015 to 16, Tesla's automotive revenue increased $2.16 billion, or 63% to $5.59 billion. This is some major growth backed by a sound marketing strategy.

Weaknesses:

- High costs of vehicles – Tesla vehicles are costlier than the ordinary vehicles and in this regard they rank among the premium category vehicles. Apart from its Model 3, Model S and Model X are costly and therefore not affordable for the middle class consumers. Even the Model 3 is somewhat high priced for the middle class consumers in the developing countries. The high cost of Tesla vehicles is an important weakness that has kept Tesla's sales from growing fast.
- Limited presence – Tesla's sales network depends on its super charger network. As its super charger network grows, the brand's sales will also grow. Elon Musk is working on growing this network faster but till now it has a limited presence and will take both time and a large investment to grow.

- High competition – The level of competition is high. The need for super chargers to charge Tesla vehicles is an important factor affecting its competitive strength. Other brands like Nissan and Ford are also making environment friendly and electric vehicles. Their vehicles due to being priced lower pose a competitive threat to Tesla's sales. So, both affordability and accessibility or availability are important questions before Tesla. By managing the two factors, it will be able to manage the competitive threat before the brand.

Opportunities:

- Growing demand of sustainable products- Sustainability is not a passing fad and the demand for sustainable products has grown fast in the 21st century. This is a major factor churning demand in the favor of Tesla. People are looking for environment friendly options for transportation. Tesla's opportunities are growing as people want products that are less polluting and more environment friendly. Think if trillions of dollars being spent on fuel could be saved every year and thousands of megawatts of solar energy stored. Apart from reducing the consumption of fossil fuel, this can help save dollars. If your car saves you millions in your life time by running on electricity and your home appliances run on solar energy, you know Tesla vehicles and products are not costly. They will save you more than you have invested in purchasing them.
- Supply chain, sales and maintenance network in Asia – Asian markets are heating up and for brands like Tesla there are major opportunities hidden in both the Chinese and Indian markets. Tesla can focus on strengthening, its sales, supply and maintenance network in Asia. This can help the brand grow its sales faster. Moreover, the Asian consumer is eager for sustainable products and only if the prices of Tesla product were lower, the large middle class Asian consumer segment could become a large source of revenue for it.
- Autonomous driving technology – Autonomous driving technology has become the talk of the town and many top vehicle brands are working to bring their Autonomous vehicles on the road by or before 2020. Tesla also has plans to release fully autonomous vehicles. Its current vehicles come equipped with self driving hardware required for full self driving capability at a safety level that is substantially greater than human driving.
- Mobility service – Tesla is also planning to release a ride sharing service. If it does, that could provide people with another cheaper option for transportation.

Threats:

- Competition – Tesla is facing intense competition from both luxury brands and environment friendly brands. Apart from the luxury brands like Audi and Porsche, the brands making environment friendly vehicles are also a competitive threat. Tesla has a premium image and it will take time to break this image and bring more affordable vehicles to the market. However, that is a good way to reduce the competitive threat.

- Legal and regulatory troubles – Legal and regulatory troubles can be costly affairs and they can lead to an increase in costs. Tesla has operations in several countries and thus its business is subject to legal and political regulation in those markets.

GLOBAL STRATEGY OF TESLA:

Tesla entered the market through expensive high-end cars targeted to the more financially privileged class of people. Once it is more established and widely known as a successful idea, it would venture into a more competitive market of lower-level priced models. So the first model was launched to get the company's mission out in the marketplace.
All Tesla needed was to make a name for their brand get its concept widely accepted. After that it reinforced its business model. Tesla's business model is based on a three-pronged approach to selling, servicing, and charging its electric vehicles.

Business Strategy:

Direct Sales: Tesla doesn't adopt the approach of franchise dealerships, unlike most manufacturers. They prefer selling their product directly to the customers through self-owned showrooms across many of the major urban centers in the world. They believe that this method of selling can speed up their product development. But more significant is the customer's buying experience. Tesla has showrooms, Service Plus centers (a combination of retail and service center), and service facilities. Tesla has also made use of the Internet sales—consumers can customize and purchase a Tesla online.

Servicing: As mentioned above Tesla has combined direct sales with service centers. They believe opening service centers has a positive effect on the customer demand. Thus the "Service Plus" retail centers. Customers can service their cars or charge them at the service centers or the Service Plus locations. They also have mobile technicians who can come to your home, called Tesla Rangers. With the Model S, they can wirelessly upload data so technicians can view and fix certain problems online without even physically touching the car.

Charger's network: Tesla has a wide network of where their customers can charge their vehicles. Supercharger Stations: a place where customers can charge their vehicles in about 30 minutes for free. It is their belief that this will increase the rate of the customers product adoption.

Tesla's business network is growing faster. Last year, the company saw some major growth in its vehicle sales. Its manufacturing and marketing have also grown more cost efficient. However, the growth of its supercharger network is important for the brand to grow its sales globally. Tesla has plans to release fully autonomous vehicles and ride sharing services. Its Model 3 will help it penetrate the market deeper, especially the Asian markets. Now, Tesla is a well known brand producing sustainability products. The demand for these products has kept rising and in future if Tesla's network grows faster, then you know it is going to save the world billions by saving on fossil fuel consumption.