

- *In each scenario, analyze how the given economic conditions (growth, inflation, interest rates, incentives) could affect GreenTech's business decisions.*
- *Brainstorm creative solutions and alternative strategies that GreenTech could adopt to navigate these economic changes.*

### **CASE STUDY: GREENTECH ELECTRIC VEHICLE CHARGING STATIONS**

**Background:** GreenTech is a technology company that installs and operates electric vehicle (EV) charging stations. As EV ownership grows in Turkey, the company plans to expand its charging network in major cities. However, recent changes in economic indicators and uncertainties have led GreenTech to reconsider its strategies. The company must now make decisions based on factors like economic growth, inflation, interest rates, and government fiscal policies.

#### **Scenario 1: Economic Growth and Demand**

GreenTech was expecting Turkey's economy to grow by 5%, which would have driven increased demand for electric vehicles. However, the latest economic reports indicate that growth will be only 2%.

- **Previous Expectation:** A 5% economic growth would support the plan to install 50 new charging stations.
- **Current Situation:** Economic growth is only 2%.

#### **Questions:**

1. *How might the lower-than-expected economic growth affect GreenTech's plan to install new charging stations?*
2. *What creative strategies could GreenTech develop to maintain demand despite the slower economic growth?*

#### **Scenario 2: Inflation and Cost Increases**

Inflation has risen in Turkey, leading to higher costs for GreenTech's charging station installations. Material and labor prices have increased significantly, pushing the company to consider raising the prices of its charging services. However, increasing prices may reduce customer demand.

- **Previous Situation:** Costs were lower, and prices remained stable.
- **Current Situation:** Inflation has caused significant cost increases.

#### **Questions:**

1. *How could rising costs impact GreenTech's pricing strategy? How might customer demand be affected by higher prices?*
2. *What creative solutions can GreenTech implement to attract customers and maintain competitiveness despite higher costs?*

### Scenario 3: Rising Interest Rates and Financing Decisions

GreenTech planned to finance its expansion projects with a loan, but interest rates have recently increased from 10% to 15%. This increase will make borrowing more expensive, potentially making expansion projects more costly.

- **Previous Situation:** Lower interest rates made loans an attractive option for expansion.
- **Current Situation:** Rising interest rates have increased borrowing costs.

#### Questions:

1. *How might the increase in interest rates affect GreenTech's decision to invest in expansion?*
2. *What creative financing options can GreenTech explore to fund its projects despite higher interest rates?*

### Scenario 4: Reduction in Government Incentives

The government has provided incentives for the installation of electric vehicle charging stations, which has accelerated GreenTech's growth plans. However, it is anticipated that these incentives may soon be reduced. If this happens, GreenTech's costs could increase, and the return on new investments might take longer.

- **Previous Situation:** Government incentives facilitated rapid expansion.
- **Current Situation:** Government incentives may be reduced.

#### Questions:

1. *How might the reduction in government incentives impact GreenTech's strategic plans?*
2. *What creative strategies could GreenTech develop to continue expanding despite the reduction in incentives?*