

'I don't want to be anybody's clone'

Pankaj.Doval@timesgroup.com

Siddhartha Lal, MD & CEO of Eicher Motors, does not like comparisons, which refer to Royal Enfield as the 'Harley Davidson of India'. Lal, who has steered the brand virtually out of nowhere in the early 2000s into one of the most profitable and fastest-growing motorcycle company in India, feels that Royal Enfield has just begun one of its most ambitious journey — to emerge as a "global leader" in the middle-size motorcycle market. "I do not want to be a clone of anybody," Lal says as Royal Enfield prepares to drive in "world bikes" on new global platforms in emerging markets and also in developed markets of Europe and the US. TOI speaks to Lal to understand his plans as the aspirational bike maker has seen its sales grow at a breakneck speed of over 70% in the April-November '14-15. Excerpts:

Royal Enfield has been riding high at a time when the broader motorcycle market is going through a so-



ONE-ON-ONE

Siddhartha Lal
MD & CEO, EICHER MOTORS

bering mode. How do you see this year?

It has been a year of real high growth for us and we expect to close 2014 on sales of 3 lakh units. This is quite a step-up, considering we were only doing about 50,000 units in 2010.

Was there any time when you thought about quitting the motorcycle business and moving on?

There was a time when others were growing, and we were stagnant. It was the period between the 80s to somewhere around 2005. Our group had too many businesses, and many of them were troublesome. Royal Enfield was not seen as

the core, and was rather suffering tremendously as we had over-invested in production capacity, which remained unutilized. We tried everything, but it was still not growing. But, we didn't give up.

What sparked the turnaround?

I realised that if it is not working, we have to change fundamentals. We made many changes and management overhauls. I decided to shed most of non-core businesses of group. We were in 15 different businesses, including footwear and garments. I decided to retain Royal Enfield and trucks. Instead of running 15 mediocre businesses, I decided to stick to one core business

Do you feel you were lucky as your turnaround came at a time when the Indian economy started looking up and people didn't mind spending more on aspirational bikes. Did you benefit due to entry of brands like Harley Davidson and Triumph as you could provide a cheaper option to their products?

I would say it was 50% luck and the rest half was due to our planning. Luck does not come on its own. You have to be prepared. We worked on distribution, our brand, product quality, new models and the after-market. Had we not done this, we would have been neglected just like some of the other automotive brands in India. So, we were working towards this and most of it came together in 2010, by when we had also brought in highly-efficient Unit Construction Engine against the cast-iron ones, which were like a 50s technology.

How do you see demand for your products now?

We are still a discretionary product and our buyers are an upgrading audience. I know Royal Enfield is expensive and may be higher on maintenance. But, it is a step-up. Our intention is not to be a niche player, but we want to be a leader in our category. Our bottomline is perhaps the best in the world at around 24%. So, any new products we plan for the future cannot be of sub-scale size.