

Royal Enfield's CEO moving to UK for a year to rev up bike biz

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IN ORDER to strengthen its motorcycle business in international markets, Eicher Motors managing director and chief executive officer Siddhartha Lal has decided to relocate to the UK for a year, starting next month.

Royal Enfield, the two-wheeler division of Eicher Motors, aims to be a global player in 250cc-750cc motorcycle segment over the next decade.

"We are in the process of developing engines for the international markets and lots of developmental work is happening in the UK. It is for that I have decided to move to the UK for one year," Lal told reporters in a conference call.

The move will take him closer to Royal Enfield's target markets, as well as to the new technical centre in the UK, which is leading the development of motorcycles for international markets.

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MEAN MACHINE: The company's international bike business constitutes around 5 per cent of its sales

sales but is going to increase over the next decade, Lal said.

Royal Enfield had acquired UK-based Harris Performance in June in order to scale up its R&D prowess to enter new markets globally.

The company is already in process of developing two new engine platforms on which multiple new products could be launched, starting next

year. Lal said, "Royal Enfield bikes are currently sold in heritage markets like the US, UK and Europe and the company is trying to enter various new markets."

"In addition to the US, the UK and Europe, where we are selling for last decade, we are looking to enter new markets including Latin America and South East Asian countries," he added.

On capacity expansion, Lal said that the number would go up from 38,000 units a month last month to 50,000 units a month by this year-end.

The two-wheeler maker, which sells popular bikes like Bullet, Classic, Thunderbird and Continental GT, has already announced to invest Rs 500 crore this year on R&D, new product development, capacity expansion and setting up of two technology development centres in Chennai and the UK.

The company, which is in the process of scaling up its sales network to 500 across the country, is also looking to come up with smaller cafe oriented outlets. "We are going to open 1-2 of such outlets in the coming year. If people like it we will expand these otherwise, we will close them," Lal said.

Commenting on the 50:50 joint venture with Polaris Industries, Eicher Polaris (EPPL), Lal said the JV is in the process of developing distribution network four-wheeled personal vehicle, Multix.