

VOLVO-EICHER JOINT VENTURE

'We know what the future of trucking is going to look like'

Murali Gopalan

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Siddhartha Lal believes this is the take-off point for the Volvo-Eicher joint venture, which was formed five years ago.

"It is very clear in our minds that we have moved on. We understand what we are doing and know what the future of Indian trucking is going to look like," the Managing Director and CEO of Eicher Motors told *Business Line*.

The joint venture, VE Commercial Vehicles, unveiled 11 trucks and buses at its Pithampur plant in Madhya Pradesh recently. It is still a small player compared to the Big 2, Tata Motors and Ashok Leyland.

Yet, Lal is unfazed.

"We have all the building blocks in place now. I believe

it is only a matter of time before the others will have a lot of catching up to do with us," he says. From his point of view, Volvo-Eicher has the "intrinsic business strength" in commercial vehicles.

"There is no question that it (the Pithampur facility) is the best truck plant in the country. And, I would argue that from a compactness perspective, it is among the best (truck) facilities in the world," reiterates Lal.

It is hard to see another sub-100 acre facility fully integrated with engines, axles, drivelines, cabins, etc., that will cater to India and the rest of the world, he insists. "It really is one of a kind."

From Volvo-Eicher's perspective, this is about having a single plant, which means all the investments are



Siddhartha Lal, MD and CEO, Eicher Motors.

made in one place. "We can put much more capital and energy in one facility and get the most out of it," he adds. It is this business model, created over the last five years, that gives Lal the confidence that "we can take on the world".

However, this may be easier said than done considering the economic situation and the

challenge of taking on the Big 2, which have dominated the market for decades.

ATTRACTING TALENT

The joint venture has had other benefits on the human resources side. "With Volvo coming in, the corporate brand has reached a very high level and people look at it as the best

of both worlds. Our employee brand is right up there in the automotive world and we are attracting tremendous talent across the board," says Lal.

VECV is getting on board a lot of youngsters, who are excited about the opportunity and keen to make it big. Lal says the company has created an open and vibrant culture with "excellently qualified" candidates from bigger companies. "The tide is changing for sure."

Little wonder that Volvo and Eicher are upbeat about the future. The last five years have seen the creation of new industrial facilities and a diverse product range. The partners now have every reason to believe that the future "must be on a steeper gradient".

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