
Company Brief

- This document is a pre-read to prepare you for the upcoming assessment exercises.
- The company, SpeedX, is a fictional organization created for this exercise.
- The scenarios and data are fictional but designed to reflect real-world business challenges.
- The exercises will reference and build upon the information provided in this document.

Introduction

SpeedX Motors, established in 2019, is an innovative and forward-thinking company dedicated to transforming the two-wheeler industry. The inception of SpeedX Motors was driven by a clear vision to provide sustainable, high-performance electric mobility solutions that cater to the evolving needs of modern urban commuters. The founder, Anurag Rathod, recognized the growing demand for eco-friendly transportation options and seized the opportunity to create a brand that would not only meet but exceed consumer expectations in terms of performance, design, and sustainability.

From its humble beginnings, SpeedX Motors has rapidly grown into a reputable name in the electric two-wheeler market. The company's flagship product, the SpeedX-200, exemplifies its commitment to innovation and quality. This electric scooter is a testament to the company's dedication to developing advanced battery management systems that enhance both the range and longevity of electric vehicles. The SpeedX-200 boasts an impressive range of up to 150 kilometers on a single charge, making it an ideal choice for daily commuters seeking a reliable and efficient mode of transport.

SpeedX Motors' journey began with extensive research and development aimed at understanding the unique challenges and opportunities within the electric mobility sector. The company invested heavily in state-of-the-art facilities and assembled a team of experts in battery technology, design, and engineering. This strategic approach enabled SpeedX Motors to develop proprietary technologies that set its products apart from competitors. The company's focus on continuous improvement and innovation has been a key driver of its success, allowing it to stay ahead of industry trends and deliver cutting-edge solutions to its customers.

The core philosophy of SpeedX Motors revolves around sustainability and environmental stewardship. Recognizing the urgent need to reduce carbon emissions and combat climate change, the company has integrated eco-friendly practices into every aspect of its operations. From the use of sustainable materials in product manufacturing to the implementation of green energy solutions in its facilities, SpeedX Motors is committed to minimizing its environmental footprint. This dedication to sustainability not only aligns with global environmental goals but also resonates strongly with a growing segment of eco-conscious consumers.

One of the distinguishing features of SpeedX Motors is its emphasis on design and user experience. The SpeedX-200, with its sleek and modern aesthetics, is designed to appeal to a wide range of consumers. The scooter's ergonomic design ensures comfort and ease of use, while its robust build quality guarantees durability and safety. The integration of advanced features such as smart connectivity, real-time performance monitoring, and user-friendly controls further enhances the overall riding experience, making the SpeedX-200 a top choice for tech-savvy and discerning customers.

In addition to its flagship product, SpeedX Motors is continuously expanding its product portfolio to cater to diverse consumer needs. The company's future plans include the introduction of new models with varying specifications, targeting different segments of the market. This approach ensures that SpeedX Motors can provide tailored solutions that meet the specific requirements of its customers, whether they are looking for high-speed performance, extended range, or affordability.

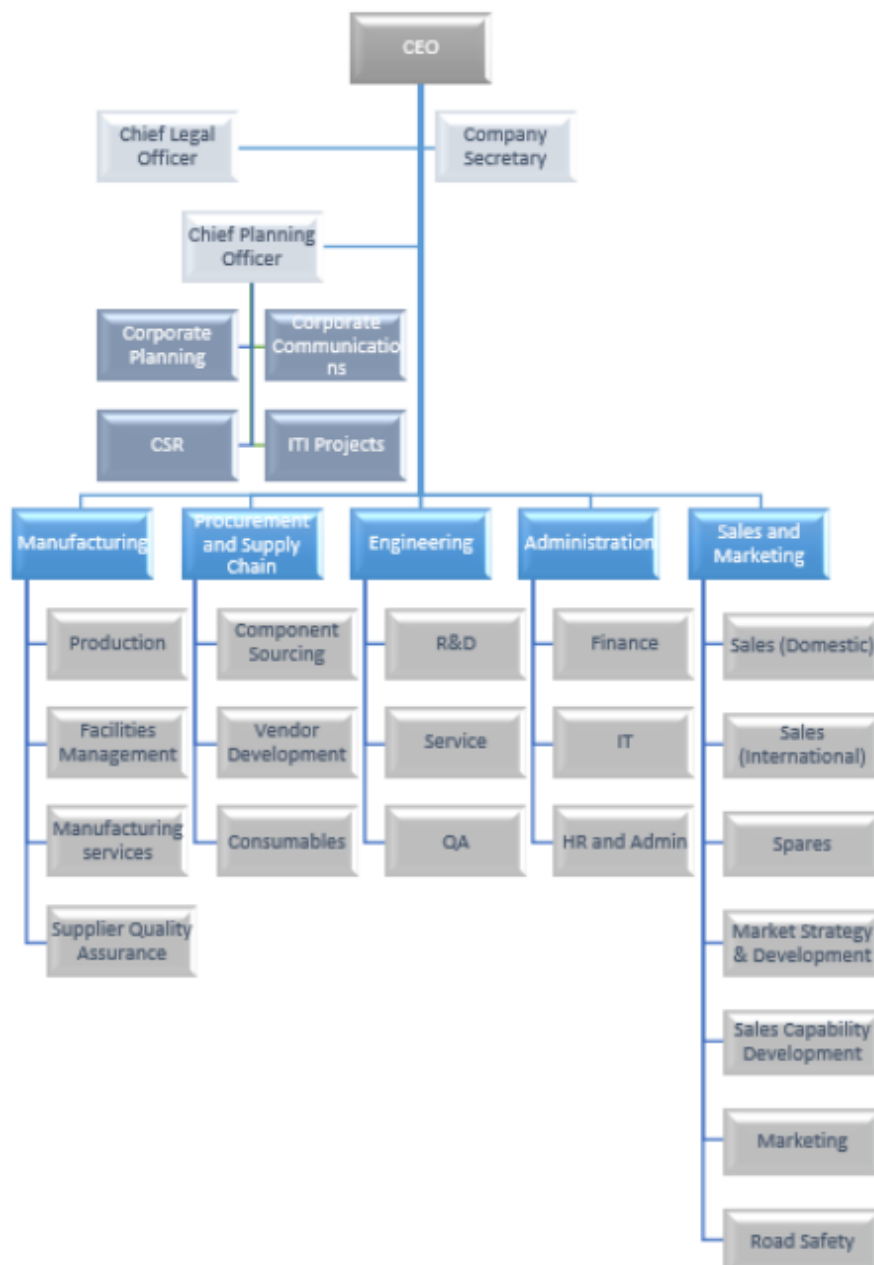
SpeedX Motors' commitment to customer satisfaction extends beyond product development. The company has established a comprehensive after-sales service network to provide prompt and efficient support to its customers. This includes a robust warranty program, regular maintenance services, and a dedicated customer support team to address any queries or concerns. By prioritizing customer satisfaction, SpeedX Motors has built a loyal customer base and established a strong reputation for reliability and trustworthiness.

Overall, SpeedX Motors is a company driven by a passion for innovation, sustainability, and excellence. With a clear mission to revolutionize the two-wheeler industry and a vision to become a global leader in electric mobility, SpeedX Motors is well-positioned to achieve its ambitious goals. The company's relentless pursuit of technological advancements, coupled with its commitment to environmental stewardship and customer satisfaction, sets it apart as a trailblazer in the electric two-wheeler market.

Future Outlook

With a strategic focus on innovation, sustainability, and customer experience, SpeedX Motors is poised to become a dominant player in the electric two-wheeler industry. The company aims to secure necessary investments to drive its ambitious expansion plans and continue its growth trajectory towards becoming a market leader.

Organizational Structure



Two-Wheeler Industry Trends in India

Two-Wheeler Industry Trends in India Indian Automobile (Two-Wheeler) industry overall is closely linked to the country's GDP growth and accounts for almost 7.1% of the GDP. Following years of troubling, with the industry hit in sequence by price increases correlated with highest safety and emission standards and then by covid shutdowns, late vaccination process and 2021 persistent covid spread in the country, the industry was expected to recover starting from the 2022.

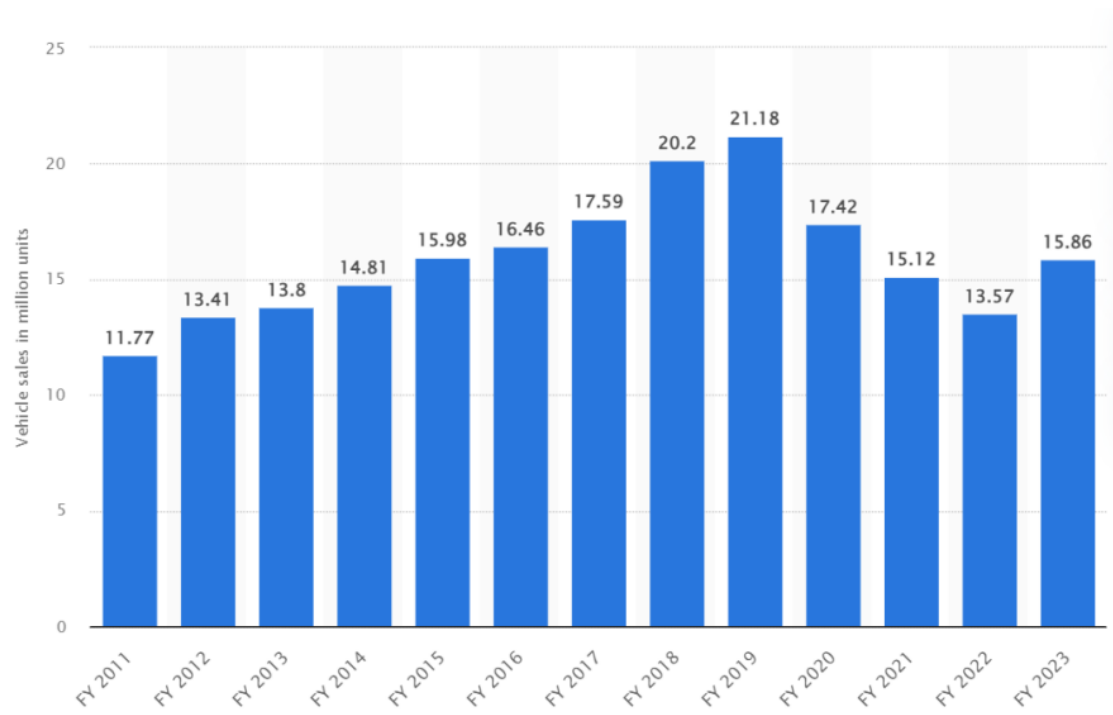
However, the inflation winds across the World and the supply chain disruption were representing serious risks against the recovery, considering that India is the most sensitive country to price effects and the local production represents 99.9% of domestic sales. The industry acceleration in place all over the World due to the electrification in process, in India is slow and could partially offset the negative impact of the above-mentioned threats. Moreover, 2022 expectations were positive, considering the market in 2021 landed over 25% below the 2018 record. Unfortunately, the year started disappointing good expectations and the first quarter was already a sentence. Losing in double-digit in each month, the 2-wheeler market ended the quarter with only 4.38 million sales, down a deep 21.2%, exceeding all the negative expectations.

In the second quarter sales improved strongly, considering the low sales level reported in the correspondent period last year and the first half ended with 7.4 million sales (+12.9%). In the third quarter the trend is not changing, and sales have positive in July – 1.4 million sales (+10.7%) – and in August – 1.35 million (+21.3%). Consequently, Year to date 2022 figures is 10.4 million, up 1.3 million or 13.7% from the previous year projecting the entire year at 15.7 million, the best out of last three years. Data confirms that the electric segment is finally growing up with sales after eight months of the 2022 at 360.871, up 311.5%. Looking at the top manufacturer performance, Hero is on top with 3.3 million sales (+8.1%) ahead of Honda with 2.8 million (+15.5%) and TVS Motor with 1.62 million (+26.0%). Bajaj Auto ranks 4th with 1 million sales (-8.3%) and Suzuki in 5th with 463.000 (+11.4%). Overall Motorcycle demand largely traverses across India contributing 63% of the sales volume of the two-wheeler segment. Entry and mid-level motorcycles (100-200cc) are largely dependent on rural sales, which is nearly 49% of the overall motorcycle sales volume. However premium segment (>200 cc) contributes 34% of the total sales and the volumes are dependent mainly on urban India. There is stiff competition to the traditional bikes/scooters with naturally aspirated petrol engines as we see rising demands of electric bikes/scooters with several players already present in the market. They are strongly backed by favorable subsidy policies and go green initiatives regulations and compliances making them economical and a lucrative choice to consumers in the long run.

The rising demand for two-wheelers is primarily attributed to their affordability, making them an attractive option for customers with lower income levels. Additionally, their cost-effectiveness, especially with increasing fuel prices, remains appealing to Indian families. Furthermore, two-wheelers offer lower maintenance costs and better mileage compared to passenger cars. India primarily exports two-wheelers to African, Asian, and Latin American countries, accounting for 37.5%, 22.9% and 21.4%, respectively. Over 4.4 million units of two-wheelers were exported from India in fiscal year 2022. The south Asian country was the largest manufacturer of two-wheelers across the globe. On the back of their strong competitive position and efficient distribution network, Indian original equipment manufacturers (OEMs) will continue to gain impetus for their main offerings. Indian two-wheeler manufacturers such as Bajaj Auto and TVS Motor Co will benefit from their export-focused business model. Indian OEMs, however, face tough competition, particularly from Japanese OEMs who have a large market share worldwide.

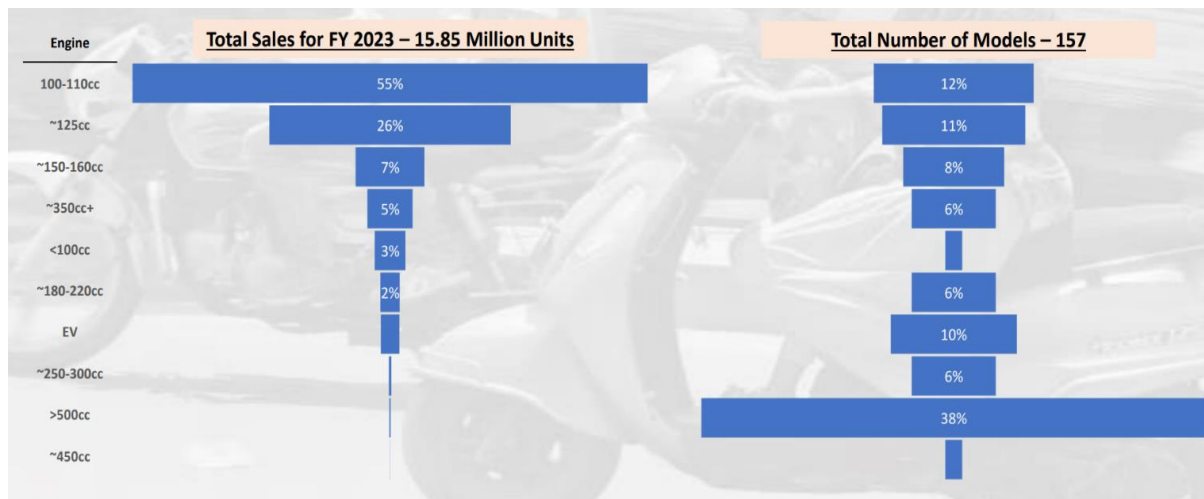
While Chinese OEMs have a greater market share in global markets than Indian OEMs, the competition is uneven, and the quality of Indian OEMs is superior. The total sales volume of two-wheelers in India in 18-19 was 21.2 million units (highest ever) and it is expected to grow to about 25 million units by 2025. The total number of Motorcycles, scooters, and mopeds are expected to increase to 63 million units by 2025 and at a CAGR growth of 3.7%. China is the second-largest two-wheeler market, and it is expected to grow at a CAGR of 5.8%. Currently, the annual consumption (16.3 million units) in China and is second only to India (19 million units). The US two-wheeler market is expected to maintain a growth rate of 2.9 percent by 2025. By 2025, Japan is likely to experience decent growth in the two-wheeler segment and, its market is expected to have a volume of 3.9 million units by 2025.

Two-Wheeler Sales in Million Units over the last Decade (as of date)

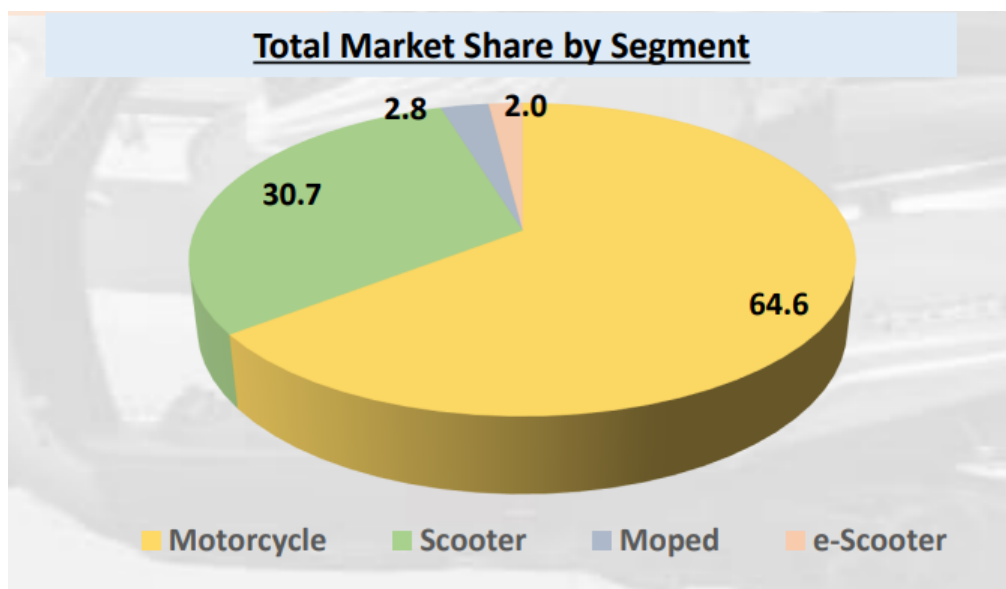


Indian Two-Wheeler Market FY 2023 Snapshot Indian Two-Wheeler Market FY 2023 Snapshot

- India continues to be a low engine capacity two-wheeler market with over 85% volumes coming belonging to 100-160 CC market.
- This market is also well consolidated among top players with just over 30% of total number of models catering to this segment.
- The 500CC + market has over 60 models for customers to choose from, contributing just over 23000 units to total sales



Market Share of Indian Two Wheelers Segment



Brief profiles and product portfolio of two-wheeler automotive players in the Indian market

Hero MotoCorp

Hero MotoCorp is the biggest manufacturer of two wheelers in the world given the number of units made per year. The company is also known for its innovative methods, especially after it made the headlines by manufacturing the planet's most fuel-efficient two-wheeler – Splendor iSmart, which offers a mileage of about 102 kilometers per litre. The company commenced its operations in 1984 as Hero Honda, and following the split between both companies in 2010, Hero Cycles and Honda Motors turned into competitors. Some of the popular two wheelers manufactured by Hero MotoCorp include Splendor, Glamour, CBZ, Achiever, Karizma, Hunk, Passion, and CB series 2 wheelers. The company is also famous for designing the Pleasure and Maestro scooters.

Honda Motorcycle and Scooter India

The first name that pops into every individual's mind when considering the purchase of a two-wheeler is Activa. Honda Motorcycle and Scooter India (HMSI) is India's second biggest two-wheeler manufacturer as it sells more than two lac units of the Activa alone every month. During the 1980s, Honda dominated the Indian two-wheeler industry along with Kinetic Engineering Limited. Both companies collaborated between 1984 and 1998 before Mahindra Motors' acquisition of Kinetic. The Honda Active, which has been in production since 2000 in India, is the country's best-selling two-wheeler. HMSI also partnered with Honda MotoCorp until 2010 after which it started to sell its own motorcycles such as Shine, Unicorn, CBR 150R and 250R, Dream Yuga, CB Trigger, etc. The Shine and Unicorn brands of the company are currently among the best-selling bikes in the country. Although the growth of the company's sales is relatively slow, the company seems to be making healthy progress with each passing year.

Bajaj

Bajaj is one of the few successful automobile companies in India that sells not only two wheelers, but also three and four wheelers. The company was established during the 1930s in Rajasthan and has since grown into one of the biggest two-wheeler manufacturers in India. Bajaj had a successful stint between the 1960s and 1990s when majority of vehicles that ruled the streets of India were manufactured by the company. Scooters such as Vespa 150, Priya and Bajaj Chetak were among the company's best-selling products. It was only in the 1990s that Bajaj conceded its place as the market leader following the widespread manufacture of motorcycles. Despite people preferring motorcycles over scooters, Bajaj stayed in the market by manufacturing its own set of bikes. Now, the company's portfolio includes some of India's most popular and best-selling two wheelers, including Avenger, Pulsar, Platina and Discover. The company is now preparing to release variants of the Platina and CT100 to improve its market share in the 100cc segment. The company also manufactures other popular bikes such as Kawasaki Ninja and KTM Duke.

TVS Motors

Having commenced operations in 1877, TVS Motor Company initially plied its trade in sectors such as automobile, finance, and insurance. Since 1955, however, TVS began shifting its focus on automobile alone. The company gained worldwide recognition during the 1980s when it collaborated with Suzuki Motors to release two wheelers such as Suzuki Samurai, Suzuki Shogun and Suzuki Fiero. As far as the scooter market is concerned, TVS's Scooty brand is among the best performers over the past two decades. Scooty, as a brand, remains the most preferred scooter among working women and college girls. Jupiter and Wego are two of the other scooters manufactured by the company, and they are both doing substantially well in the Indian market.