

Management & Technology Perspectives

GROUP 3

- Abishai Srinivasan - 471538
- Hardik Goel - 468526
- Mayuri Mhetre - 468178
- Nisha Kulhari - 471109
- Prakhar Srivastava - 470031
- Vijayan Shinde - 465577

Supervised by:

Prof. Dr. rer. pol. Malte Brettel,
M.Sc. Maximilien Barrault



RWTHAACHEN
UNIVERSITY



❖ Problem Statement

- AutoCo's core business is seeing declining sales in traditional segments, prompting the need for new growth avenues.
- The German robotics market is expanding rapidly, but AutoCo currently lacks a foothold in both cobots and industrial robots.
- Without a clear pricing and product strategy, AutoCo risks missing a strategic opportunity to capture market share in these fast-growing segments.

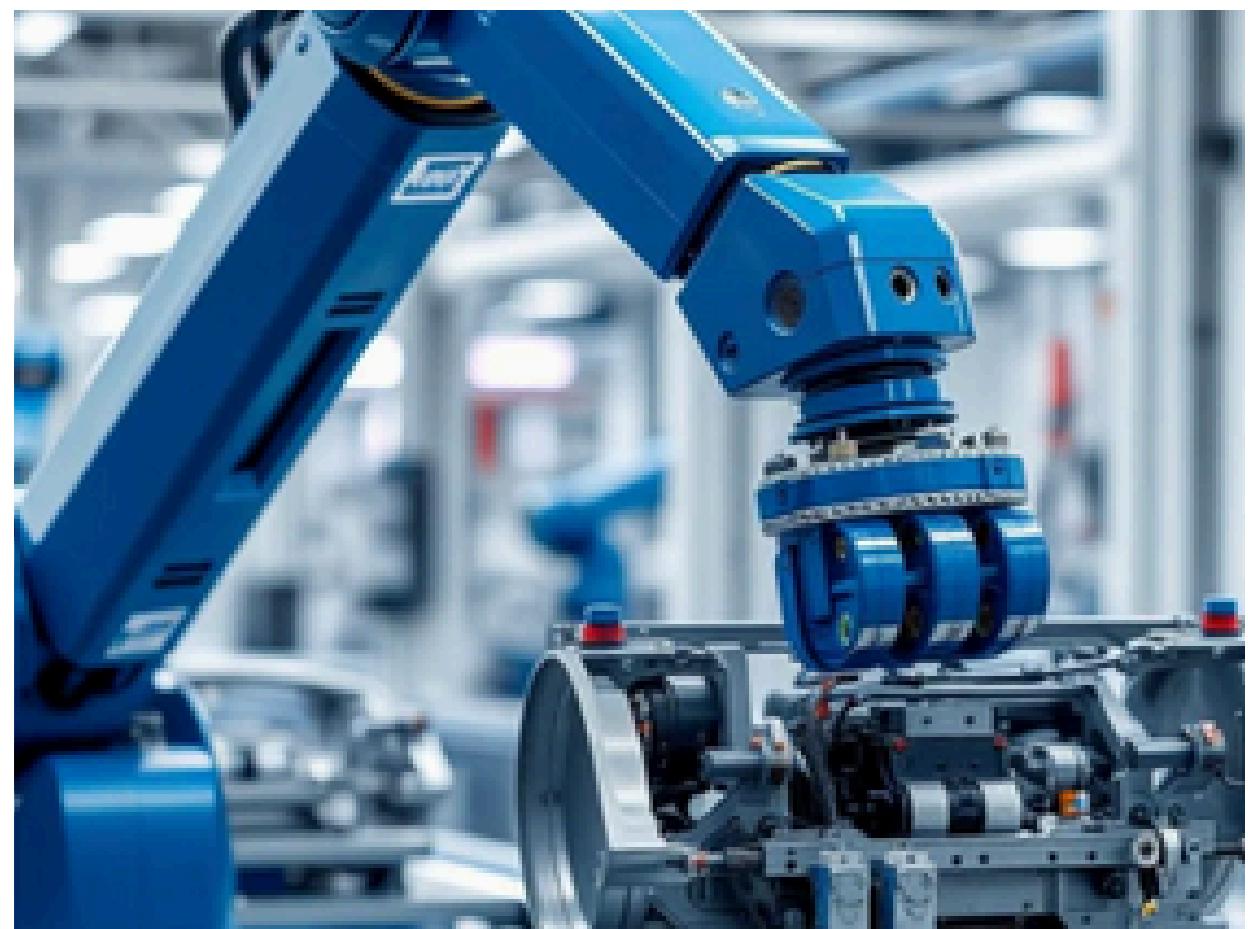


About AutoCo

Founded in 1854 in Glasgow, AutoCo is a Industrial leader, with over 26,000 employees and \$6B+ in sales (2020). Amid a slight sales decline, the company is seeking strategic growth opportunities.

Objective

Evaluate the feasibility of entering the German robotics market to drive long-term growth and strengthen AutoCo's presence in emerging technologies.

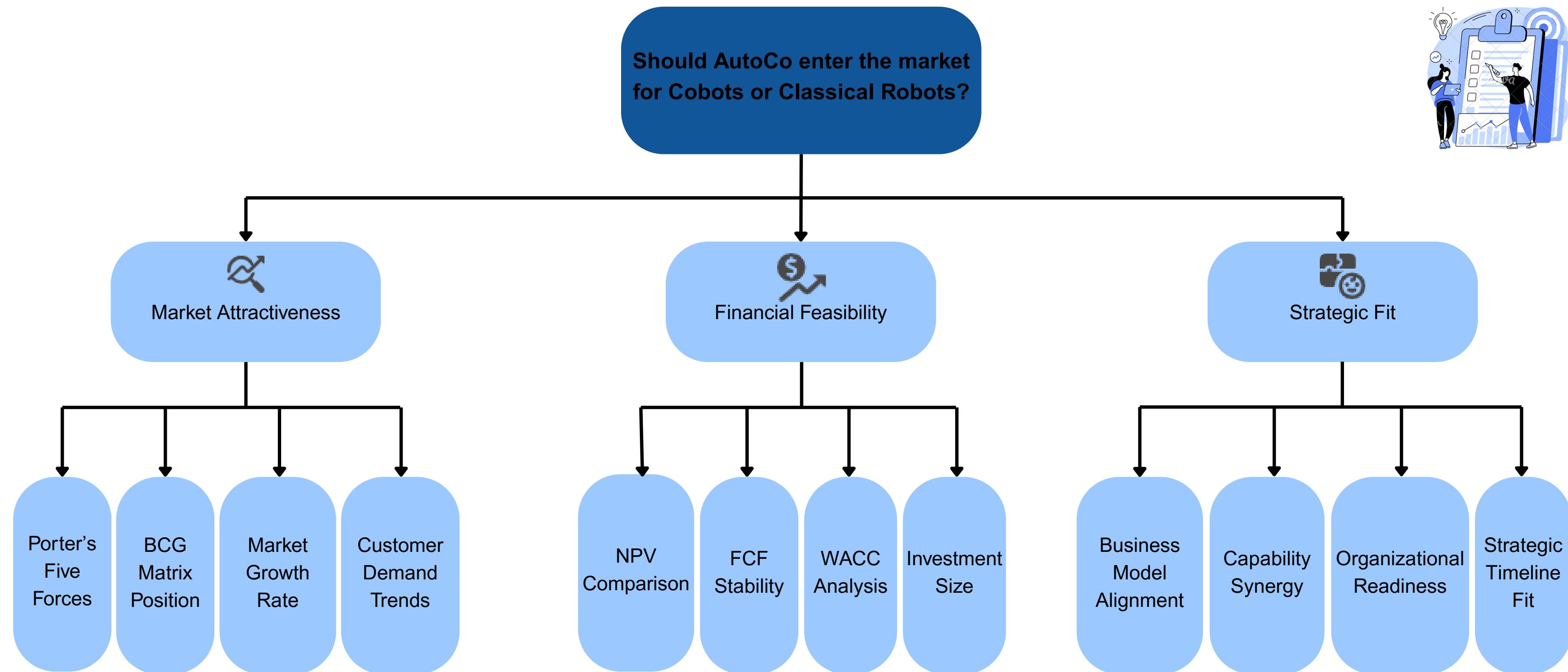


Short-Term vs Long-Term Goals

- Short-Term: Identify accessible entry points, assess partnerships or acquisitions, build initial presence
- Long-Term: Establish AutoCo as a key player in robotics, expand across Europe, invest in automation innovation



Problem Structuring



Our Strategic Roadmap



OPPORTUNITY

Germany: Our Strategic launchpad

- Dominating Booming SME Automation Market
- Industrial Hub : Capitalizing on robust domestic Manufacturing
- Can serve as Global gateway for International expansion.



WHY IT MATTERS

Strategic Edge: Low Risk, High Growth

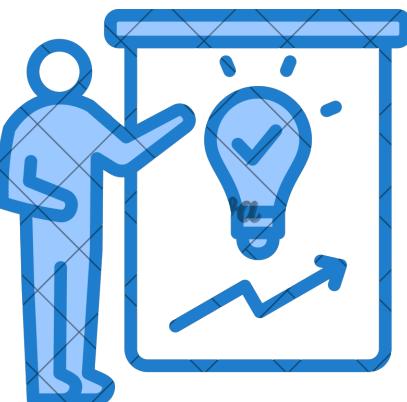
- Cobots: Superior risk-reward profile (BCG/Porter alignment).
- Market Entry: Rapid penetration in high-growth segments.
- Foundation: Building rapid market share & brand credibility



WHAT'S NEXT

Implementation: Phased Market Domination

- Phase 1 (Short-Term): Agile Cobot Solutions for immediate revenue & SME penetration.
- Phase 2 (Long-Term): High-Impact Industrial Robotics for large-scale automotive manufacturing.
- Synergy: Leveraging cobot learnings for advanced industrial applications.



Porter's 5 Forces Analysis

Strength
Low Medium High

Threat of New Entrants

Cobots

Lower entry barriers and faster ROI

Classical

Large capital & expertise required

Bargaining Power of Suppliers

Cobots

Dependency on specialized parts, risk of forward integration

Classical

Specialized but stable supply chains

Bargaining Power of Buyers

Cobots

Fragmented SME market, limited buyer power

Classical

Large clients, moderate switching costs

Threat of Substitutes

Cobots

Alternatives like manual labor, but cobots offer safety & ROI

Classical

Lower entry barriers and faster ROI

Industry Rivalry

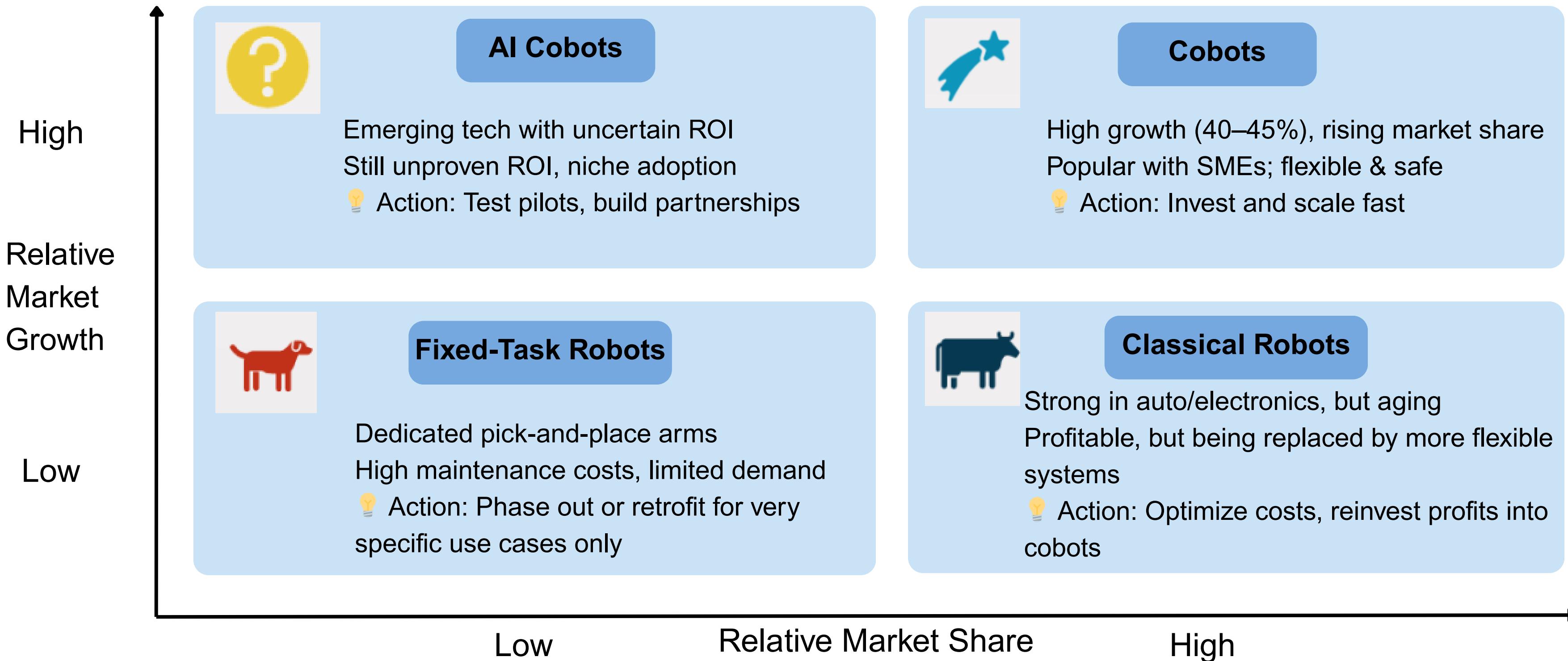
Cobots

Innovation-driven, rising startup competition

Classical

Mature industry, price wars (e.g., China)

BCG Matrix



Insights from Porter and BCG Supporting Cobot Entry



Fast Market Entry



High Growth Rate



Future-Ready Tech



Strategic Fit

💡 Easy to adopt, quick ROI

Low entry barriers (Porter: Threat of Entrants)

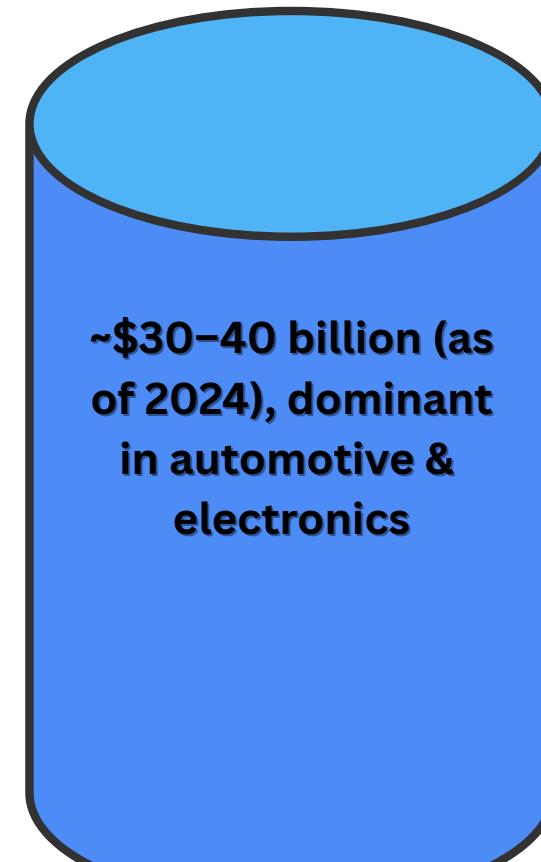
💡 40–45% CAGR driven by SME adoption

Fragmented SME market = low buyer power (Porter)

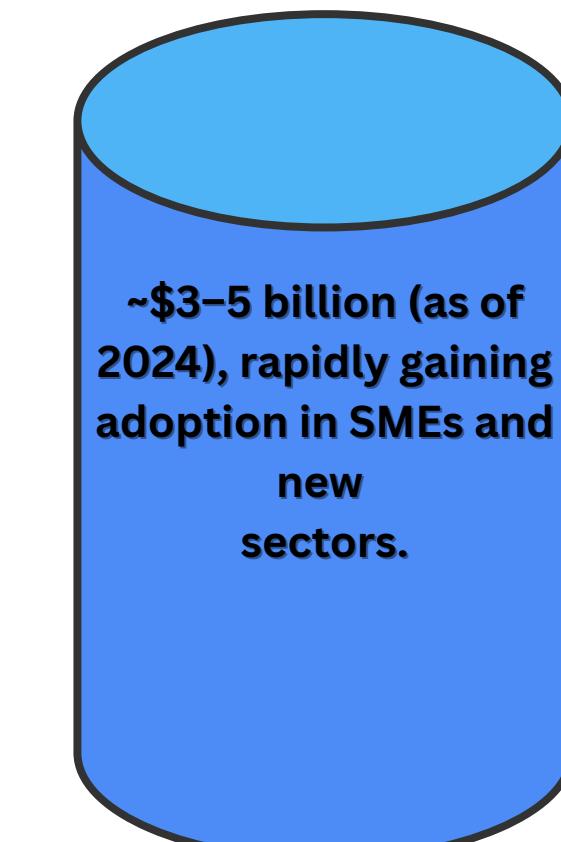
💡 Aligns with innovation & AI cobots (BCG Star/Question)
Action: Invest & scale fast (BCG)

💡 Cobots support safety & flexible deployment (BCG)

Action: Target SMEs, scale with speed



Traditional robots



collaborative robots

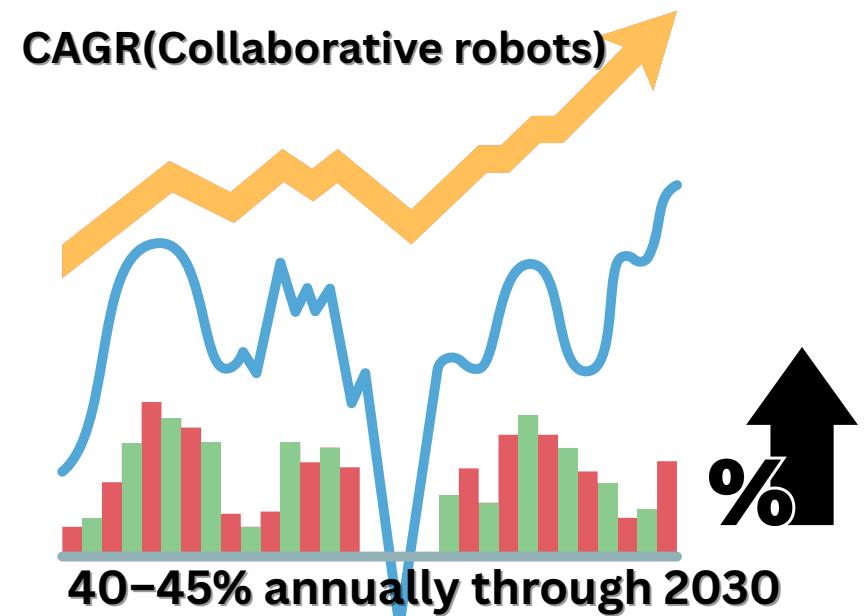
Existing market

CAGR (INDUSTRIAL ROBOTS)



10-12% annually through 2030

CAGR(Collaborative robots)



40-45% annually through 2030

Annual Growth Rate



Short-Term Fit: Collaborative Robots (Cobots)

Why: Easier adoption by SMEs due to lower barriers, flexible deployment, and intuitive programming.

Business Model Alignment:

- Customer Segments: SMEs, logistics, and educational institutions.
- Value Proposition: Flexible, safe, and easy-to-use automation.
- Customer Relationships: Personal assistance, training, and co-creation.
- Revenue Streams: Hardware sales, software subscriptions, service contracts.



Long-Term Fit: Classic Industrial Robots

Why: Suits large-scale manufacturers (auto, electronics) – high precision & scalability.

Business Model Highlights:

- Customer Segments: OEMs, Tier 1 suppliers, mass production industries
- Value Proposition: Robust, precise automation at scale
- Customer Relationships: Long-term contracts, onsite support, co-development
- Revenue Streams: Robot sales, integration, maintenance deals

Based on Business Model Canvas insights, AutoCo should:



Cobots



Classical

Enter with cobots to quickly serve SMEs and gain market traction

Develop classic robots to serve long-term industrial demand

Classical Robots

- NPV: €189.8M – Strong positive value
- Consistent Free Cash Flow growth
- Slightly higher WACC (4.48%) but delivers superior values
- Strategic fit for long-term stable returns

Collaborative Robots

- NPV: -€21.5M – Value destruction
- Highly volatile and negative FCFs
- Lower WACC (4.33%) doesn't offset poor financials
- Risky and uncertain investment

- ➡ Acquire Classic Robots later to ensure stable cash flows and balance long-term risk.
- ➡ Do not acquire Collaborative Robots due to high Risk and no investment return.

Classical Robots

- Saturated and mature market offers limited upside and slow innovation.
- High initial NPV masks lack of future scalability and breakthrough potential.
- Focus on stability risks missing out on transformative, high-growth opportunities.

Collaborative Robots

- Emerging technology with high innovation potential and explosive future growth.
- Early investment positions the company ahead of competitors in a booming market.
- Short-term losses outweighed by long-term disruptive potential and market leadership.

→ While classical robots offer stability, only cobots provide the innovation and growth potential needed to future-proof the company.

Pricing Approach for KR 210 & UR10e in the German Robotics Market

Aspects	Classical Robots - KR 210	Cobots - UR10e
◆ Description	<ul style="list-style-type: none">Heavy-duty for welding, palletizing, material handlingDurable and low maintenance	<ul style="list-style-type: none">Lightweight and human-safeIdeal for SME automation tasks
🎯 Target Market	<ul style="list-style-type: none">Large manufacturers (automotive, steel)	<ul style="list-style-type: none">Small & medium enterprises (SMEs)
💰 Base Price	<ul style="list-style-type: none">€22,500 (cost + 25% markup)	<ul style="list-style-type: none">€48,000 (cost + 30% markup)
💶 Target Price Range	<ul style="list-style-type: none">€23,000–€30,000	<ul style="list-style-type: none">€46,000–€83,000
📦 Tiered Strategy	<ul style="list-style-type: none">Standard: €22k–€23kAdvanced: €25k–€27kPremium: €28k–€30k	<ul style="list-style-type: none">Standard: €45k–€50kAdvanced: €55k–€65kPremium: €75k–€85k
📊 Pricing Approach	<ul style="list-style-type: none">Cost-basedCompetition-basedValue-based	<ul style="list-style-type: none">Subscription: €500–€1,500/month
🌟 Key Strengths	<ul style="list-style-type: none">High durabilityAI features, modular upgrades	<ul style="list-style-type: none">Easy setup & integration30–40% productivity boostFast ROI (3–6 months)

Cobot-First Market Entry, Followed by Classic Robots

Short-Term: Focus on Cobots (0-12 months)

- Target SMEs with UR10e
- Fast ROI, low entry barriers
- Build early market presence

Long-Term: Expand with Classical Robots (12-36 months)

- Launch KR210 for large industries
- Cross-sell to existing customers
- Establish as full-spectrum automation provider

R&D & Feasibility

Product validation, market & regulatory analysis

Hiring

Recruit tech & sales teams, onboard partners

Cobot Pilots

Deploy UR10e to selected SMEs, collect feedback

Branding

Launch campaigns focused on ROI & flexibility

KR10 Prep

Customize, engage large firms, initiate talks

Classical Rollout

Rollout KR210 to large industries

Month 0–3

Month 2–5

Month 5–8

Month 6–12

Month 12–18

Month 18–36