

Dr. Abhay Firodia, Chairman of Force Motors and MAN-FORCE Trucks analyses his company's performance in the context of a fluid CV industry.

Interview
Sridhar Chari

'The Trump 15 shall have a twin-cylinder engine soon'

Innovation + service



and for the Trump 40 has exceeded Force Motors' capacity, prompting an expansion.

What is your take on the current state of the CV industry?

ABHAY FIRODIA: There are multiple axes to look at the CV industry. One, it has seen very strong demand in the last couple of years. But, what is in doubt is the future trajectory of domestic demand and retail finance given concerns over overall economic growth (some of the growth estimates may be inflated), inflation, interest and fuel rate hikes. At the moment, there is no dip in demand as the pace of growth has slackened. Monsoon months are traditionally slow. Many a time, the dip in sales is no more than a matter of sentiment. As such, we shall be happy to see 10-12 percent growth for the industry this fiscal.

The second axis is that, the number of players in the CV industry is increasing. This will undoubtedly increase competition and segmentation of products. The third axis is of course the advance in production technology. The entire paradigm of design and aggregate development is changing, hence, both old and new players have to come to the plate really fast. Finally, the fourth axis is heightened customer consciousness, to which OEMs

have been increasingly clued into over the last 4-5 years. They have realised that the need to be there for customers, at all times. Therefore, merely putting out a great product is not going to suffice. A

strong-technology enabled distribution and service footprint is paramount. **In recent times, LCVs have been the main volume drivers for the CV industry. Has Force Motors** →



Resurgent sales of the humble Trax utility vehicles has been responsible for Force Motors' impressive first quarter performance



An ambulance application on the versatile Traveller, which has at heart the time-honoured Mercedes-Benz OM 611 engine.

benefited from this trend too?

DR. FIRODIA: Absolutely. During the first quarter, we grew by 50 percent. This has been on account of good performances from the Trump 40, Traveller and the Trax. More specifically, we have sold 10,000 units of the Trump SCVs so far. But it is clear that these numbers only represent a small beginning, especially since we have made the strategic decision to exit the three-wheeler space.

There is a need for a rapid ramp up of capacity for the Trump 40. Initially, the bulk of production capacities were set aside for the Trump 15 under the assumption that it would be the main volume driver, vis-a-vis the Trump 40. But in reality, the reverse has happened. Demand for the Trump 40 has exceeded our supply capabilities.

Secondly, over the next few months, we shall roll out the Trump 15 with a twin-cylinder engine to enable it to gain better traction. Around the same time, a passenger version based on this vehicle shall be launched too. Keeping in mind the long-term potential of over these products, the plan is to equip them with new generation engines and aggregates over the next three years or so. You can see that we do not compromise, when it comes to having the best aggregates in our products. For instance, the Traveller is powered by the Mercedes OM 611 engine. The common rail engine, which has been used in the M class, C Class and the Sprinter is capable of being upgraded



The intelligently-configured Force One SUV clearly represents a bold new direction for the company.

to Euro V compliance.

Please give us an update on the MAN-FORCE Trucks front. When is the bus due?

DR. FIRODIA: We are on target to sell 7,000-8,000 MAN-FORCE trucks this

fiscal. It is true that so far, the performance has been disappointing. Despite being an early entrant, we are still a marginal player in the MHCV space. That said, we have made some headway in the tipper space. However, huge volumes cannot be achieved, if we are going to compete



MAN FORCE Trucks is on target to achieve sales numbers of 7,000-8,000 units this fiscal

in just the top 25 percent of the tipper market, which itself accounts for only 30 percent of MHCV sales.

This fact is that the specifications of our trucks are too high for the market. Now, it is true, we have introduced the 220HP engine to flank the 280HP powerhouse. But, even this is not enough to deliver the desired fuel efficiency to customers, when competition's trucks are powered by no more than 160-180HP engines, while carrying the same payloads. To be clear, it is not just the engines, but even other aggregates such as axles and transmissions that must be re-aligned in tune with market needs.

The 220HP front-engined inter-city coach shall be launched very soon. We have worked upon making the original MAN body a bit more curvaceous given the preferences of the Indian market.

Do you think the expected three-way alliance/merger between VW, MAN and Scania will have a significant impact on MAN-



Force Motors MD, Prasan Firodia receiving an award during the Apollo CV Awards 2011.


FORCE Trucks? Could there also be a fallout for exports out of India given the MAN-Sinotruk arrangement in China?

DR. FIRODIA: No doubt, the alliance between the three European companies is momentous and we are watching it

carefully. But, as of now, we have received no indication that this move will have any impact in so far as operations of MAN-FORCE Trucks are concerned.

And, similarly, the Sinotruk-MAN alliance is hardly going to material for MAN-FORCE's exports. This is because, despite huge investments and the localisation effort, exports out of India have hardly taken off in the first place.

Staying with China, do you think it is fair for Chinese companies to get such free access to the Indian CV market, when Indian CV makers have hardly been able to get a foothold in that country?

DR. FIRODIA: I think, it is unfair to single out China in this manner. Indian companies would find it as difficult to enter the German or Japanese markets as they would in China. Homegrown players have to understand that there will be global interest in India, given its immense potential. Therefore, they would have to take competition in their stride. 



MAN FORCE Trucks' exports performance has been disappointing.