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## Force Motors undertakes enterprise-wide cost optimisation

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For representational purpose. (Photo | EPS)

By PTI

NEW DELHI: Force Motors Ltd on Monday said it is undertaking enterprise-wide cost optimisation in all areas of its vehicle business in the wake of slowdown in auto sector, impact of BS-VI transition and the coronavirus pandemic.

The company, which makes commercial vehicles under the Traveller brand and utility vehicle Trax, besides a range of tractors, has appointed consulting firm EY to help it in the exercise, Force Motors said in a statement.

"The key focus is to build business resilience by looking at all aspects of costs straddling material, manufacturing, logistics and support cost elements.

The multi-year program titled 'Accelerate' will help Force Motors realign its cost structure while strengthening the businesses ability to react to the volatile environment at both ends of the value chain," it said.

Explaining the rationale behind the step, the company said the Indian economy and the auto sector in particular have been facing significant headwinds with muted demand, the BS-VI transition and the COVID-19 crisis adding to the sectors' woes.

"Force Motors is aware of these challenges but is looking at this crisis as a unique opportunity to help build business resilience and adapt to the 'new normal' with a focus on efficiency and cost management.

"Force Motors is thus embarking on a journey of enterprise wide cost optimization in all areas of its vehicle business," it added.

Commenting on the move, Force Motors Managing Director Prasan Firodia said, "Project 'Accelerate' marks the beginning of our journey towards achieving business resilience in a post-COVID world by implementing and sustaining an efficient cost structure."

He further said, "Our aim is to leverage value engineering, collaboration and rationalisation levers while delivering exceptional product performance and customer experience."

In the quarter ended June 30, the company had posted a consolidated net loss of Rs 64.99 crore against a consolidated net profit of Rs 26.17 crore in the year-ago quarter.

The company's revenue from operations also came down to Rs 185.4 crore in the first quarter of this fiscal from Rs 802.48 crore in the same period last year.

<https://www.newindianexpress.com/business/2020/aug/17/force-motors-undertakes-enterprise-wide-cost-optimisation-2184548.html>

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