## **CASE Study: I**



#### THE CLIENT

A global conglomerate having presence in Indian logistics space

#### SITUATIONAL ANALYSIS

Online Truck Aggregation was identified as a growth opportunity by the client to increase its foot print in India.

India has seen rapid digitalization and thus provide opportunities in several arenas. Online freight aggregation is witnessing tremendous growth on the backdrop of Digitalization trends.

# Online Truck Aggregation Opportunity in India





#### **BUSINESS CHALLENGE**

• To identify size of business opportunity for online truck aggregation and thus formulate suitable strategy to explore this opportunity.



#### **PROBLEM SOLVING**

Avanteum established the prevailing market opportunity for Organized Truck Aggregation Market through a comprehensive methodology as follows:

- A through research was conducted to understand the ecosystem governing online freight aggregation business and key market participants.
- Industry data for freight movement was analysed to understand demand and supply
- Prevailing business models adopted were thoroughly researched and analysed to evaluate best business models and underlying success factors in each of the business models
- Pain points associated with the industry were studied
- Expert interviews were conducted with key truck aggregators to provide detail analysis on their operations, financials, business models
- Interviews were conducted at senior management level (Founders/CEO/Business Heads/Vice President)
- Data collected through various sources were validated to arrive at key insights required for formulating an entry strategy



## Online Truck Aggregation Opportunity in India





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#### **CONSULTING SOLUTIONS**

Avanteum created a detailed market opportunity assessment require formulate its Go-No Go strategy. Key solutions and recommendation included:



- Existing and upcoming production and agriculture hubs
- Freight market dynamics covering
  - Intercity and intra city movement
  - Contract/on demand load
  - Load characteristic FTL vs PL
- Truck market characteristics fragmentation, funding driving online aggregation, Technology entrepreneurship supplemented by proliferations of smartphones among truck owners
- Government policies for encouraging companies to scale up in size
- Digital aggregation penetration in India, drivers and restraints for online truck aggregation
- Market opportunity Current and Future
- Business models and associated pros and cons
- Key success factors
- Industry challenges and mitigation
- 11. Recommendation on Go-No Go Strategy

#### **Benefit**

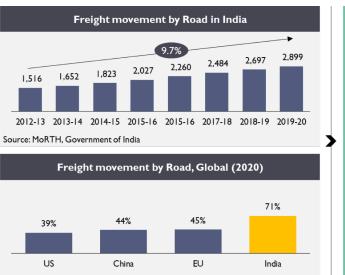
The market opportunity identified, and the insights provided helped client in their Go-No Go decision in venturing in the Online Truck Aggregation and business model to be adopted

Insights also helped client to creating ecosystem with focus on immediate requirement and future expansion, create ecosystem for revenue generation



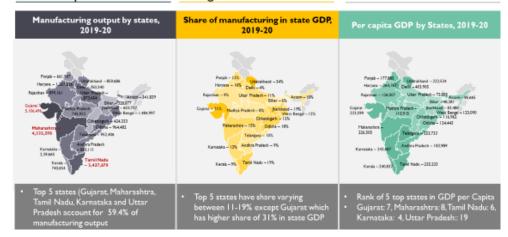
### Online Truck Aggregation Opportunity in India



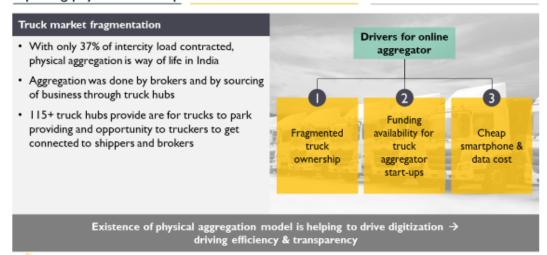




Concentration of manufacturing in few states and consumption in high GDP markets has created imbalance in load available – Southern & Western India high in consumption and manufacturing



Physical aggregation of goods is common place in India, Online market place replacing physical market place



2. Funding to start-up companies and technology entrepreneurship is helping drive Online aggregation acceptance in the industry





52 trucking market-places backed by venture capital angel or corporate investor



of marketplaces have



Online aggregators / trucking marketplaces are evolving their business models and aligning closely to customer needs



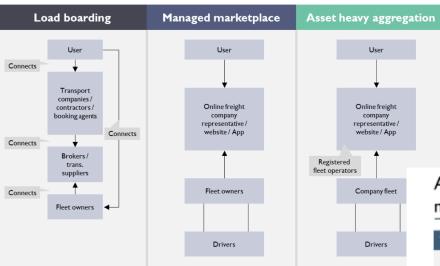


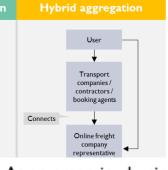
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### Online Truck Aggregation Opportunity in India

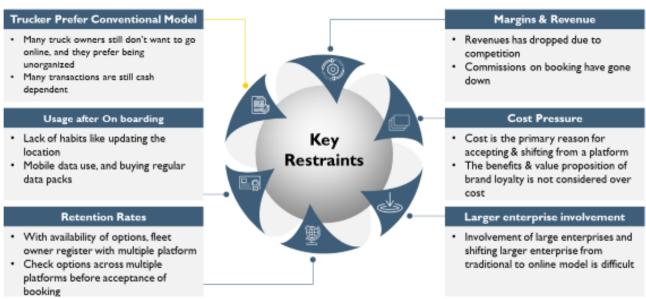


I. Business model is a strategic choice of companies based on strategy and ability to burn cash





As an emerging business model, restraints outnumber the opportunities as digital models in B2B space require significant funding and scale up time





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## **CASE Study: II**



#### THE CLIENT

A global conglomerate having presence in Indian logistics space

### SITUATIONAL ANALYSIS

Client is focusing on servicing the needs of the Automotive industry by providing end to end logistics solutions servicing needs of few Japanese automotive companies.

Client was facing challenge in terms of growth.

# Growth Opportunities in Automotive Logistics





#### **BUSINESS CHALLENGE**

Client was facing growth challenge due to limited automotive customers served.



#### **PROBLEM SOLVING**

Avanteum focussed on identifying growth opportunities among Japanese automotive (OEMs) and auto component companies by thorough understanding of:

- Spend on logistics
- Their logistics operations (domestic and international)
- Multi modal transportation adopted and share of each mode
- Need and wants assessment
- Pain points
- Unmet needs and
- Competitive landscape.
- Growth plans



## **Growth Opportunities in Automotive Logistics**





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#### **CONSULTING SOLUTIONS**

As a solution, Avanteum provided growth opportunities and a clear road map in terms of:

- Focus Companies immediate, medium and long term
- Workshops detailing nature of opportunities (transportation, warehousing, international logistics, value added services in each company)
- Building capabilities immediate and future



#### **B**enefit

The growth opportunities identified helped approaching each of the companies with a clear cut value map and acquire additional clients to achieve growth plans in India



## **CASE Study: III**



#### THE CLIENT

A global conglomerate having presence in Indian logistics space

#### SITUATIONAL ANALYSIS

Client is looking for increasing its foot print in India through new and inorganic growth opportunities

Rail Wagon Leasing was identified as one of the growth opportunity

## Rail Wagon Leasing Market Opportunities in India





#### **BUSINESS CHALLENGE**

Go No-go and formulate entry strategy for Rail Wagon Leasing in India

#### **PROBLEM SOLVING**



Avanteum established the prevailing market opportunity for Rail Wagon Leasing Market Opportunity through a comprehensive methodology as follows:

- Detailed desk research to understand the policy framework
- Expert interviews were conducted with government officials (Railways, Ministry, IRFC),
   DFCC, market participants (Logistics Companies, User Industries and Leasing companies)
- Interviews were conducted at senior management level (Directors, CEO, President, GM, Business Heads)
- Data collected through various sources were validated to arrive at key insights required for formulating an entry strategy



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## Rail Wagon Leasing Market Opportunities in India





#### **CONSULTING SOLUTIONS**

Avanteum created a detailed market opportunity assessment required to formulate its Go-No Go strategy. Key solutions and recommendation included:

- . Railways Ecosystem Freight
- Freight Dynamics Modal spit (current and future), freight movement by type of commodity
- 3. Dedicated Freight Corridor and its impact
- 4. Regulatory analysis and policy towards privatization
- 5. Market opportunity assessment current and future
- 6. Wagons Ownership
  - I. By government, government owned companies and private companies
  - 2. Type of wagons owned
  - 3. Trends in ownership owned v/s leased current and future
- 7. Competitive landscape business model and financial analysis



#### **Benefit**

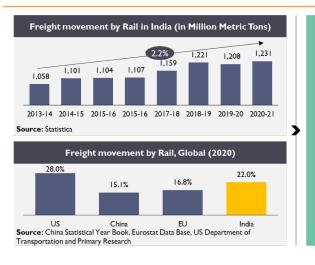
The market opportunity identified and the insights provided helped client in their Go-No Go decision in venturing in the Rail Wagon Leasing business in India





## Rail Wagon Leasing Market Opportunities in India





Freight movement by rail grew by 2.2% over the period 2013-14 to 2020-21

COVID impact seen over last 2 years (FY 2019-20 and FY 2020-21)

Dedicated efforts by Government of India Indian Railways to increase share of Railways in Multimodal Transportation through private participation and development of Dedicated Freight Corridors

Share of Rail is at par with Global Standards (European Union (EU), China)

Though, Road dominance will continue for the next 10 years, share of Rail will increase due to various steps by Government of India DFC is a game changer in logistics providing quantum jump in transportation connectivity and connectivity to private terminals and major and minor ports





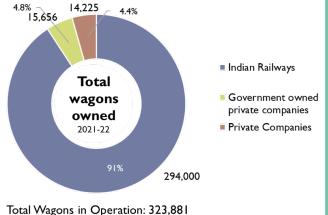
DFC is and will further be a game changer Transport Logistic in terms of:

- Improved safety features
- Quantum jump in transportation capacity
- Provides connectivity to Private sidings / Terminals, Major/minor Ports
- Scheduled time tabled trains -strengthenin supply chain
- Running of Bi-modal innovative service li Trucks on Train (TOT)
- Saving of 457 Million Tonne of CO2 emissic over 30 years period\*

DFC will enable increased share of railways in multi modal transportation

Indian Railways leases wagons exclusively through its subsidiary Indian Railways Finance Company (IRFC) and does not work with any private lease companies

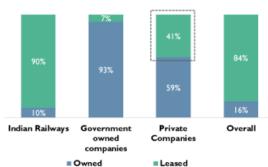
Freight Rolling Stock in Operation, 2021-22



- Indian Railways with a rolling stock of 294,000 wagons has highest share and account for 91% of the total Freight rolling stock in India
- Private companies, the potential customers for leased wagons from private Rail Leasing companies account just 4%

Logistics companies offering integrated logistics solutions are the potential customers for Rail Wagon Leasing.

#### Wagon Ownership Pattern, 2020-21



= Owned = Least

- Major share of wagons by Indian Railways is leased from Indian Rail Finance Corporation (IRFC)
- Major share of wagons by Government owned companies (CONCOR) are owned by them. They procure it from Titagarh Wagons and Government owned workshop (Jamalpur)
- 41% of wagons owned by private companies (mainly integrated logistics provider) are leased from private rail leasing companies viz, Gatx (88.7%) and Touax (11.3%)



Source: Avanteum Primary Research and Analysis