



**‘The power of two’[ek se bhale do]**

In 2008, Eicher motors tied up with Swedish Truck maker **Volvo** in its bid to become a larger player and build a global presence in the commercial vehicle business. Volvo on the other hand wanted to crack the small and medium segment in India. Both Eicher and Volvo are value driven companies and they leveraged their respective strength to achieve their disparate goals.

Eicher Strength	Volvo Strength
Mass Market Products	Global Distribution
Frugal Engineering	Advanced Distribution
Experience of working in Emerging market	Financial Muscle

- MD & CEO of Eicher Motor Siddhartha Lal, wanted to boost Eicher Commercial Vehicle business in India and also to build an overseas presence.
- Eicher could have done this on its own and in 1997 Eicher started developing Heavy Truck for competing with TATA motors and Ashok Leyland. It took around six years and Rs.25 crore to build the truck. Mr.Siddhartha didn't want to take the chance and there was the risk of failure too.
- Eicher was setup in 1948 to import tractors and it entered the commercial vehicle business in 1986, started selling Six tonne fully imported truck from Japanese auto maker Mitsubishi but that partnership ended in 1993.
- Till 2006/07 Eicher continued building its own Trucks and then, Mr. LAL realised the growing demand for technologically advanced trucks and buses in rapidly expanding Indian economy.
- Eicher needed a foreign partner to make a great leap forward and in order to crack the market, Eicher needed more muscle in terms of funds, Systems and Technology and Therefore Volvo is a great partner to provide all of that.
- Eicher Moved its Trucks and bus business to the new company, Joint venture 'VECV'. Volvo wanted to expand in India's Mainstream business and for that they had to produce truck at a lower price. Eicher Low cost manufacturing base offered Volvo that opportunity and so Volvo had to selectively inject technology to make products better.
- Mr. Vinod Aggarwal, CEO of VECV says Eicher will be the Swedish Company's Fifth Truck Brand globally After Volvo, UD, Renault & Mack. Exporting Eicher Branded Vehicles benefits Volvo as well because the low cost Eicher vehicles offer Volvo a chance to boost its presence in emerging economies without diluting its brand image.