

EVOLUTION CYCLE

Hero Cycles is the quintessential Indian brand and now the company is riding into the future as Abhishek Munjal, its youngest director, ever, charts out an innovative roadmap

PHOTOGRAPHS BY TEAM HERO
INTERVIEW BY BINDU GOPAL RAO

Representing the third generation of the illustrious Munjal family, Abhishek Munjal is disarmingly humble. The grandson of O. P. Munjal and the second son of Hero Motors Chairman, Pankaj M. Munjal, Abhishek is a Director at HMC, A Hero Motor Company and is deeply involved in the company's operations, vision and strategy. The youngest director at Hero Cycles, ever, he believes that cycling is yet to find its potential in this country and the world. He tells us more in this exclusive conversation.

Tell us about your early days and how being part of a business family influenced your life?

Growing up under the care of the late Shri O. P. Munjal was very inspirational. He was not only a successful entrepreneur, but also a poet, a lover of Urdu language and a patron of the arts. The stories of how he and his brothers built a thriving

business from scratch have helped strengthen our belief in the power of determination and hard work. This disciplined ethic has helped me in my long-term focus on career goals. We are still a traditional family in many ways. Instead of cakes, our family celebrates birthdays and anniversaries with *bavans*.

What was it like to grow up in a highly successful business family?

Well, growing up in a business family exposed us to the challenges of entrepreneurship early on in life. It also helped inculcate in us an entrepreneurial spirit. I have spent days observing, studying and drawing up charts for our production facilities in Ludhiana since I was 15 years old. Being surrounded by successful entrepreneurs including my father, Shri Pankaj M Munjal MD and CEO of HMC and my brother Aditya Munjal, who heads the segment on premium bikes, helped me set my mind on becoming an entrepreneur. I studied economics at Indiana University in preparation for my future role as a Director at Hero Cycles. My father has always believed that one learns best by studying how rural retail and markets work and so I made sure I did that. I had to prove myself to the company's shareholders before I was accepted for the post of a Director in the company. Yes, there is always the pressure of being surrounded by super achievers as the world always looks towards you with high expectations. However, the kind of experience you gain by being a close part of such a family propels you forward. As an entrepreneur I want to chart out new territories for our business, and establish new avenues of growth. I would work to leave my own mark.

What is your focus area in terms of developing the cycle business?

At Hero cycles, we believe in constant evolution. The cycle itself has witnessed tremendous evolution in design and technology in the past century. What we are witnessing now is a rapidly growing opportunity in the area of electric mobility in India and the world. With an increasing consciousness about the environment and a greater bent towards fitness, the next few decades are bound to witness a surge in electric bikes. Business models around e-bikes have already been developed and there are certain new areas such as e-MTBs that hold a lot of potential. I am an integral part of production where I keep the numbers coming in the most efficient manner possible. My focus will also be on expanding the scale of operations while ensuring quality across the board. Ensuring supply of better mobility solutions for the poorest of the poor is another area I would like to focus upon.

Could you please talk about some of your pioneering steps to take the business forward?

My job description is that of a Director of the company. I look after the production plant and the backend operations. I make sure that our processes and operating standards come to par with international best practices. I spend a great deal of my time continuously studying present systems and cost-efficiency





Wealth is a means to an end. In the end all that matters is the work that one is remembered for and the interactions one has had with one's peers and colleagues.

For me, it gives immense happiness in sharing the good times with Hero's other employees, especially workshop employees, distributors and retailers.



I start the day with an energizing sport. I play a number of different sports but tennis is my favorite. My family has been responsible for the evolution of a cycling lifestyle in this country, I love to cycle whenever I can.

parameters, workflows and alternatives and finding ways to make them better. For example, I have introduced several automations in assembly line monitoring using emerging technologies and have also brought in several stages of quality checks. I will continue to ensure that we make the best quality of products available to our customer.

Tell us about Hexi, the last-mile transportation startup.

Hexi is a pioneering service headed by my elder brother, Aditya Munjal. It is a first and last-mile transportation designer and its products include e-rickshaw as well as cycle sharing services to improve last mile connectivity in urban centres of India. Notably, lack of last mile connectivity is a key challenge to greater acceptance and usage of public transport in our cities.

How do you plan to tap the market in view of the growing awareness of cycling and healthy lifestyles?

We make sure we tap on to any new market trend and respond to it by evolving and expanding our portfolio. The past few years have witnessed a remarkable growth in the fitness and sports bicycle segment in India as more and more people take to cycling for leisure and fitness benefits. Hero Cycles is very much a part of lifestyle movements in cycling. We are working on developing a wide range of bicycle options to suit the needs of every commuter on Indian roads. From specially designed hi-tech bikes for mountain terrain riding to smart city commute with new-age gear shifts to better designed standard bikes for 24 x 7 cycling, our portfolio is constantly evolving with the addition of new concepts and products. Our Lectro range of bikes in the EPAC category is also adapted to the requirements of the beginner in health and fitness routines. We are co-sponsors of the MTB Himalayan mountain bike races and take part in several voluntary initiatives as avid cyclists ourselves.

Tell us about Ludhiana's Cycle Valley project?

Ludhiana's Cycle Valley project, to be established across a sprawling 380 acre land area in Dhanansu village, is a tremendous opportunity for the cycling industry in India as it promises to attract the world's best brands and technology in cycle manufacturing, e-bikes and auto components. This will help make India a hub of hi-tech cycle manufacturing by upgrading our manufacturing ability and bringing home world class technology and design. Currently, only 1.25 crore bicycles are manufactured in India out of a total 13 crore that are manufactured in the world. Moreover, a bulk of India's production is focused on low-tech roadster bikes. This project promises to change this scenario. With more than 10 leading global bicycle brands anticipated to bring their capital and technology, it will boost creation of an eco-system that supports modernisation and upgradation of the bicycle and components industry. As part of this project, Hero Cycles has been allotted 100 acres of land by the government of Punjab to develop a state-of-the-art industrial park. As anchor investor of the project, we are planning to invest over Rs. 200 crores in the project with an additional Rs. 200 crores in investment expected from the suppliers. This will enable Hero Cycles to scale up capacity to 10 million bikes a year. The project will also create employment for up to 1000 people.

What are the biggest challenges you see today in your business and how do you plan to overcome them?

Hero Cycles is today a global player with significant presence in Europe already. Our challenge is to constantly evolve and manufacture products that suit the market needs for these regions. At home, the biggest challenge for manufacturers, especially small manufacturers, is the availability of international grade alloys and steel for mass production of quality bikes. It is hoped that the Ludhiana Cycle valley will help solve the problem. High rates of GST and import duties also play a hindrance in sustainable cost models.

What are your future plans for your business?

Hero Cycles is working aggressively to establish a significant foothold in Europe as well as other parts of the world. We are already the world's largest manufacturer of bicycles in terms of volume. Our objective now is to garner an increasingly greater share in the world's bicycle market. We also intend to work towards expanding growth of cycling as a culture and lifestyle, especially in those places where cycling has shown the greatest potential for alleviating poverty and fast-tracking development. Places in Africa and India itself have proved that adopting cycle usage for rural settings helps increase business, employment and access of the masses to education and healthcare. We have already been experimenting outside our core business through initiatives like Hexi as well as Public Bicycle Sharing systems. We want these initiatives to grow and propel a positive cultural shift among urban populations. ■