

News monitored for: Royal Enfield

# NICHE GUYS FINISH FIRST

Leave the cricket or Bollywood star endorsements for the boring mainstream chaps. Royal Enfield boss Siddhartha Lal has embodied the ethos of his bikes and charted his own route to success

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**S**haggy hair, a full beard to go with it, a simple shirt paired with jeans, Siddhartha Lal looks the part of a CEO heading a famous brand of motorcycles (Royal Enfield) who still is a rider at heart. A passion for bikes helped him turn around a brand which was languishing a decade ago. In financial year 2014, Royal Enfield accounted for nearly 80 per cent of parent company Eicher Motors' bottomline (EM earned ₹8,738 crore in revenues with a net profit of ₹702 crore). EM's stock prices are up from ₹224 in 2006 to ₹15,059.65 as of yesterday. RE also outsold Harley Davidson in 2014, though it must be said that both brands belong to vastly different categories. ET Panache meets Lal in Delhi for an exclusive tete-a-tete.

## 15 years at the helm of Royal Enfield. How has the ride been?

The world is very different now for us. But then some of the things remain the same. We continue to look at the market as outsiders, as ones with nothing to lose.

Once you enter the protection mode, when you think 'We have built something and now let's focus on maintaining it', that is when you will start losing your position.

**When you took charge, Royal Enfield was being written off. What was the first thing you wanted to do with the brand?**



PIC: ASHWANI NAGPAL

**TOP DOG BUT STILL THE UNDERDOG**  
For all the strides it has made, Siddhartha Lal thinks RE still has a long way to go

I was in my mid-twenties. I was naive. I don't think I was even thinking long-term. It was about, 'how difficult could it possibly be to sell a few more motorcycles?' We were selling 1,600 or 1,800 motorcycles a month then and if we could sell 500 more every month, we probably wouldn't be losing money. It was as simple as that. And then I discovered there

were a lot more issues. What was apparent is that for the core users of Royal Enfield, the brand still had some amazing qualities. I was a rider then and I too understood the brand from a user perspective. It had a lot of equity. It was just that we weren't able to translate that into good business.

## What are the key drivers of your success?

You have to be in tune with the business and be able to be extremely long-term in approach. The timescale is not a quarter or a year. It is all about where do we go in the next couple of decades.

**"Five or six years ago, if you were to ask me about our ambition, I wouldn't have said where we are today. It would have been three shades less"**

## Would you agree that there always needs to be greed to achieve?

Greed is a harsh word. Five or six years ago, if you were to ask me about our ambition, I wouldn't have said where we are today. It would have been three shades less. We have been able to achieve what we have more because we have been able to carve a space for ourselves wherein we grew even better than we expected.

## Do you keep your targets lower than what you want to achieve?

Not at all. What we wanted to achieve was very big. We wanted to create a leisure motorcycle market in India. And we wanted to be the leader in the segment. Now, our ambition is tremendously large. We want to be the leader as well as grow the segment of middleweight motorcycles across the world.

## When the numbers were out putting RE over Harley Davidson, how did you react?

At one level, it was a big milestone. But it was also just another day. Everyone has their own trajectories. It just marks an occasion that we are doing well in India. We are still the underdog but not the smallest underdog. Every day is not a struggle anymore.

With that engine going and it is generating a lot of cash for us, we now move into a new trajectory, which is becoming a global player.



THE COMPETITION  
Harley Davidson  
Street 750


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Siddhartha Lal feels that one way to respond to competition is to truly understand what they are doing and then go 180 degrees



**You say you're an underdog. Are you being modest or there still remains a lot to be achieved?**  
There is no modesty. If you look at numbers, we are, even in India, still a 3 per cent market share player. Maybe the visibility is higher but we are still small. At a global level, we are still a speck in the motorcycling world, a shining one but still a speck.

**How do you respond to competition or does it not matter to you?**  
Of course, it matters to me. A traditional way of responding to competition is to say that 'competition is doing A, B, C things and so, let us do A1, B1, C1 or something related to what it is doing'.  
Our way of responding to competition is to firstly, truly understand what they are up to and then go 180 degrees. Our brand is built on being very different.  
In our opinion, there is a set of customers in India that look at Indo-Japanese motorcycles. Then they see us. And we are quite different. Some of it is our history but a lot of it is our design.  
The types of customers we want to attract have a different take on life. They don't need an endorsement from a movie star or a cricket star. We don't need that crutch.

**Nonetheless, when Harley says RE is not competition or when another player trashtalks, does it not affect you?**  
In the larger scheme of things, all of this is positive. They might be trying to draw us into a conversation, but it is futile because we are going on our own trajectory.

**Business aside, what keeps you busy?**  
I am more of a family guy. I like to read, going to the beach. I swim. I trek in the mountains, but not that I am extremely active all the time.

**Apparently, you rode to work when the office was in Delhi. You still do that now in Gurgaon?**  
No, I don't. Delhi to Gurgaon is not for the faint-hearted. I don't commute on a motorcycle anymore, but I ride whenever I can.