

Identifying and Prioritising New Business Opportunities for an Auto Component Manufacturer

THE AVALON EDGE

Avalon helped a leading Indian auto-components manufacturer to identify and prioritize new business opportunities for diversification; assess the most relevant option and determine the most viable entry strategy - thereby helping the client achieve its growth ambition in a rapidly evolving automotive landscape



Client Situation

- The client is a leading auto component manufacturer of exhaust systems, spoke rims, steel wheel rims, fuel tanks, seat frames and other automotive assemblies



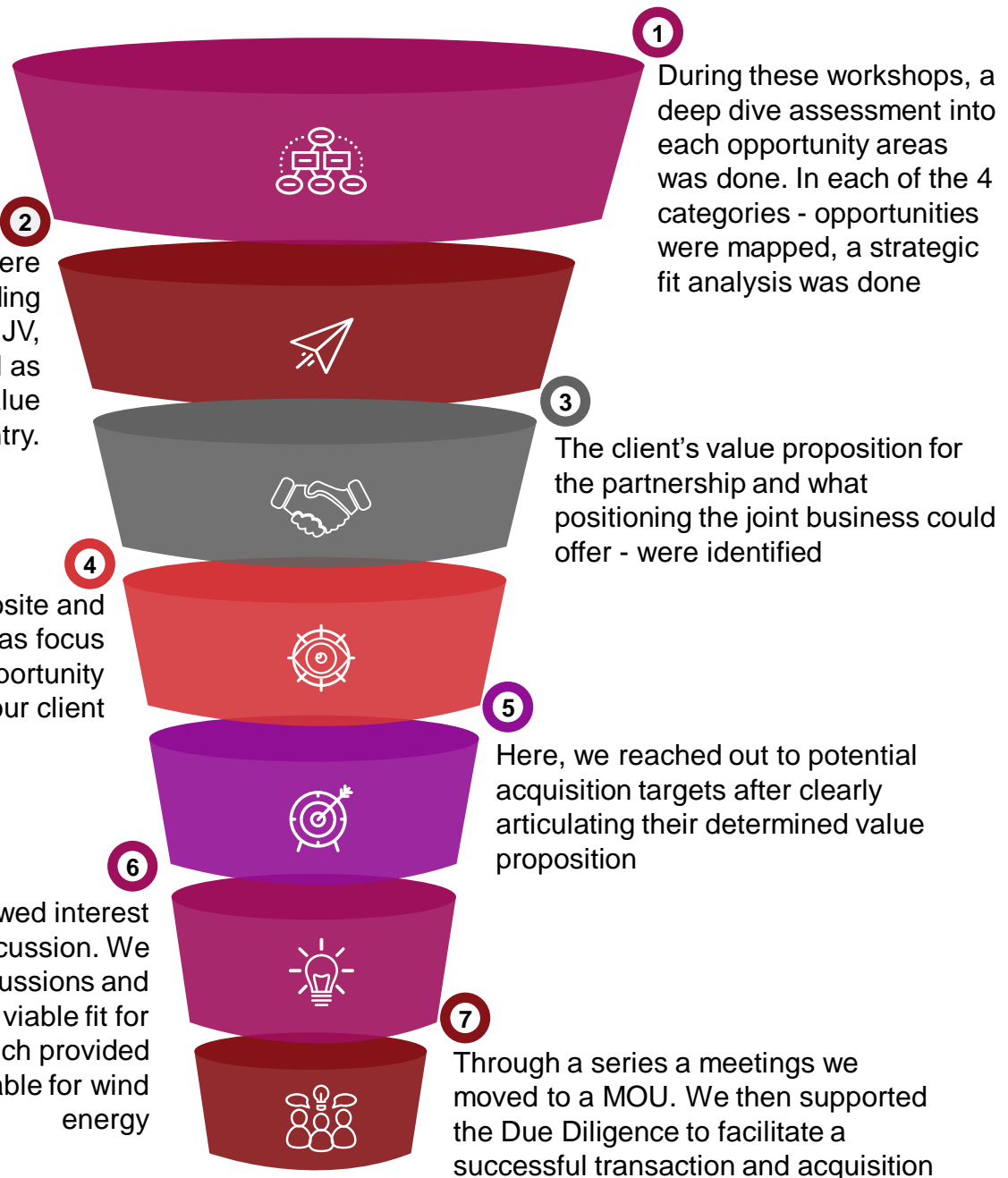
Objective of the assignment

- Due to changes in the regulatory environment and imminent threat from electric vehicles in the next 5 to 10 years, the client wanted to explore diversification opportunities
- They had identified 4 potential opportunity areas adjacent to their core business namely EV, Li-ion batteries, Defense and Composites; wanted to explore the market opportunity in each of the areas besides determining possible routes to enter the market



Avalon Intervention

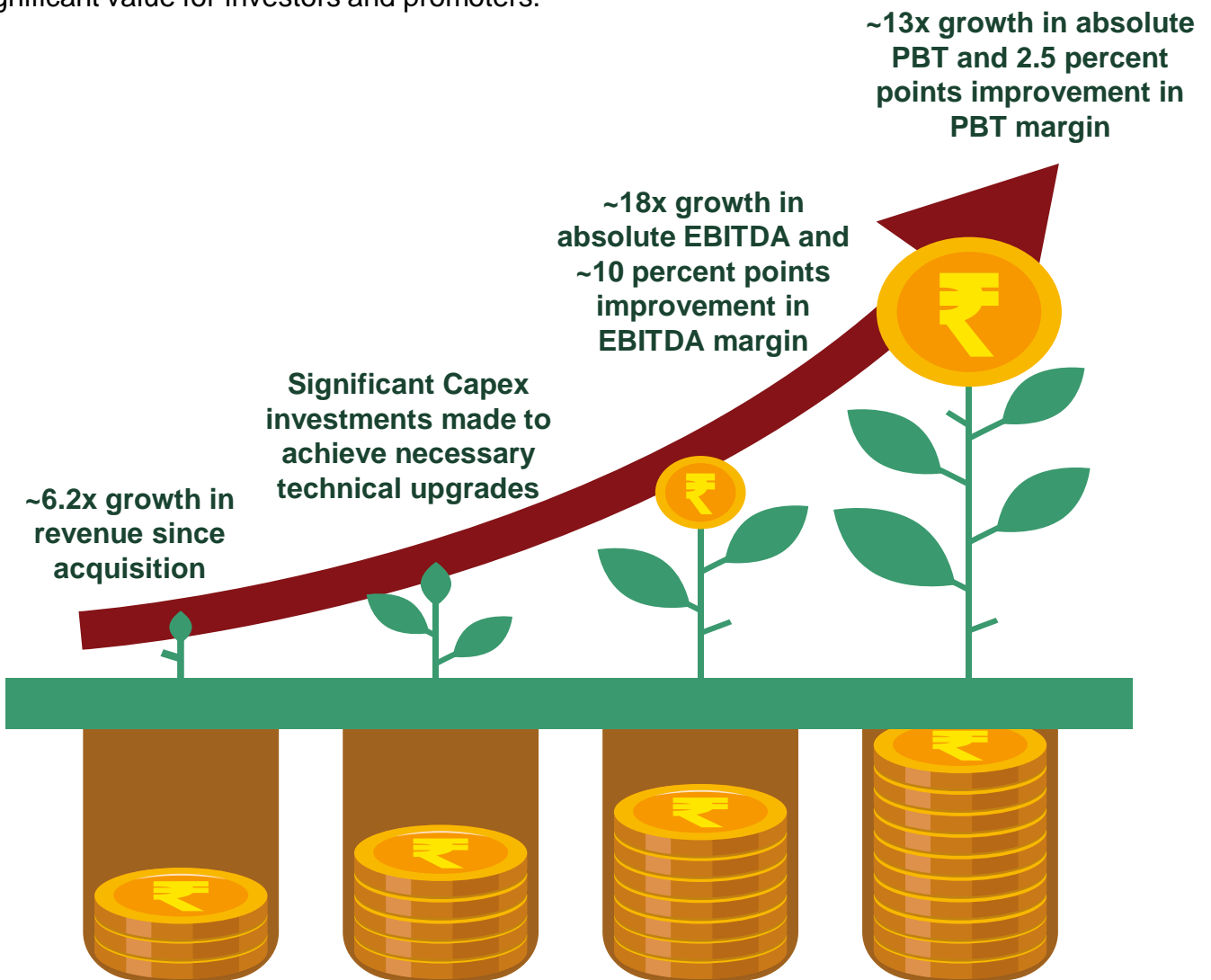
A series of workshops were held on each opportunity area to understand the sector dynamics and specific business models / opportunity areas that can meet the client requirements





Impact of our Interventions

- 01** The finalized target's management possessed significant technical expertise in this domain, but needed capex infusion to upgrade technologically- something our client could provide
- 02** We handheld the client through the entire process and counselled both sides to iron out issues, thereby facilitating a successful acquisition
- 03** The original owners remain invested as minority shareholders and continue to manage the business - thus retaining the technical expertise inhouse
- 04** The client's money was used to buy out a dormant investor and as growth capital.
- 05** The acquired business has seen significant improvement in the years since and generated significant value for investors and promoters.



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