

# Electrical Scooter; a clean way of life - Looking at Implementation Funds

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Energetica India brings a teaser document for an interesting concept in electric vehicles. The company (ETS) is looking at implementation funding; Rs.7 crores to initiate with to Rs.25 crores to fully develop the potential.

**M**an is a social being. Basic to his existence is the need to commute for work or for leisure. With the invention of the wheel, there has been a constant search for a mode of commuting in a safer and more responsible manner.

The growing population automatically necessitates more commuting options than are currently available in the country. And success or failure of many an economy may even the governments depends on how they tackle this vexing issue. This is particularly true for the entire Public Transport System available to the common man in India. Most available means of commuting are either overloaded or susceptible to malpractices mainly because supply far outstrips the current demand. And this normally results in more frequent breakdowns resulting in uncontrolled expenses which normally impact the profitability of the business, lest it become financially unaffordable to the common man.

So far the community has relied on the Internal Combustion Engine powered by fossil fuels. Poorly maintained vehicles and overload generally seem to further add to the environmental woes of the City/Town. The Civic Authorities almost across the world are now trying to fight a losing battle in protecting the environment. This is particularly true for Cities and Town in India.

And yet the need to commute grows insatiably and is in many ways one of the pointers of Economic status of a particular society.

## The Business

ETS is proposing to start operations for hiring of Electric Vehicles for Corporate and Retail Customers. The Service is proposed to be

branded to maintain service consistency and quality.

Based on extensive market survey, the promoters have joined hands to address the need of the hour; by providing alternate commuting solutions at an affordable cost through use of Electric Scooters. The belief is that public finds the Public Transport extremely over-crowded and over-used & not a great experience overall, given the pressure on the current complement of public transport and also the sorry state of affairs.

This is more or less similar in each major city across the country. ETS will ideally address this short fall in the market and at an affordable cost.

ETS intends to use Electric Vehicles mainly because:

1. Electric Vehicles have no tailpipe emission; contributing to cleaner air
2. Electric Vehicles are practically noiseless; helping lower decibels on city roads
3. Since the Service is planned out of large number of outlets it would be more immimently possible to have them in residential and crowded places, as there would not be a need to have petrol stations to refuel the vehicles (electrical connection being safely available everywhere)

## Market Target

The Target Groups for the business is:

1. Corporate Houses including IT and ITeS companies
2. Small Businesses/ Self Employed Persons
3. Housewives
4. College Students
5. Entry Level Executives

## Operation Plans

On the onset of the full operations, the company is planning to distribute the service by

more or less replicating the Municipal Transport like Bus Stops and Bus Depots with number of Switch Franchise Outlets and Master Franchise Outlets, giving the consumer the convenience of meeting his/her demand at every convenient location.

The company plans to procure 2100 vehicles in the first 3 years. This translates to approx 700 vehicles per year. The approximate on-road price of these Electric Scooters is Rs.54,000. In addition there would be a special device fitted into these vehicles that would help in real time tracking, geo-fencing and reaching S.O.S help to the users.

## Project Stages

The project is planned in 2 phases; the 1st phase is for hiring vehicles to Corporate, Government bodies and Educational Institutions. The revenue model would be based on monthly hiring charge and membership revenues generated from members.

The 2nd phase is launching to Retail consumer, wherein the retail customers would be invited to join as members and would be charged based on the minutes the vehicle is utilized. The revenue model would be based on utilization of the vehicle and membership fee generated.

## Current Status

Currently, all requisite permissions for the company have been obtained from the Transport Authority of a metropolitan city in India.

In addition, the promoters have also worked out a network of two Master Franchisees; with a couple more in the pipeline.

The Service is indeed ready to be rolled out.

The successes achieved in the first city would mean extension of this service to other cities of India.