

Innovation at bajaj automobile



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Bajaj Group was established in 1926 by Jamnalal Bajaj is among the 10 business organizations in India, currently consists of 27 companies. Its footprint across a wide range of industry sectors, including automobiles (two-wheelers and three-wheelers), lighting, appliances, iron and steel, insurance, travel and financial. In 1945, Jamnalal Bajaj has formed a Limited, the Flagship Company of M / s Bachraj trading company private, selling imported two-wheelers and tricycles.

By 1977, the company's factory launched the 100, 000 vehicles in a single year. Another nine years, Bajaj Auto 500, 000 a year. In 1994-95, Bajaj racing beat Honda, Suzuki, Kawasaki international two-wheelers segments. The 1997 Bajaj in the domestic market is facing intense competition, its market share to 40. 5%. Bajaj venturing into new markets and expand its product portfolio, from one brand to multi. Bajaj as a brand is well known in many countries of Latin America, Africa, Middle East, South Asia and Southeast Asia. Bajaj Auto is listed as the world's fourth largest two and three wheeler manufacturer and continues to be India's largest exporter of two and three-wheelers.

Vision- To achieve world-class excellence to demonstrate the value add the product to the customer

Mission-

Focus on the manufacture of value-based

Continuous improvement

Total removal of the waste

Safe environment pollution free

Objective

Bajaj is provided in order to cater to the market of two-wheelers and three wheelers transport

Bajaj require continuous improvements in existing products based on customer feedback

Goal- Bajaj's goal is to catapult as Bajaj Auto, the country's largest car company

Bajaj achievements in last three years:

Bajaj Auto Achieved “ company of the year” by Economic times award in 2010-11

2011-12, has been the company's best ever year, The company recorded the highest sales, export, and operating profit

Bajaj is come from world fourth to world third highest motorcycles manufacturing

FY 2012 Bajaj sales 3.83 million motorcycle in India and abroad.

Bajaj's net sales and other operating income rose more than 19% to Rs 19808 crore

Bajaj joint venture of Bajaj-KTM lunched Duke 200c Motorcycle in India

Bajaj lunched Pulsar 200NS with DTS-i technology, from twin-spark two-valve has evolved to four-valve triple-spark.

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Bajaj innovation with its three wheelers product RE60 with four wheel auto

Bajaj recant outstanding innovation:

In 2012, Bajaj come with two products

Bajaj lunched Pulsar 200NS

This is a completely new engine and vehicle platforms have been designed to carry forward the legacy of Pulsar, Bajaj Auto brand of the most successful in the last decade. It has been designed to enhance and sharpen the image of sports brands. Pulsar 200 NS powered by a high performance 4-valve liquid-cooled engine with spark ignition triple, delivering 23.5 Ps, with a six-speed gearbox

Bajaj joint venture of Bajaj-KTM lunched Duke 200c Motorcycle in India

This model extends the new platform designed engines and vehicles together by Bajaj and KTM from 125 cc to 200 cc. Unlike the KTM 125, this model aims to market India as well as Europe. KTM 200 is powered by a high performance 4-valve engine is liquid cooled fuel injection delivers 25 ps, with a six-speed gearbox. It is equipped with state of the art features such as radial calipers for the front disc brakes, inverted front forks, cast aluminum swing arm and radial tires on both front and back.

<http://arunkottolli.blogspot.sg/2012/01/bajaj-innovates-with-re60.html>

<http://www.asianage.com/taxonomy/term/1685%2B1686%2B1687%2B1684>

<http://www.automobileindia.com/news/duke-200c-motorcycle-joint-venture-of-bajaj-ktm-to-be-launched-at-auto-expo-next-year.html>

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<http://www.bajajmotors.com/profile.html#5>

<http://www.bajajauto.com/report/BAL-AR-2009-10.pdf>

Have Bajaj Make profit and why?

Last five years financial data

From above chart depicts that Bajaj Company is in a position to earn profit.

In chart the income and profit is growing the come is grown by 19% to 19808 crore in Indian currency.

Bajaj is well-known brand in India. Bajaj is present in more than 50 countries around the world in Africa, Latin America and South Asia's dominance, market share is increasing every year Bajaj is market leader in motorcycle segment in Central America, Colombia, Sri Lanka, Bangladesh, the Philippines, Nigeria, Uganda and Kenya. In 2009-10, company export of 891,002 units, an increase of more than 15% over the previous year.

In 2009-10 Motorcycle total exports are 726,115, growth of 15%, compared to 2008-09. Bajaj is world tried highest manufacturing of motorcycle

Bajaj has verity range of products for upper level class to lower level class, Bajaj always provide what the customer needs. Bajaj products give low fuel efficacy at affordable price with design and power engine to customers.

http://www.bajajauto.com/global_bajaj.asp

<http://www.bajajauto.com/report/bal-2012-for-web.pdf>

http://www.bajajauto.com/report/BAL_AR_2010-11.pdf

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<http://www.bajajauto.com/report/BAL-AR-2009-10.pdf>

Company Success:

Bajaj Auto Ltd. has been focused on competitive prices to provide the best class model. Company has been a pioneer in the stretch to enter the competition to provide the latest feature updates the latest features, such as disk brakes, anti-skid technology and dual suspension at low price bikes price segment.

Since 2000, Bajaj Auto has experienced several overlapping transition process. First, the company is able to create and perform basic processes of change in product and design – it looks on the market in the engineering design and manufacturing, and a mind-set change in the organization. As a result, company has been the front-line player in the two-wheeled vehicle industry since then.

Bajaj is a brand to create, to inspire confidence in all customers. “Inspire confidence” became the subject of Bajaj Auto, in fact, has made great achievements. In just three years, a number of exciting new models unveiled to meet the needs of different market segments, product innovation to come to the fore, and has the dominant position in the high-end market order which means Bajaj Auto, while the other players is also a tough game, even in other areas of the motorcycle market.

Then the next stage of Bajaj success – Distinctly Ahead, “This is symbolic, because it, Bajaj Auto, litigation and products should be the obvious leading the competition. According to one of the senior officials from the company, “To be ahead is important; but to be distinctly ahead even more so”. Being

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innovative in project initiatives was the mantra to this strategy and Bajaj excelled in it. The innovative campaigns of “ Distinctly Ahead” took the company’s gross sales from Rs. 47. 4 billion in 2002-03 to over Rs. 106 billion in 2006-07 – a growth of 124 per cent in four year

Why it necessary for Bajaj Auto to employ innovation into company

Why innovation is so important :

For economic growth in Bajaj Auto innovation is necessary. Innovation is the path to economic growth. Industry is growing. Products are growing. Meet the needs of the market, a new product, process or service innovation is the creation of new knowledge and change. Therefore, the innovation of companies and industries, create new businesses and the growth of the primary source.

For the progression of human well-being in Bajaj, innovation takes important part and creates new businesses. At the same time, new businesses can create new jobs. Create a new job for obvious reasons, personal income, and the human health and well-being for individuals to achieve – all offers.

For competitive advantage, innovation is so important for Bajaj. Today market is full with competitors and among them if Bajaj want to lead to market he have to adopt innovation in company

For taking advantage of opportunities, innovation is necessary. Innovation help Bajaj to get advantage for new technology and use opportunities to be lead in market

For better revenue, Innovation is itself one kind of investment. It's like you invest one time in innovation and it will give you back company investment for many years. E. g. – innovation increase your sales, sales increase your production, production increase your profits.

For business survival, in today's market competition innovation is like survival for company. With innovation Bajaj can give fight to his competitors in market. Today the technology is changing so speedily and if Bajaj want to go with market company have to adopt innovation

Market is changing very fast company have to come out with new product with replace of old product so it can attract the new customers

Now the market is growing and growing, customers have too many selection and in this situation, company should understand the customers need and give them what they want with their value for money

Best innovations can reduce costs and increase efficiency, good after applying innovations, the company can do more with less financial pressure to release

<http://www.aca.cloverpad.org/Resources/Documents/Cohen-TOP%2010%20Reasons%20Why%20We%20Need%20INNOVATION.pdf>

Benefits with innovation

Leader in market: today there are so many competitors in market in all segment, innovation help company to become market leader with its innovative product

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E. g. Bajaj premium product “ pulsar” help “ Discover” make Baja leader in India market

Reduces cost: innovation help in reduced cost in manufacturing and process. Innovation gives more with less.

E. g. Bajaj TPM (total productive maintenance) police help Bajaj to process more in same time then before.

Fulfill customers need: customer is king of market. Company success is depending on customer. With the help of innovation company provide customer new technology with power and style

E. g.: Bajaj understand the market need and produces what customer need like Bajaj products are low fuel efficiency with power and style at affordable price and Bajaj has large number of product for each segment like Bajaj “ Pulsar” is for younger and bike lover and Bajaj “ Discover” is for targeting the age of 30 to 50 and Bajaj also have “ Kristal” for woman

Creating Brand: innovation help company to create spared brand image in market in all competitors and being monopoly for company

E. g.: Bajaj Innovation DTS-I engine give Bajaj monopoly in low fuel efficiency engine with two spark plugs instead of one. Bajaj launched with Bajaj premium product “ pulsar” in 2002 to give competition in market. Today in India market Bajaj Pulsar is hot in demand. Bajaj with DTS-I engine provide low fuel efficiency with style and pickup.

What type of innovation has been deployed in Bajaj and challenges when deployment of Innovation

Following are the successful innovation done by Bajaj Auto Ltd:

Product Innovation:

Pulsar

Bajaj has managed to bring new products to market, which is valued by customers. The most innovative and successful offers from Bajaj Pulsar version happens in contributing to sales of Bajaj controls. The back bone of Bajaj's success since its launch " pulsar" . It was launched in 2001, following the success of Hero Honda CBZ, a bicycle performance. Each year has seen innovations were made in version Pulsar bikes ranging from body basic engine.

2003- Developing DTS-i (Digital Twin Spark Ignition) technology

2004- with addition of Alloy wheels in stand of the convention spike wheels and the head lamp featuring a hood

2005- Increased fuel tank capacity, bigger allow wheels

2006-add self cancelling turn indicators, twin-stripe LED tail-light assembly and whole new look body

2007 lunched pulsar 220 DTS-Fi (Digital twin spark fuel Injection)

2009-Go one more step ahead and lunched pulsar 180 CC model with twin variable in wide and spilt seals

2012- Pulsar 200 NS lunched with combustion system triple spark

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Process Innovation

DTS-i

Bajaj is based on a common platform i. e. assembly line for most of its products that help company to be economical, both in terms of time and cost. It also has a set of common components, including component DTS-i engine because most of Bajaj bikes are equipped with the patented technology. Quantitative changes common engine allows the production of engines ranging from 150 cc to 220 cc for Pulsar variants, creating distinctive enough between vehicles while gaining efficiency advantages.

With the dynamics in the market, Bajaj has restructured products, channels and project . Bajaj management system is one among influential bike manufacturers in the Asian market and since the company has tasted success in a pilot project in some other parts of the world.

JIT

In addition to the uniqueness of the Portfolio Management has been discussed in the previous section, the company is also believed to be in the way Toyota manufacturing for the premium segment bikes. All variants under the premium segment Made-to-order, involving Lean manufacturing and inventory Just-in-Time. This means that there is an optimal use of resources to reduce waste levels and demand-supply match better.

Although, customers had to wait a bit longer for this type of ordinary people, lead time maintained from a healthy distribution network provided by both Bajaj outsourced logistics services and exclusive.

Marketing Innovation

Supply chain

Bajaj has been linked to 380 from 483 dealers through mySAP eEnterprise Portal which was performed concurrently with the R / 3 SAP during ERP which enables a seamless flow of information throughout the business chain.

Approximately 165 of the total 200 providers connected through this portal to improve information sharing. All those involved in the supply chain to get up-to-date information on all business transactions that assist in streamlining supply chain operations for greater efficiency. Bajaj has a collaborative network planning. All activities required and the relationship among partners is clear to the development and growth of each project can be implied from the presence of global delivery Bajaj.

Network

A total restructuring was made on retail network, to allow multiple sales channels. Bajaj started a project to completely redesign the company's retail network, and create more sales channels. The company began creating separate sales channels for each segment of its business. According to company sources, the restructuring is said to involve separate networks offers catering to urban and rural markets and its three-wheeler and premium bike segment. Bajaj Auto also plans to set up an independent network of rural dealers.

Brand

Brand to correspond promise or trust company owns and Baja was able to build a strong brand that resonates in the mind of every customer. In 2001, Baja, marked its foray into domestic partnership Allianz insurance and <https://assignbuster.com/innovation-at-bajaj-automobile/>

eventually received a goodwill payment of “ INR 45 crores” from the German company to use its brand due to the influence hefty Bajaj Indian market. Bajaj Pulsar brand continues to be a success story for Baja. Advertising company goal is to promote word-of-mouth advertising through innovative approaches. Pulsar Mania, a partnership with MTV stunt show “ Stunt Mania” is an example.

Bajaj brand is easily recognized throughout India and some other Asian markets where Bajaj has presence. The logo mark with his name written next to the initial “ B” was recently changed to a new font attractive. Ideally, every company wants to be innovative in all sizes, but only a few companies such as Bajaj is a combination of these dimensions.

The challenges for innovation

Innovation is very important as well as necessary for company to surviving in competition market. For come with innovation company has to face so many challenges. Here some challenges faced by Bajaj Company

R&D strategy: During the process of new product innovation in Bajaj, the biggest challenge of uncertainty products. Although the R&D department has trying best to coming up with new products that can meet the demands and needs of customers. Still there is a chance that the new product will not be welcomed by customers. Uncertainty whether the new product will be accepted by the majority of customers is quite a change for the company to deal with. Another challenge of launching new products is increasing R & D costs. When Bajaj decide how innovation will launch a new product, it is

necessary to invest large amounts of money to the R & D of new products before a new product can bring any profit.

Lack of funding: for bring new innovation in company, company need big amount “ good innovation not come in small amount”. At the time of innovation Bajaj need strong financial.

Competing competitor: when Bajaj come with new product in market, the success of that product depend on customers need the best example of this is Bajaj innovation product Pulsar is so popular in market while Bajaj “ Kristal” is not get success in market.

Change industry stature: while Bajaj come with innovation in management process with TPM (total productive maintenance) Bajaj has to change its whole management stature.

Collaboration with other company: collaboration with other company can combine the advantages of both companies, but it will also bring a number of issues, such as loss of autonomy and some conflict. The two companies are responsible for the new organization. States that are not strong and tough enough may lose autonomy in the new joint venture. And sometimes, the two companies are from different countries. There will be a number of cultural conflicts arising from incompatible objectives and not only between levels of management, but also work together that works for different companies before complementary strategic alliances.

Evaluate how innovations have changed Bajaj and lead it to today’s success

DTS-i engine:

In the early days, it was the bike fuel efficient and smaller segments that hold shares of India's leading two-wheeler market. No premium segment of any indication to the launch and success of " Hero Honda CBZ" in 1999, which informed the huge demand for performance motorcycles. Not later Bajaj took the cue and launched the all new variant in the premium segment, " Pulsar" in 2001's. The project has been successful since its launch because it gives new life to the performance segment. Although not a pioneer, Pulsar make a performance segment the fastest growing segment in the two-wheeler market with some variants of Pulsar DTS-i and the Avenger DTS-i, Bajaj Auto has the dominating (61%) in this segment. Since variant of Pulsar was launched, following years saw the grading occurs with sportier look. Furthermore, the USP of this model is DTS-I. When normally every bike manufacturer has content with conventional spark plug ignition, Bajaj came with innovative ideas introduced in place of the two sparkplugs. DTS-I provides an efficient fuel combustion and better performance in all conditions, with twin spark plugs and 8 bit microprocessor chip. Two sparkplugs means more ignition resulting in increased combustion thereby reducing losses. It is a pilot launch eventually turned out to be a success. An initiative, including new variants such as the Pulsar 200 DTS-i and Pulsar DTS-Fi (fuel injection), which comes with more upgrades and has been well received in the market. Unique features such as fixed projector fairing, clip on handle bars and rear disc brakes, diagnostic functions, digital indicator, high rigidity frame and high performance front and back suspension system makes this model a benchmark for other players. After 4 years of amazing success with Pulsar 200, Bajaj stopped production yet and focused more on <https://assignbuster.com/innovation-at-bajaj-automobile/>

variant of Pulsar 220 and Pulsar 135 also brought about recently. Another important step by the company is in the matching market demand, the company has also introduced crystal-an automatic scooter with many convenience features, along with excellent fuel efficiency DTS-i engine, a first segmented across the Indian market. “ Distinctly Ahead ‘ captions not merely since Bajaj believe in the importance of a clear future. In line with this, an initiative in the field of IT has undertaken to supply just in Time (JIT) and inventory which means make-to-order for a specific segment. The entire system is these vendors networked by a single LAN, enabling efficient information flow. Supplies were triggered by E-Kanban, and stock levels are determined by the number of vehicles and engines produced as a single request. This makes it more outsourcing vendor managed inventory (only similar and not actual outsourcing) so that we can concentrate on our core business.

Innovation in Management

Bajaj Auto management innovation make separating from other companies is the way they maintain a well-balanced product portfolio of the following strategies cannibalization. Cannibalization outsiders’ shelf product to replace it with another product. Although most firms off the shelf product for two main reasons: One is when the product is in production fails to meet expected revenue and earnings and the second when the product reached its saturation point and can no longer continue, Bajaj believes in determining the lifetime of some variants of itself outer shelf variants thus well before the saturation level. In the case of Pulsar variants that have become the backbone of Bajaj since its launch in 2000, Pulsar 200 satisfy specific market

segment performance as the bike has recently been postponed although it has raised predictable profits. This was made to capture market share and grow the market Pulsar 200 Pulsar 220. Resource companies believe that the company is able to achieve what they wanted. To be innovative organization must favor the interaction, networking, permanent comings and circumstances, all kinds of negotiations that allow for rapid adaptation and this is all that is present in fertilizers has made it possible to be an innovative organization. In Product Portfolio Management, the first step is to create a product strategy, the next is to allocate the resources needed for the project and finally assess the risk-return projects. Bajaj involve end users in product strategy and thus make a more affirmative marketing research. Costumers were asked to participate in surveys. This brought in more ideas for the company on what the market expects in reality from being conventional. Therefore, the company can use mapping techniques to find the right model for new launches and it goes again. Product portfolio can be brought into a balanced flow, with a strong and innovative concept that is unique in the new Bajaj. In order to capture the lost market entry in the bike segment, the company launched 100cc Discover 135cc Pulsar in the second and third quarter of 2010 after closing the production of Pulsar 200. According to a recent annual press meet, Mr. Bajaj, Chairman Baja was quoted as saying, “ We have reinvented our marketing strategy and this was confirmed by the growth in market share thanks to Pulsar and Discover”. The key lies in specialization especially when it means addressing a bigger market. Company is believed to have added that refined product portfolio to accommodate more space for bikes that allows the scooter to make way. At the exit scooter segment and about cannibalization strategy he has said “

Sacrifice is an important part of strategy and is essential for success. Consequently, we had to make way scooters for motorcycles”. And further, to have a diversified portfolio, the company has put each variant to a specific market; Search for commuter segment and Pulsar for performance segment.” An effective strategy was finally about strong brand positioning at the front-end while keeping things simpler at the back-end comprising design, manufacturing and development”. This emphasizes the efficiency of manufacturing facilities have similarities in the assembly line and lead user involvement alone while they design products.