

Holistic PR offering

Our Client:

A 5 decade old Auto Component Manufacturing group with market share of 40 to 70% in all its product categories. A client base comprising of almost every major OEM in the Auto Sector. 19 Facilities spread across India and one outside India and a CAGR of 40% over the last 5 years.

The Problem:

Despite having an impeccable track record and credentials, not many outside the Industry knew about the group or its promoters.

The Need:

The Group was expanding at a fast pace. It also has a listed company. There was an increased thrust on exports, capex plans to the tune of Rs.500 crores had been drawn and the group was looking at entering new JV agreements. Also on the anvil was M&A activity. The group which had a turnover of Rs.545 crores in 2005-06 was looking at reaching the Rs.2000 crores mark in a short span of 5 years. Today the turnover is over 1400 crores.

The group, as others in the sector, was also facing pressure on Margins with increasing cost of raw materials and limited pricing power with OEM's. As a strategy the group decided to change the product mix from 98:2 between OEM and aftermarket to an immediate target of 90:10 by diversifying into products which had a greater aftermarket presence.

For this, two critical ingredients were required, recourse to Funds (Finance) and talent (HR).

Solution:

A PR strategy was drawn up to tackle the issues at hand. The strategy was such that it was aligned to meet the business goals of the group. The analysis of the business of the group yielded interesting insights. While it was true that the group was trying to hedge itself against decreasing margins by venturing into newer product categories the fact was also that since it was the market leader, it also had to protect its own turf from being encroached upon by existing or newer players. Also the group was targeting a quantum leap in exports from 10% of the turnover to 25% and that too on an increasing base.

To succeed in aftermarket, brand image had to be built, since almost all the products that the company was planning to enter into, already had deeply entrenched players.

Finese PR drew up a three pronged PR strategy to address the following issues:

1. Promote the image of the group within the industry to create top of the mind recall amongst its existing client base and protect its own turf and enlarge on it.
2. To build a strong image for the group outside the industry in order to communicate to the target audience the strength of the group. This would help to prepare the group for its aftermarket initiatives as well as for HR needs. For Exports and JV's, Companies are always looking at partnering someone with a strong image at their home front and this strategy was meant to address this need.
3. For funding needs, a strong investor relations programme was drawn up and put to implementation whereby the entire investing community was targeted in a focussed manner.

The Result:

Image within the Industry:

- Today, the Group is known as a leading auto component manufacturer with most industry articles on the sector including its point of view. Infact, so well known is the Group now that it has already received an award of the "Best Automotive Company of the Year 2007" from Auto Monitor.
- The promoter of the company is widely sought after for reliable information on the industry

Image across businesses:

- Business Week regularly monitors the Group's activities and the Group is present on the International BW website
- The holistic coverage received on the organisation looks at different facets – Business, Corporate, HR, Organisation Building, etc
- The CMD of the business is firmly established in the peer group as one of the stalwarts of the country and has been holding more and more important positions in the industry associations

Investor Relations:

- Today the Group is on the radar of almost all the top 100 research, brokering houses and mutual funds including such names as Morgan Stanley, Kotak, Enam, Emkay and Reliance Mutual Fund.
- A major investment came into the group from one of the largest brokering house
- The share price increased substantially