



IIMC CASE RESEARCH CENTER (IIMCCRC)

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DIGITAL TRANSFORMATION OF HERO MOTOCORP'S GLOBAL PARTS CENTRE OPERATIONS

At 6am early in January, 2019, the road beside Hero's Neemrana Global Parts Centre (GPC) was already abuzz with movement of heavy trucks and trailers carrying consignments of spare parts from different parts of the globe. Ranjit was the supervisor of the receiving area in GPC, where materials are typically unloaded from trucks at pre-assigned receiving docks. Before entering GPC that morning, Ranjit received a message on his phone, which stated that the crane in the storage area had stopped working. On entering GPC's premise at 7.30am, he went straight to the receiving area, where the shift workers already had started the process of unloading materials from trucks in each of the 10 receiving docks. While they were scanning and palletizing the boxes for transfer to the storage area, Ranjit noted a large stockpile of palletized boxes and packages in front of the reserve storage area. He thought to himself that if the cranes were not operational in about an hour, the entire packaging and delivery schedule would be affected; and in which case, the trucks would not be emptied on time. In the process, the entire purpose of automating the warehouse operations would be defeated.

While Ranjit was wondering what needed to be done at this stage, he ruminated about his early days at the organization, before GPC actually came into existence, and when he, along with a few colleagues from planning, distribution and IT were transferred to this facility from the Gurgaon spare parts warehouse.

A BACKGROUND OF HERO MOTOCORP¹

Hero MotoCorp Ltd. (HMCL) is the largest two-wheeler manufacturer in the world with a global presence across 43 Countries. In India, it had a market share of about 37% in the two-

Prof. Partha Priya Datta of the Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

wheeler category, and 49% market share within the larger motorcycle industry. HMCL had more than 100 million customers, more than 9000 touch points across the globe, more than 304 Hero Genuine Part Distributors (HGPDs), and 39,000 retailers of Hero genuine spare parts to maintain distribution consistency. Since 2001, on an average, Hero added 6 million new customers every year, while providing efficient services to 0.3 million customers daily. Further, HMCL recorded its highest ever annual domestic sales of 7.8 million units during the fiscal year 2019-20; this was almost double the sales volume of the nearest competitor (Exhibit 1 summarizes Hero's journey to become the world's largest two-wheeler manufacturer). HMCL had seven globally-benchmarked manufacturing facilities, including five in India and one each in Colombia and Bangladesh, with a combined installed capacity of around nine million units of two-wheelers per annum.