

Sale of Automobile Ancillary Scrap for Hero MotoCorp Limited



INDUSTRY

Automobile



GEOGRAPHY

Mandi Govindgarh,
Ludhiana, Delhi NCR,
and Haridwar



CHALLENGE

Selling automobile
scrap



BIDDING
STRATEGY

Dynamic Rank-
Based Seal Bid
Forward Auctions



RESULTS

Around 4683 MT of
automobile scrap has
been sold during
Sept – Nov 2016.

The Client:

Hero MotoCorp Ltd is an Indian two wheeler manufacturer. The organisation has four manufacturing set ups in Gurgaon, Dharuhera, Haridwar and Neemrana.

Business Requirement

The business division of mjunction responsible for e-selling of scrap and by products items in secondary steel market received a mandate from Hero MotoCorp Limited for selling their automobile ancillary scrap items from various locations of North India viz. Delhi NCR, Ludhiana(Punjab), Haridwar(Uttarakhand).

The Business Challenge

Hero MotoCorp was already selling automobile scrap from seven ancillary units, offline to a limited number of buyers. The price realisation was not substantial as the buyer group was limited. The primary challenge was to find right market price of their scrap materials and also introducing new buyers.

The Solution and Strategy adopted

- mjunction team conducted a thorough inspection and the material was photographed and circulated to the category teams for a feasibility study.
- New buyers were shortlisted and enrolled to the online platform.
- Existing buyer were approached to participate in auction of these scrap materials.
- Dynamic rank-based seal bid forward auction strategy was implemented.

Result and Achievements

- All material offered till date has been successfully sold.
- Average buyer participation for automobile ancillary scrap was at least 5 buyers per lot in each auction for this client.
- Better price realization as compared with market benchmark prices achieved.
- New buyer inclusion has increased the level of competition in the auction and resulted in selling materials offered from different locations by the client.
- 4683 MT of automobile scrap successfully sold till date