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CASE 1 - ROUND 1

VOLT FLEET



Incorporated during the peak of COVID in 2021, Volt Fleet is a last-mile logistics company with a fully electric fleet consisting of three form factors: Two-wheelers, Three-wheelers, and Four-wheelers. Its diverse ~2,000 vehicle strong fleet, supported by its charging infrastructure (called **hubs**) present in 20+ cities pan India, allows it to provide full stack B2B last mile logistics solutions to large E-commerce, FMCG, and General logistics players. Moreover, its charging infrastructure allows it to earn for charging and parking rentals from similar EV-based last-mile logistics operators. Volt Fleet also avails charging and parking services from third-party operators, especially when setting up a hub is not economically viable or when the clients provide such charging and parking services in their warehouses from where Volt Fleet's vehicles start and end their operations.

Furthermore, Volt Fleet deploys its vehicles in four different ways. First, it purchases the vehicle and hires a driver-partner from the gig workforce to deploy the vehicle. Second, it leases the vehicle from a leasing partner and hires a driver-partner for the vehicle from the gig workforce. Third, it onboards local driver cum owners (DCO) on the back of minimum business assurance, and, finally, it onboards small fleet owners (SFO) who can deploy 5+ vehicles at any given hub, again on the back of minimum business assurance.



The charging hubs whether Volt owned, third party owned, or Volt's customer owned, mark the beginning and end of all the last mile operations.

Volt Fleet, once a beacon of promise in the electric vehicle logistics sector, faced a pivotal moment after three years of rapid expansion. Internally, the company wrestled with significant challenges stemming from an overstretched leadership team. The executives found themselves juggling multiple strategic initiatives including optimizing the mix of vehicle types, expanding into new geographic markets, and negotiating competitive contracts with clients. These complexities strained their capacity to steer the company effectively. Operational inefficiencies which result in poor deployment further plagued Volt Fleet, with maintenance processes broken, critical teams like vehicle, driver partner and small fleet owners sourcing being understaffed and receivables management faltering, threatening financial stability.



Externally, the competitive landscape grew fiercer – new startups with funding were operating at negative margins to gain business resulting in additional strain on Volt Fleet's market position. The company's reliance on a gig workforce, while initially flexible, proved unreliable in maintaining consistent vehicle deployment and utilization rates. Compounding these issues, partnerships with OEMs faced challenges, leading to disruptions in vehicle supply and service reliability. Moreover, the investors are getting weary and wanted to make sure their investment thesis is valid and will yield good returns.

Given these external pressures the Founder CEO set ambitious financial targets: being EBITDA positive by October 2024 and achieving an overall EBITDA positive FY25. To address the challenges and to achieve its financial objectives Volt Fleet has engaged Avalon Consulting. The Partner in Charge at Avalon has chosen you for this engagement.



Key Deliverables – Round 1

Market Assessment and Hypothesis Development

- **Conduct high-level industry research to understand how the current EV last mile logistics market dynamics would evolve over the next 5-10 years**
- **Develop an issue tree and formulate hypotheses to address the issues plaguing Volt fleet based on your understanding of the situation.**