

Growth Challenge

Define a business model that ensures sustainable revenue growth and profitability



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Company description

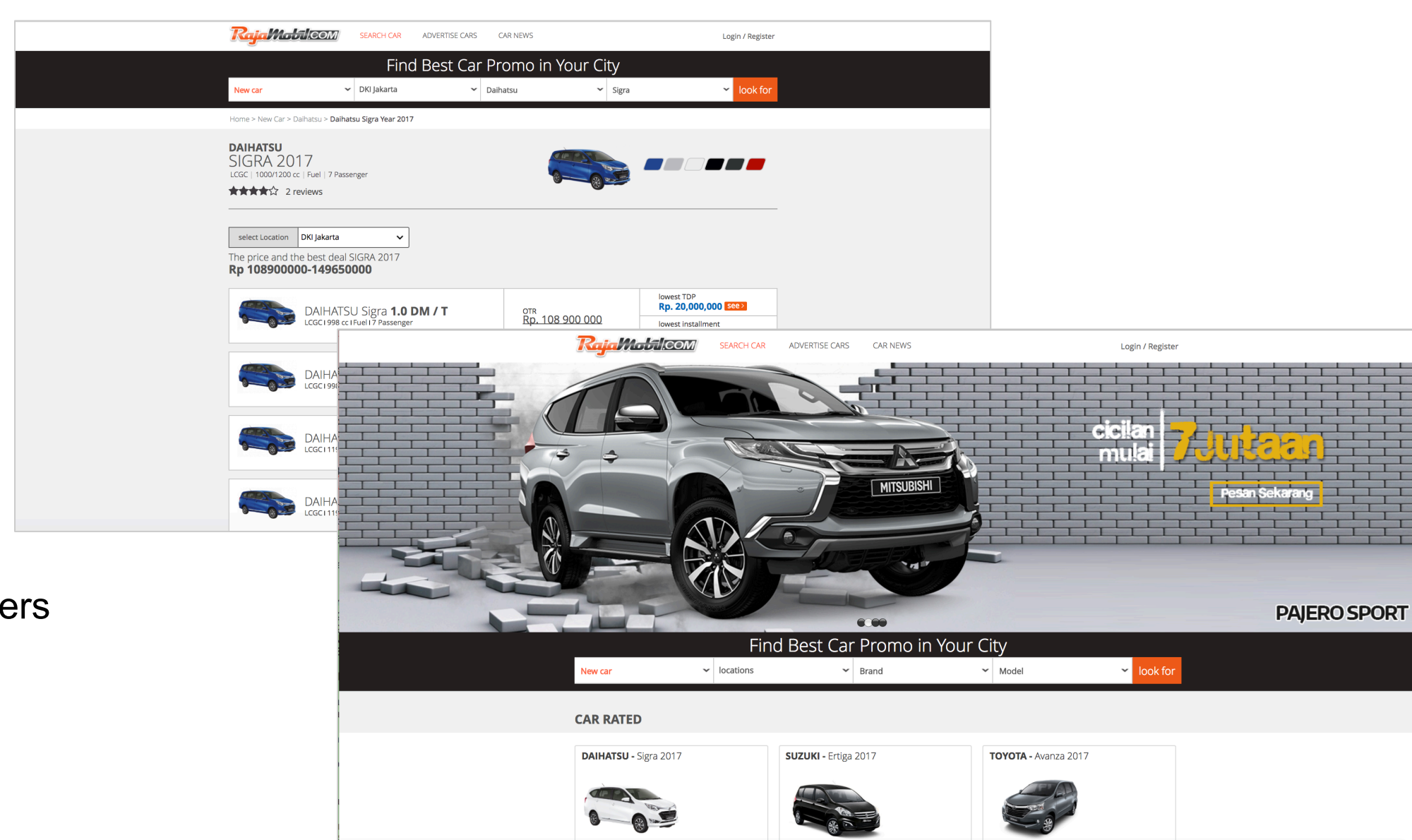
- Online **lead-generator for car sales**
- **Self-funded**, trying to raise Series A round

Background

- **Founded as used car advertising and news portal** in 2012
- **4 founders with experience** in automobile and technology
- Started changing focus to new cars in 2015 to avoid strong competition

Value proposition

- Selling cars on **brick and mortar is inefficient** in Jakarta
- **Customers value shopping around** among different dealerships/ dealers
- RajaMobil aims to become:
 - A trustworthy **one stop shop** for car buyers
 - An important **business generator** for dealers



Methodology

	Growth Potential	Value Proposition	Product Adoption	Competitive Advantage	Risk Model	Resource Requirements
Lead generation	<ul style="list-style-type: none"> ✓ Ads ⊗ Motorcycles ⊗ Other sales steps ⊗ Cross/Up-selling 	●	●	●	●	●
Platform-based services	<ul style="list-style-type: none"> ✓ Ads ✓ Motorcycles ✓ Other sales steps ✓ Cross/Up-selling 	●	●	●	●	●

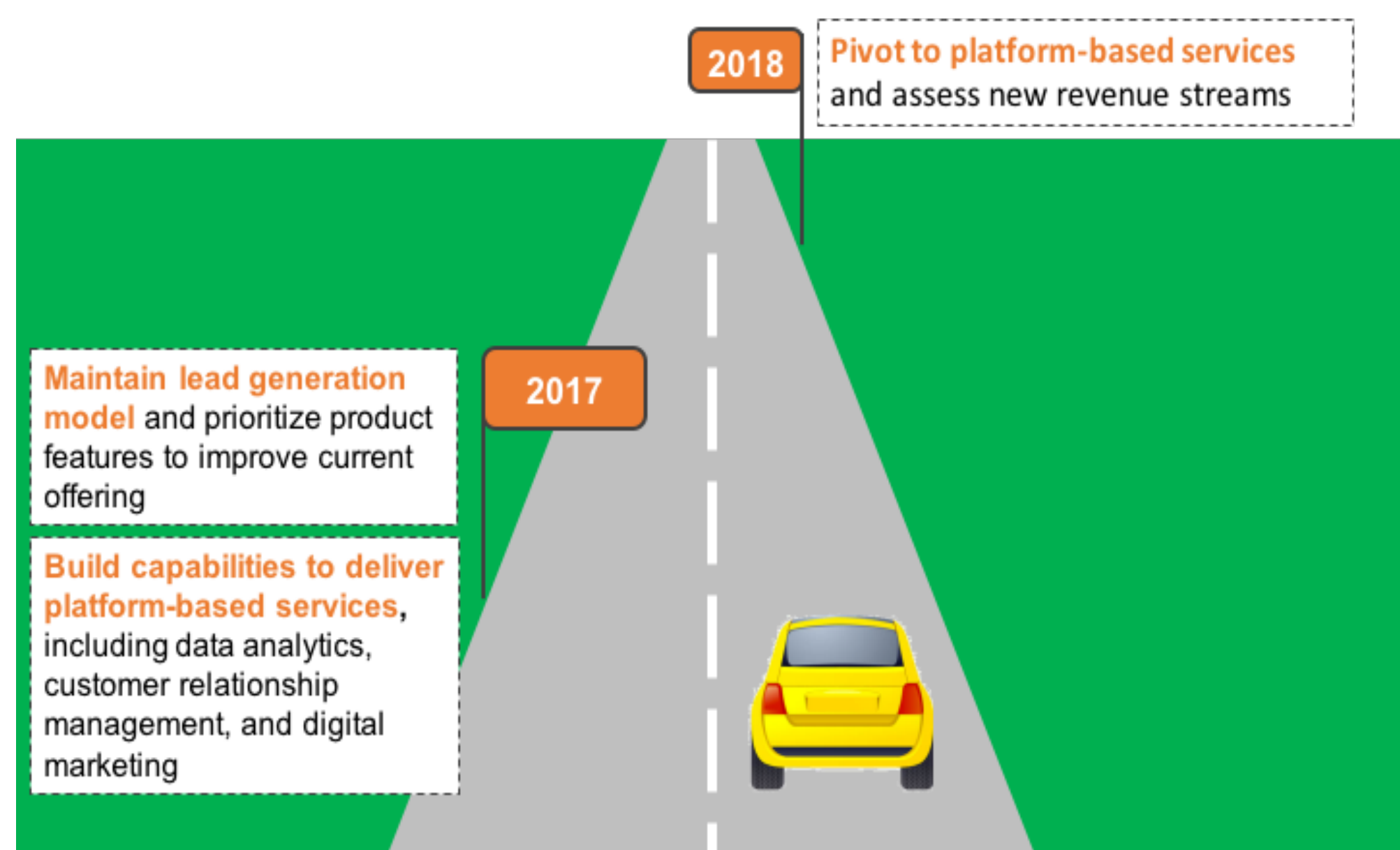
<p>Key differences</p> <p>Equal market size of ~\$120M, but platform services increase ease of business diversification and cross-selling</p>	<p>Whereas lead generation is a niche offering, platform services can provide a lifecycle solution</p>	<p>Lead generation is a familiar product with simple UX and immediate, tangible value. Platform services must be introduced into Indonesian market, increasing adoption risk.</p>	<p>Whereas lead generation can be easily replicated, platform services raise barriers to entry and increase customer retention.</p>	<p>Whereas lead generation divides risk between RM and customers, platform services transfer risk to dealers.</p>	<p>For lead generation, costs will grow linearly as RM scales. Online services will incur high investment and human capital costs (upwards of \$11M pre-launch).</p>
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- **Validated RajaMobil's existing business model** by conducting customer interviews and surveys
- **Assessed opportunities for platform services** by researching comparable automotive companies and performing market size analysis
- **Rationalized a growth strategy** through qualitative and quantitative insights

Key recommendation

RajaMobil should continue to operate a lead generation business. After stabilizing profits and developing digital capabilities, the startup should pivot to platform-based services.

- Today, RajaMobil sells sales prospects to automakers and dealers. By shifting to a platform model, RajaMobil can provide these customers with the business capabilities to source their own leads. This includes digital marketing and data analytics.
- In the short term both models lead to the same revenue, however lead generation is hard to scale in the long term.
 - With the subscription model RajaMobil can earn between USD \$148 and USD \$231 compared to USD \$242 per car sold with the lead generation model.



Relationship building activities with management team

