



## Shared Electric Mobility

### Case Description

The rising urban population leads to an increase in urban mobility. This leads to the adoption of several commuting options from public to private and from two-wheelers to four-wheelers to buses. Beside these commuting options, shared mobility has emerged as a popular choice for commuting within the city. The three key issues such as pollution, lack of parking space and traffic congestion can be addressed by shared mobility. Shared mobility offers door-to-door transport without the financial burden of ownership of private vehicle along with lesser overall carbon footprint compared to private vehicle. In India, most of the vehicle aggregators working across metro cities maintain four-wheeler fleet driving on petrol, diesel or CNG. Shared mobility has the potential to become green and sustainable and there are several delivery models that can address the issue. Electric vehicles (EVs) with zero emissions provides the necessary shift in the market reducing overall vehicular emissions .

BluSmart, launched in 2019, started with an aim to provide zero-emissions urban shared mobility solution to the customers, currently operates across Gurugram and Delhi. BluSmart has an innovative business model which provides leased EVs to drivers, improves their working conditions by subleasing EVs to them for 8-hours shifts, and protects the consumers from massive price surges and ride cancellation. They have trained, BGC-verified and trustworthy driver partners. The start-up has recently tied up with Energy Efficiency Service Limited, Exicom or similar businesses for leasing cars and charging infrastructure.

## Details of Business Model

BluSmart operates 1500+ EVs on its platform in Delhi and has 1000+ EV chargers supporting the operations. They add 600-800 EVs on its fleet every month and an equivalent EV charging network to grow the EV mobility ecosystem in India, starting from Delhi.

- Capital Expenditure- USD 2 million/monthly
- Operational Expenditure - USD 0.5 million/monthly
- Internal Rate of Return (%) or Pay Back Period (years) - Upwards of 30% (BluSmart Analysis)

## Impacts

- Creates an earning opportunity for the drivers, without the hassles of asset ownership. This also helps the women drivers to adopt driving for livelihood.
- Direct and indirect jobs are created in installation and maintenance of electric vehicle supply equipment.

## Innovation

The company does not bear the establishment cost and offers the flexibility to avoid capital expenditure and minimise technological risk. Innovation by the company includes:

- Leasing or Company-Owned Model: The higher upfront cost of EVs is one of the challenges the industry faces in the mass-scale adoption of EVs. To overcome the barrier, BluSmart has implemented a leasing or company-based model. The vehicle is leased or owned by the company, contrary to the strategy used by traditional mobility fleet operators.

Figure: Company-Owned Model



- Optimisation of Driver-Car ratio: The company-owned model allows the fleet operator to utilise it longer. The traditional Driver-Ownership models result in longer working hours for the driver to maximise profits. It neglects the health of the drivers. On the contrary, the models used by BluSmart ensure optimal working time for drivers and staffing of more than one driver for a single vehicle helps in more extended operations of the fleet. The model results in the drivers' improved well-being and increased revenue per vehicle.

Figure: Fleet operators of BluSmart



- Sharing infrastructure with other EV Users: The availability of charging infrastructure impedes the scaling of EVs in India. To overcome the challenge of inadequate charging infrastructure availability, BluSmart has tied up with businesses that lease charging infrastructure. The Start-up has also been installing its infrastructure for recharging its EV fleet. The Start-up plans to extend its charging services to other users to recover the installation cost and aid revenue generation.

Figure: Charging station of EV fleet



## About Pioneer

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## Geography

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