Filling the market gap with e-vans

Coronavirus robs as well as creates new opportunities in e-mobility.

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- why carmakers have not come up with a comparable vehicle
- why Voltia believes in e-mobility
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It was a test ride in a Tesla car in 2009 that inspired two former financiers to shift their attention to electric cars and e-mobility. Juraj Ulehla and Peter Badík had been engaged in the development of solar power plants at that time.

"When sitting in the Tesla Roadster accelerating from 0 to 100 km/hr in about four seconds, we realized that the technology is already here and the business model is what needs to be found out," said Uleha, co-founder and managing director at the Voltia company.

Since this time they have built up two successful companies – Voltia, which produces efficient electric vans, and Greenway, which builds and operates charging stations. Today Voltia vans converted from Nissan pick-ups produce zero emissions and deliver goods in large cities like Paris and London. The fact that more and more cities are planning to ban diesel cars is opening new business opportunities for them.

THE MARKET GAP

Ulehla and Badík first had a closer look at the electric car market. Around 2010, carmakers firstly made fun of Tesla and then dashed to design their own model of an electric passenger car. Contrary to them the two Slovak partners chose light commercial vehicles up to 3.5 tonnes to focus on. This is the second strongest car segment in Europe after passenger cars, where each tenth vehicle sold is a light commercial car.

Voltia vans in the production hall of Hollen.

"While carmakers focused on luxurious electric cars, the segment of the light commercial vehicle was somehow omitted at that time," said Ulehla.

This segment is opposite the passenger vehicle segment.

"People choose passenger cars according to emotions, where they often primarily look at their design and the price is not so important; in the case of commercial vehicles the price is the most important parameter followed by technical parameters, while the design is a less important feature," said Ulehla.

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Nissan e-NV200 XL Voltia

The two entrepreneurs chose the model of the Citroën Jumper Van. They replaced its diesel motor with an electric one with the possibility of re-charging it with a plug or replacing the discharged battery with the recharged one in less than 10 minutes. They offered the vans for sale as well as a service under a flexible pay-as-you-go scheme. This meant that drivers paid only for driven kilometers. When they were not using the van, they did not pay at all.

WHEN THE PRICE MATTERS

As the price of the e-van was still high, somewhere between €80,000 and €100,000, Ulehla and Badík were looking for a way to push it down, ideally below €40,000. They found the solution in the small Nissan e-NV200 van launched in 2013.

"Our idea was to make this small van bigger, i.e. to extend its cargo space," said Ulehla, adding that in e-commerce parcels there are often light packages with a lot of air inside, making the space more important than the payload.

They doubled the Nissan's cargo space to 8m^3 and expanded the walk-in rear door access, making the van ideal for last-mile and urban deliveries, i.e. post deliveries and e-commerce.

"The latter is very important for our clients as drivers can stand up in the back of the van, an operation they do hundreds of times a day," said Ulehla.

They introduced their idea to Nissan to get their conversion approved so that the warranty remained on the unaffected components of the vehicle. The carmaker formally approved the conversion with a no-objection letter.

"This opened doors to leasing companies and the first large clients began to ponder the purchase of our vans," said Ulehla.

They partnered with the Slovak quality assurance company Hollen, which began to convert the vans for Voltia. Later, to satisfy orders from abroad, they signed partnership agreements on the conversion of the vans with the Bevan Group in the UK and Gruau in France.

The conversion costs €9,950 plus VAT, making the final price of the van below €40,000, while in the case of bigger fleet orders the price may decrease even below €35,000.

Today, the number of converted Nissan vans exceeds 500, while they are being driven in 12 countries. Among its biggest clients are Chronopost, the French express shipping and delivery service (part of La Poste), which has ordered 400 all-electric Voltia vans. The vans are also driven in the UK, the Czech Republic, Slovenia, Germany, Austria, and Slovakia.

WHAT NEXT?

Firstly Ulehla and Badík estimated that the window of opportunity would last about three years; then the carmakers themselves would begin to manufacture their own electric vans of comparable parameters and for a comparable price. This has not happened yet. They manufacture electric vans, but these are more expensive.

"This is the reason why our business still makes sense," said Ulehla, adding that the Voltia electric van's total cost of ownership is comparable to conventional vans.

Moreover, Ulehla believes in e-mobility. This is because electric cars reduce CO2 emissions and they are also more efficient.

"An electric engine contains five key-importance parts while a diesel motor contains as much as 500," said Ulehla. "Furthermore, the efficiency of the best diesel engines is about 40 percent; the efficiency of electric engines is between 95-98 percent. The operating costs of electric cars are three to four times cheaper."

At Voltia they continue to improve the converted Nissan van. One possible innovation is developing a refrigerating model.

"This is a big challenge as today half of the deliveries are goods that need to be refrigerated," said Ulehla.

They are also working on other business models and ponder returning to the pay-as-you-go scheme.

"With this scheme, we outrun the market; now the operative leasing is becoming a hot topic in Europe," said Ulehla, adding that they have some more similar business ideas in the drawer.

CORONAVIRUS AS THE OPPORTUNITY

The COVID-19 pandemic has not omitted the e-sector. The Slovak government has halted the support scheme for the purchase of hybrid and electric cars. Its main argument was that since the production and sale of cars have been halted, there might be a lack of cars suitable for the sale scheme. An applicant for the state subsidy has to buy the car within 12 months after signing the agreement.

Ulehla sees the pandemic as a test for the modern world and simultaneously a great opportunity to critically think about whether humankind is on the right path.

"E-mobility is the correct path," said Ulehla." Not only because it reduces operational and total costs, increases the effectiveness of used energy, but especially because it saves the environment."

He believes that e-mobility will grow, even though its dynamics will be affected by the impacts of the pandemic.

In terms of direct impacts on Voltia, a company with a large share of international clients in the e-commerce and last-mile delivery sector, Ulehla is optimistic.

"It seems that this sector is least affected by the pandemic while some parts are growing significantly," said Ulehla. *"This means great opportunities for us at Voltia even though their fulfillment would be not easy given that the logistics and transport of cars in the EU have been de facto halted."*

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