

Examining the track record of two car manufacturers in the country in the field of product development in the past 30 years

Written by: Kamran Talebi Fard, PhD in Business

The beginning of the year 1400 is a good opportunity to examine the performance of automobile manufacturers over the past thirty years, from 1370 to the present. Of course, this review can have various characteristics, but in this article, the focus is on the development of local products, or the transition from the assembly stage to automobile manufacturing. If a company produces one million units of a car per year but does not own the intellectual property of that product, it cannot claim to be an automobile manufacturer and will still be classified as an assembler. With this introduction, we will examine the performance of the country's two largest automobile manufacturers in the field of product development;

First, let's start with Iran Khodro, the second oldest automaker in the country and also the largest. If we take a look at the product development projects of this automaker, we should first mention the products that have been developed on the Peugeot 405 platform. The assembly of the 405 began in Iran Khodro in 1980. It was discussed in an article in "Majleh Mashin" that same year. Ten years later, in 1990, the Peugeot Pars was introduced to the country's market based on a facelift of the 405. Despite this ten-year delay, Pars was a successful product development project. Of course, the general problem of the country's state-owned automakers is that they

continue to produce a successful product until it becomes a declining product! A policy that Pars, like other cars produced in Iran, has not been spared. In 2001, the Samand was born on the 405 platform. Its various facelifts from LX to Soren were developed in the following years, and the Samand family should be included among the successful projects of this automaker. Finally, the Samand ended up in the Dena in recent years, which should also be mentioned among the successful projects of this company. Although Iran Khodro had mentioned a new platform to replace the Samand years ago, this issue was never realized due to various reasons, including sanctions. In any case, the assembly of the Peugeot 405 in 1980 led to three successful projects: Pars, Samand, and Dena. Of course, Iran Khodro has one failed project in the field of using the 405 in its portfolio, the Peugeot Ardi or Rava, a car with a Peugeot 405 cabin and Paykan engines that could never satisfy buyers, and due to numerous technical problems, Iran Khodro finally abandoned its production after years of production. In 2001, the assembly of the Peugeot 206 began at this company, and this time, Iranian automakers got to work faster, and instead of the ten-year gap between the production of the 405 and the launch of the Pars, they introduced the Peugeot 206 station wagon or SD to the market in five years, in 2006. To be honest, the SD turned out to be a good car and was technically successful, and was able to gradually find its place in the market. In 2011, the Rana Khodro, which was initially supposed to be produced instead of the SD project under the name of the new Paykan, was launched on the market with a five-year delay. Despite its good exterior design, the Rana failed to repeat the success of the SD due to the low quality of the parts and poor marketing policies. If we do not call it a failed project, we cannot include it in the list of successful projects of Iran Khodro. Finally, Iran Khodro added another product to its product portfolio in 2005, which was the Suzuki Vitara. The car was on the assembly line of this automaker until last year, but the company was unable to move beyond the assembly stage and its production ended without any

results. Over the past three years, three new Peugeot products, namely the 2008, 301 and 208, were supposed to be added to the product portfolio of this automaker. However, the sanctions caused the 2008 and 301 to only be returned to the production line of Iran Khodro for a limited period. However, in this short period of time, Iran Khodro, having learned from Previous projects designed the Tara based on the 301, which although the car has not yet been offered to buyers, can be fully included in the list of successful projects of this automaker. The company is also designing and developing a product based on the Peugeot 2008. Thus, if we summarize Iran Khodro's product development record over these thirty years, we will have five successful projects, namely Pars, Samand, Dena, 206 SD and Tara, and two unsuccessful projects, Ardi and Rana, and of course the Suzuki Vitara, which did not go beyond the assembly stage. But now let's see how Saipa, the country's second automaker and Iran Khodro's competitor, has performed during this period? Since 1991, Saipa and its subsidiary Pars Khodro Automobile Company have had a long list of cars that have only been assembled in the country, and their assembly has not contributed to the development of local products and the development of automobiles. If we do not consider the Nissan Patrol, Jeep Sahara, and Renault 5, which are products of the sixties of this automaker, this long list since 1991 is as follows; Renault 21, Citroen Xantia, Nissan Ronis, Nissan Pickup, Nissan Maxima, Nissan Teana, and Kia Cerato. In fact, if Iran Khodro has only been able to define a product development project on one car, the Suzuki Vitara, during these thirty years, instead, the Saipais have assembled seven cars over the years without leading to the development of local automotive knowledge! Of course, if we leave aside the ugly facelift of the last series of the Xantia and the failed Nissan Seranza project that was defined on the Nissan Pickup! In this regard, the Renault Tender 90, Sandero and Megane were not mentioned because the production of these three Renault cars was carried out by Iran Khodro and Saipa in partnership with Renault Pars, and product development based on these cars

was carried out with the license of this company, although here too Iran Khodro and Saipa both produced two facelifts.