Business challenge

To safeguard its market share, Honda Pakistan aims to boost the responsiveness of its after-sales services. How can the company harness its data to help dealerships serve customers faster?

Transformation

Honda Pakistan is preparing for real-time planning insights, enabled by SAP S/4HANA® running on high-performance IBM® Power® Systems servers with low-latency IBM FlashSystem® storage.

Muhammad Ali
General Manager IT
Honda Pakistan

Business benefits:

80%
acceleration in planning process for spare parts

15%
increase in dealership revenues predicted

50%
increase in dealership revenues predicted

Honda Pakistan
Lifts customer satisfaction and strengthens market share with a data-driven after-sales process

Headquartered in Lahore, Pakistan, Honda Atlas Cars Pakistan Limited (external link) is a joint venture between Honda Motor Company Limited Japan, and the Atlas Group of Companies, Pakistan. Founded in 1992, the company has produced and sold more than 400,000 cars since it commenced production in 1994. Today, the company offers its popular Honda Accord, Honda CR-V, Honda Civic, Honda BR-V, Honda City Aspire, and Honda City models to businesses and consumers across the country.

"If we ever need support, we know that we can count on IBM and IBM Business Partner GBM to provide assistance quickly and effectively."

Muhammad Ali

General Manager IT

Honda Pakistan

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Growth opportunity

The US$70 billion (external link) China–Pakistan Economic Corridor initiative has triggered strong growth in Pakistan's infrastructure and economy. Over the next decade, the country's middle class will expand significantly, prompting a surge in demand for cars and automotive services. While today's customers purchase approximately 150,000 vehicles annually, the coming years will see sales volumes rise by a factor of five, as a new generation of consumers enters Pakistan's workforce.

For Honda Atlas Cars Pakistan, a joint venture between Honda Motor Company Limited and the Atlas Group of Companies generally known as "Honda Pakistan", these trends represent a major commercial opportunity.

The company aims to extend its operations across the country, growing from 30 dealerships today to more than 50 dealerships over the next five years. At the same time, many new entrants are now speeding into the market, making it vital for Honda Pakistan to protect its existing market share.

Competition is rising

Muhammad Ali, General Manager IT at Honda Pakistan, explains, "In just a few years, rapid economic growth in Pakistan has caused dramatic changes both in the competitive landscape and consumer expectations. The number of automotive brands on the market has more than doubled, meaning that consumers have more choice than ever."

He continues, "We aim to offer our customers the best driving experience, with premium-quality vehicles supported by an outstanding after-sales service. The after-sales experience is particularly important for nurturing long-term loyalty, which will be vital to protect our market share as we gear up for future growth."

Targeting faster services

After-sales services, which include maintenance, repairs, and vehicle servicing, are delivered by Honda Pakistan's dealerships to thousands of customers every year. In the past, dealerships relied on manual processes to handle warranty claims and order spare parts, often leading to delayed deliveries that reduced customer satisfaction.

In addition, Honda Pakistan lacked timely insight into stock levels and orders, sometimes resulting in local stock-outs even when parts were actually available.

Like many leaders in the automotive industry, Honda Pakistan relies on SAP solutions to drive its business. The company realized that moving from SAP ERP to the next-generation SAP S/4HANA platform would enable it to use real-time order data from its dealerships to create an automatic planning and replenishment process for spare parts—enabling speedy services and happy customers.

"We are confident that innovations such as the SAP Fiori® mobile experience and in-memory SAP S/4HANA analytics technology will allow us to enhance back-office efficiency and customer satisfaction alike," says Muhammad Ali.

"To maximize the value of our investment in SAP S/4HANA, we looked for an IT infrastructure platform that could deliver the performance, scalability and reliability for these demanding, mission-critical workloads."

Selecting a cutting-edge platform

Since Honda Pakistan was founded, it has trusted IBM Systems and IBM Storage solutions to support its key business applications. Based on almost three decades of positive experiences with IBM, the company selected the latest-generation of IBM POWER9™ processor-based systems and IBM FlashSystem storage as the platform for the new SAP S/4HANA environment.

Zaman Khan Abdali, Deputy Manager IT, Networks & IT Infrastructure at Honda Pakistan, comments: "We have been using the previous generation of IBM Power Systems solutions to drive our SAP ERP solutions for the past three years, and we've been extremely impressed by the reliability and manageability of the platform."

By combining cutting-edge IBM Power Systems H922 servers, low-latency IBM FlashSystem 5200 storage, built with IBM Spectrum® Virtualize, IBM Storage Networking SAN64B-6 switches, and IBM PowerVM®, Honda Pakistan can consolidate multiple workloads onto fewer systems, driving up server utilization and driving down costs.

Muhammad Ali adds, "We saw that we could achieve the same levels of performance with just three IBM Power Systems H922 servers, compared to six physical servers in an equivalent x86 infrastructure. In addition to optimized performance for SAP S/4HANA workloads, we see that the IBM solution will allow us to contain our spend on power and cooling in the data center."

Partnering with local experts

As a first step on its journey to SAP S/4HANA, Honda Pakistan engaged local experts from IBM Platinum Business Partner GBM (external link) to help move its SAP ERP databases to the new IBM FlashSystem platform. Looking ahead, the company plans to work with GBM and IBM Systems Lab Services to deploy the new IBM Power Systems H922 servers in an active/active configuration at its primary and disaster recovery data centers.

Muhammad Ali confirms, "We greatly appreciate IBM and GBM's strong local presence in Pakistan. If we ever need support, we know that we can count on IBM, GBM and Honda to work as one team to solve our challenges quickly and effectively."

During its initial SAP ERP deployment, Honda Pakistan partnered with IBM Services® to drive the implementation. Today, the company is considering IBM Services to assist with its move to SAP S/4HANA.

"IBM Services recently completed an IBM HANA Impact Assessment, which will help us to plan for the technical and operational requirements of our future move to SAP S/4HANA," explains Muhammad Ali.

"The Honda IT team was impressed by the report, which provides detailed insight into the likely technical and functional impact of SAP S/4HANA, and how we can plan for the transformation. We greatly value the IBM team's experience, expertise and proven track-record when it comes to complex SAP solution deployments, and we look forward to exploring the opportunities to engage with IBM Services again on the upcoming SAP S/4HANA implementation project."

Future-ready foundation

By deploying the SAP solutions on the SUSE Linux Enterprise Server for SAP Applications operating system, Honda Pakistan is confident that it will unlock significant efficiencies in its management, maintenance and disaster recovery processes.

Imran Khan, Assistant Manager, SAP BASIS at Honda Atlas Cars Pakistan Limited, explains, "One of the main reasons we selected SUSE Linux Enterprise Server is the close strategic alliance between IBM, SUSE and SAP. Our new solutions are all tightly compatible, and include many automated tools to help streamline the management process. For example, with Live Kernel Patching in SUSE Linux Enterprise Server, we can apply patches without taking our production systems offline."

He continues, "Similarly, we see that the SUSE Linux Enterprise High Availability Extension will make it faster and easier for us to switch between our primary and disaster recovery environments. By using the flexible, policy-driven clustering solution from SUSE, we believe that we will cut our recovery time objective [RTO] from 15 minutes to 10 minutes—a reduction of 33 percent that will help strengthen our business resiliency."

Infusing data into decision-making

As Honda Pakistan prepares for the move to SAP S/4HANA, the company is convinced it has found the ideal infrastructure platform to enable the new data-driven capabilities.

"Even though our journey with SAP S/4HANA is in the earliest stages, we're already experiencing the benefits that innovative technologies such as IBM FlashSystem can bring to SAP workloads," says Imran Khan. "In the past, generating reports on spare parts orders from our dealerships across Pakistan required up to 20 minutes to complete. Since moving our SAP ERP data to IBM FlashSystem, built with IBM Spectrum Virtualize, we've slashed these reports down to just four minutes—a reduction of 80 percent. In the future, we will be able to deliver this data instantly to anyone in the business via SAP Fiori mobile apps, enabling faster and better-informed decision-making."

Enhancing customer experiences

When Honda Pakistan makes the transition to SAP S/4HANA, it will combine the capabilities of SAP ERP, SAP CRM and SAP Business Warehouse into a single platform, enabling integrated business planning between its dealerships, manufacturing plants, and head office. By combining real-time data flows between these business areas with the advanced planning capabilities of SAP S/4HANA, the company will be able to automatically optimize spare parts inventory across its dealership network.

Muhammad Ali comments, "Real-time planning for spare parts will help us to avoid vehicle servicing delays and minimize the time vehicles are off the road—lifting customer satisfaction to new heights. In the short term, we believe that we will achieve a 15 percent revenue uptick simply by moving unsold inventory to where it is needed in our dealership network. In the long term, we predict that the capabilities of SAP S/4HANA will enable higher-quality services that promote customer loyalty and help protect our market share."

Continuing the journey

Looking to the future, Honda Pakistan sees opportunities to enhance other aspects of its operations using SAP solutions. For example, the company is currently exploring SAP SuccessFactors® to augment its approach to human resource management.

Muhammad Ali concludes, "As we continue on our journey with IBM and SAP, we are certain that we are building the digital capabilities we need to offer the best possible experiences to our customers across Pakistan. By infusing data into our planning and decision-making processes, we're in a strong position to protect our market share, win new customers, and capitalize on a fast-growing economy."

Take the next step

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