



Responsive automotive services drive customer loyalty

Honda Pakistan harnesses analytics to enhance after-sales experiences and win repeat business

IBM Consulting

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In partnership with



To thrive in a highly competitive automotive market, Honda Pakistan aims to convert first-time purchasers into lifelong customers. The after-sales experience—including repairs and servicing—represents a powerful opportunity to maintain warm, positive engagement. Honda Pakistan strives to ensure that its dealer network is fully equipped to deliver high-quality services, inspiring customers to choose Honda Pakistan again when the time comes to purchase their next vehicle.



Honda Pakistan wants to deliver an exceptional experience from the first moment customers step into a dealership.

Muhammad Ali, General Manager IT at Honda Pakistan, explains: “After a temporary dip caused by the COVID-19 pandemic, the automotive sector has rebounded in a big way—and demand

for new vehicles is high. Several other leading automotive brands also operate in Pakistan, so it’s never been more important for Honda Pakistan to differentiate itself.”

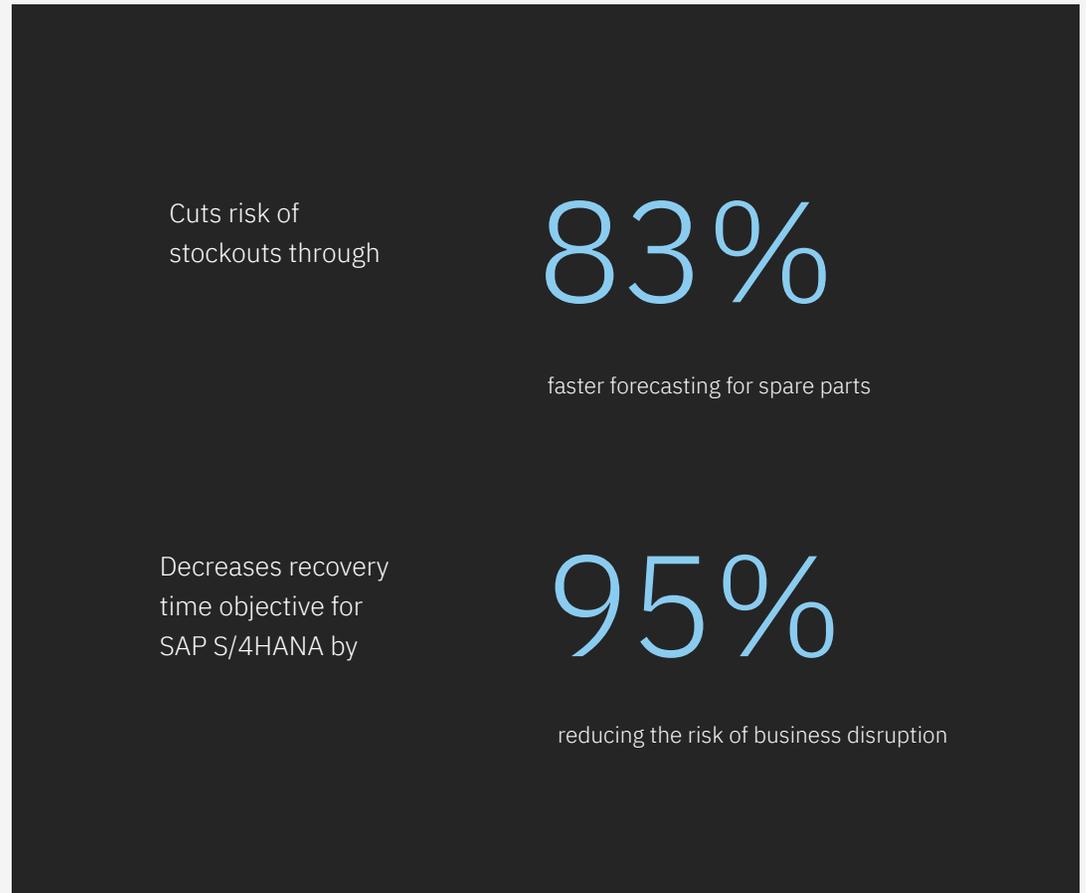
While the first vehicle bought by a new customer is a marquee moment, long-term customer value depends on the quality of the after-sales relationship

for servicing and repairs. A positive after-sales experience can blossom into lifetime brand loyalty.

“Today, just over half of our customers are actively returning to our dealership partners for after-sales services,” says Ali. “We aim to drive customer engagement up to 75%—increasing the propensity for first-time buyers to become repeat customers.”

Honda Pakistan sells through its country-wide network of 38 dealerships. To help reach its loyalty goal, the company has targeted closer collaboration with its front-line service partners.

“Our dealers place orders with us when they need additional components to carry out servicing and repairs, some of which we must order from international suppliers,” explains Ali. “In the past, we depended on manual, time-consuming



methods such as emails, phone calls and spreadsheets to communicate with our dealerships. This approach increased the risk of key parts going out of stock—possibly leading to delays in

after-market services and damaging the customer experience.”

For many years, Honda Pakistan has relied on [SAP® ERP](#) solutions to

support its nationwide automotive business. The company recognized that leveraging embedded analytics from the new [SAP S/4HANA](#)® platform—fed by real-time data flows from its dealerships—had the potential to transform its approach to planning, procurement and logistics.

Ali elaborates: “We were confident that SAP S/4HANA would enable us to forecast after-sales requirements well in advance, and ensure we have the optimal inventory to service customers’ vehicles in a timely manner. We were also keen to deploy a new dealer management system, powered by data from SAP S/4HANA. The aim is to see the location of inventory across our partner network, and dynamically rebalance stock levels to enable faster services—for example, shipping unused components to other dealerships when they are in high demand.”

“By partnering with IBM Consulting, we can position Honda Pakistan to offer customers the best after-sales experience in the country—empowering us to build our share of a hugely competitive automotive market.”

Muhammad Ali, General Manager IT, Honda Pakistan

On the road to real-time insight

Honda Pakistan depends on its SAP ERP solutions to steer mission-critical business processes. After committing to the transition from SAP ERP Central Component to SAP S/4HANA, it was clear that extended downtime during the changeover would present an unacceptable risk to the business. To help ensure a smooth transition to the next-generation ERP SAP S/4HANA, the company selected expert support from [IBM® Consulting](#).

“Our dealers use our SAP ERP applications to place orders for vehicles, so it was absolutely essential to minimize downtime in our customer relationship management systems,” explains Ali. “One of the core requirements for a partner to assist us with the move to the new SAP platform



was the assurance that there would be no gap in our order-taking capability. IBM Consulting gave us that assurance, and more.”

Honda Pakistan has a long and trusted relationship with IBM Consulting. IBM had worked with the company

on its initial deployment of SAP ERP several years earlier. To prepare its IT infrastructure for the in-memory demands of the new SAP solution, Honda Pakistan had more recently engaged IBM to deliver a high-performance platform for SAP S/4HANA based on [IBM Power® H922](#) servers

and low-latency [IBM FlashSystem® 5200](#) storage, built with [IBM Spectrum® Virtualize](#) technology.

Qazi Wasif, Manager IT, S/4 HANA Project Manager, SAP ABAP Consultant at Honda Pakistan, comments: “We see that IBM Power servers offer significant advantages over comparable x86 environments, including compute performance, reliability and a more-compact data center footprint. Ever since we moved our SAP business systems to IBM Power H922 servers, we’ve been very impressed by how robust they are—they’ve never let us down.”

Ali continues: “IBM Consulting has been a strategic partner to Honda Pakistan for many years now. When the time came to move to SAP S/4HANA, IBM again stood head and shoulders above the competition. As well as knowing

our business processes inside and out, IBM Consulting went out of their way to assign experts who had already worked with our business on many different engagements—all the way back to the original deployment of SAP ERP. No other partner we’ve worked with has the same combination of deep automotive experience and strong local presence that IBM Consulting brings to the table.”

To help Honda Pakistan identify the technical and operational requirements for SAP S/4HANA, IBM Consulting completed an [IBM HANA Impact Assessment](#). This process provided valuable information to help the two organizations build a project plan and avoid technical roadblocks during the move to the new solution.

“IBM HANA Impact Assessment gave us a way to benchmark the complexity

of our customization objects and determine where we might encounter issues in the move to SAP S/4HANA,” comments Ali. “The assessment also revealed opportunities to remove unneeded data from our SAP systems. With SAP S/4HANA, we reduced our database volume by more than 50%, from 750 GB to 350 GB, helping to reduce our storage requirements.”

Working closely with Honda Pakistan, IBM Consulting helped the company to perform four test runs of the migration, each time identifying possible issues and refining the process. At the same time, IBM engaged with the company’s dealerships and validated that the new SAP S/4HANA solution would meet the critical customer relationship management objectives.

“IBM Consulting helped Honda Pakistan mitigate the business risk of a major

digital transformation effort,” states Ali. “We successfully switched to SAP S/4HANA over a single weekend, and IBM Consulting assigned 24-hour coverage to ensure the go-live went smoothly. The following Monday, the business units and dealerships logged on as normal, with no interruption to their activities.”

Behind the scenes, by deploying SAP S/4HANA in an active/active configuration

at its primary and disaster recovery data centers, Honda Pakistan has slashed its backup and recovery times.

Zaman Khan Abdali, Manager IT, Networks & IT Infrastructure at Honda Pakistan, confirms: “Restoring our previous SAP ERP environment in a recovery scenario would have required up to four hours of work, but with SAP S/4HANA we can recover in just

10 minutes. We’ve also reduced our recovery point objective, which is now just 5 – 10 minutes—helping us to better protect important business data.”

Imran Khan, Assistant Manager IT, SAP Infrastructure at Honda Pakistan, confirms: “The disaster recovery process is more convenient in SAP S/4 HANA compared with our previous platform.”

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Qazi Wasif, Manager IT, S/4 HANA Project Manager, SAP ABAP Consultant, Honda Pakistan

Boosting operational efficiency, enhancing customer service

As it begins its journey with SAP S/4HANA, Honda Pakistan is already measuring significant improvements in the speed and efficiency of core business processes. For example, creating spare parts forecasts for its dealership networks is now faster, easier and more accurate than ever before.

“To drive customer engagement, it’s crucial to understand recency, frequency and value: that is, when customers last engaged with us, how often they engaged with us in the past, and the amount of money they have spent with us,” explains Ali. “This data helps us to determine how well we are



doing at attracting customers to come back for after-sales services and use that analysis to design effective promotions and marketing campaigns that improve engagement.”

Ali continues: “With SAP S/4HANA, we can create detailed reports from six years of historical customer data at the touch of a button. Moreover, we can now forecast our requirements for more than 30,000

automotive parts 83% faster, helping us to optimize our procurement processes and reduce the risk of key components going out of stock.”

Honda Pakistan is also driving improvements in workflows elsewhere in the business. The company has cut its month-end closing processes from three hours to a matter of minutes, and is exploring more possibilities to integrate real-time insights from SAP Fiori dashboards into its decision-making processes.

“The SAP Fiori user experience makes it very easy and intuitive to provide timely, accurate information to our managers and leadership teams,” adds Ali. “Every month, each section manager prepares a briefing for their department head, which previously required around 30 minutes of manual work to collate information from spreadsheets.

Today, all the information is available immediately via SAP S/4HANA dashboards—empowering teams to spend less time on data preparation and more time on value-added analysis.”

IBM Consulting recently worked with Honda Pakistan to enable live materials requirements planning in SAP S/4HANA—replacing manual planning with fully integrated processes.

“Our manufacturing processes and international supply chains have long lead times, so a manual error such as omitting an important item from an order has the potential to cause significant delays,” says Ali. “Now that we have moved to live materials requirements planning in SAP S/4HANA, we have improved the efficiency of our procurement process, which will help ensure we

can uphold delivery commitments to our customers.”

The next stage of Honda Pakistan’s initiative will see the company select and deploy a dealer management system. By enabling closer integration with its dealerships, the company can extract fine-grained insights into the performance of its loyalty strategy and uncover new ways to foster customer engagement.

“Our leadership is already getting much faster and more detailed access to key business data in SAP S/4HANA, and we’re excited to build on what we’ve achieved so far,” concludes Ali. “By partnering with IBM Consulting, we can position Honda Pakistan to offer customers the best after-sales experience in the country—empowering us to build our share of a hugely competitive automotive market.”



About Honda Atlas Cars Pakistan Limited

Headquartered in Lahore, Pakistan, [Honda Pakistan](#) (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.

Solution components

- IBM® Consulting
- IBM FlashSystem® 5200
- IBM HANA Impact Assessment
- IBM Power® H922
- IBM Spectrum® Virtualize
- SAP® ERP
- SAP S/4HANA®

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