

A Partnership to transform Automotive Supply Chain Management



Summary: Sazgar and Maersk, redefining automotive logistics through greater control and efficient supply chain management.



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Background

From humble beginnings in home appliances in 1991, Sazgar Engineering Works Limited has transformed into a leading player in Pakistan's automotive industry. Their dominance in the 3-wheeler segment, with a global reach spanning over 25 countries including Japan, is built on a foundation of high-quality products catering to a diverse customer base.

Sazgar took bold steps by entering the 4-wheeler market in 2018. This strategic move, coupled with impressive production facilities and strategic alliances with renowned Chinese automobile manufacturers BAIC and GWM, cemented their position in the industry.

Further solidifying their commitment to innovation, Sazgar introduced a Hybrid Electric Vehicle (HEV), including Pakistan's first locally assembled Hybrid Electric SUV. A robust network coupled with efficient operations through people-centric policies are the cornerstones of their early success.

Challenge

Sazgar's entry into the automotive sector, particularly the collaboration with GWM for the Hybrid EV SUV launch, faced a daunting array of challenges.



The stringent demands of the industry, especially regarding supply chain reliability, were unwavering. The rapidly fluctuating ocean space, the need for purchase order adjustments, frequent delays, and the economic turmoil in Pakistan further complicated the process. Moreover, market-wide hurdles such as import bans on auto parts and complex customs procedures, compounded by communication problems with Chinese suppliers, hampered Sazgar's overall operations. This further cast doubt on their automotive ambitions.



Solution

Recognising Sazgar's critical needs in the complex automotive landscape, Maersk stepped forward with comprehensive, customised solutions. Through an in-depth analysis of their processes and supply chain requirements, Maersk crafted a robust ocean and logistics package addressing every aspect of the challenges.

The key benefits of Maersk solutions:



Integrated supply chain management

Taking care of planning and order validation to cargo movement visibility and production scheduling.



Bridging the communication gap

Facilitating seamless communication with Sazgar's Chinese suppliers by deploying a Chinese-speaking representative.



Optimising costs and operations

Long-term rate agreements and flexible alignments stabilised finances. Further improving inventory control, reduced transit losses, and ensured on-time delivery.



Real time supply chain visibility

Ensuring transparent processes enabled by advanced tracking systems and efficient communication channels.



Customised logistics services

Maersk tailored solutions to Sazgar's specific needs, including PO upload, vendor management, carrier management, and document management.



Phased implementation

Strategic implementation of solutions with system integration and testing, ensured seamless alignment with Sazgar's operations, maximising satisfaction.



Result

Since July 2022, the Sazgar-Maersk partnership has moved over 1,500 FFEs, highlighting the efficiency and reliability of Maersk's logistics and supply chain management solutions. This powerful alliance has not only streamlined Sazgar's logistics operations but has also yielded significant improvements in inventory control, operational efficiency, and customer satisfaction. Reduced transit losses and guaranteed on-time vehicle deliveries have been key contributors to this success.



Looking forward, the partnership is set to expand its suite of services to include intermodal solutions like trucking to deliver CKDs to their factory and warehousing. This comprehensive approach will further accelerate Sazgar's automotive ambitions and strengthen its position in the industry.

Sazgar's automotive journey steering towards excellence - Watch this video

Empowered by Maersk's tailored solution, Sazgar confidently navigated the complex automotive landscape, establishing a smooth and efficient supply chain that fuelled their ambitious journey. Today, Sazgar's diverse portfolio, unwavering commitment to customer-centricity, and persistent pursuit of innovation continue to reshape the future of Pakistan's automotive industry.

Watch the video [here](#).





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