

**Environmental Scanning and Marketing Plans to Mitigate Lost  
Sales at Hinopak Motors Limited.**



By

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**Fall – 2K20 – EMBA – 329787**

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A Business Project submitted in partial fulfillment of the requirements  
for the degree of Executive Masters in Business Administration

In


**NUST Business School**

**National University of Sciences and Technology (NUST),  
Islamabad, Pakistan.**


**2023**

## BUSINESS PROJECT ACCEPTANCE CERTIFICATE

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## Abstract

The Automotive Industry is one of the key industries in the country that consumes the Largest reserves of Petrol and diesel per year, the industry is also responsible for the growth of multiple other segments that include the Rubber, Paint, Glass, Chemicals, Textile & Metal Industry.

The Automotive Industry of Pakistan is one of the Key Revenue Generation segments of the Economy, with most Multinational companies currently operating in Pakistan due to of Lack of Core Technology, and supporting industries are not there except few Products that are less critical to Operations. Production and sales in Highly dependent on Imports of CKD (complete knockdown kit), large number of Holding inventory could also cause Financial Losses to the company.

Since 2018 Hinopak faced a sharp decline in its sales due to the unavailability of Products. Automotive products are Built on order Product in Pakistan only a few units are available at designated dealerships that cannot fulfill the overall requirement of countrywide customers. Although since 2020 Net Assets of the company have increased market share in decreased due to the increasing Price gap concerning rival companies.

In this BRP Report Pakistan Automotive Industry overview is given. Company Hierarchy, Hinopak sales statistics, and financial Highlights are mentioned in the introduction. Environmental scanning concerning SWOT & PESTEL is to give background about challenges and opportunities available for the company.

Hinopak customer segments and buyers Persona will present characteristics of Hinopak end users to understand, the challenges, goals & motivation of Buyers and buying Patterns in general. Three organizational gaps are identified in the BRP report that leads to lost sale (1) Market Research & Marketing Process (2) Customer Reach (3) Conflict of Interest. Possible solutions to overcome these organizational gaps are shared: (1) Develop a Marketing Research Plan (2) Enhance Company Reach (3) Goal Alignment.

Some of the Solutions to overcome lost sales are already functional, a few are in process and others are in the approval phase from Management, all these proposed solutions were already adopted by rival companies & other operations of Hino in other countries in some

different shape. The Hinopak Sales team has customized these proposals as per ground realities & available resources.

These solutions impacted some pocket increases in sales but not some drastic change occurred overall, an increase in sales due to (1) Political instability (2) Economic Conditions & (3) the Flood Situation of the country, True impact of these proposed solutions will be observed in 2023. This BRP document is an effort to identify gaps in sales and marketing through environmental scanning and recommending solutions to dilute lost sales the company is facing through effective marketing. The solution suggested will be based on Marketing Plans to Increase customer reach for accurate sales forecasting to circulate the production cycle accordingly. Redefine company marketing Plans to recapture market share. Suggest various tactics to boost strategic alignment between the company and dealership network.

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## 1. Company Introduction

Hino Motors Japan and Toyota Tsusho Corporation in collaboration with Al-Futtaim Group of UAE and PACO Pakistan formed Hinopak Motors Limited in 1986.

In 1998, Hino Motors Ltd., and Toyota Tsusho Corporation obtained majority shareholding in the company after disinvestment by the other two founding sponsors.

The decision to invest in Hinopak at a time when the country was passing through economic turmoil and the sales of commercial vehicles were in extreme depression. However, the Principal Company reflects confidence in Hinopak and shows its commitment to the Pakistani market.

Soon Hinopak became the trusted market leader in the Pakistani Truck and Bus industry. As a leader, Hinopak is a vital contributor to saving foreign exchange, providing jobs, and playing a pivotal role in the development of the local industry through its progressive manufacturing.

By continuing to move forward and staying alert to the ever-changing market & social needs, Hinopak will continue to be a successful and respected corporate citizen of Pakistan, reflecting their commitment and belief in the Hinopak corporate philosophy to “contribute to the development of a more prosperous and comfortable society by providing the world with a new set of values”.

**Vision:** The vision of Hinopak Motors Limited is to provide the society with safe, economical, comfortable and environment friendly means of transportation by manufacturing and supplying commercial vehicles and services.

- **Mission Statement:** To deliver high quality, safe, durable, reliable, comfortable environment friendly and economical products and services to their total satisfaction
- **Corporate Goals:** Hinopak has 3 Corporate Goals
  - (1) **To our employees:** To foster a corporate culture of mutual trust, respect for fundamental rights at work, opportunities for professional growth and personal welfare so that they are proud of being a member of the “Hinopak Family”.



- (2) **To the community and our nation:** To contribute to economic and social development by providing means of transportation and by progressive localization of the vehicles.
- (3) **To the shareholders:** To act in compliance with the norms expected of a subsidiary of the Toyota Group of Companies and make a meaningful financial return to the shareholders.

Hinopak has a Head Office and assembling Plant in Karachi. Regional Offices in Karachi, Lahore, Islamabad, Peshawar & Multan. The company has a dealership network in every major city in Pakistan. The company has Two Sales Mechanisms (1) Direct sales through Head Office & regional offices. (2) Dealership Networks.

- **Sales & Marketing Team of Hinopak:** Traditionally Sales & Marketing Teams of Hinopak are merged. Due to limited supply and heavy demand to fulfill, mass marketing through TV, radio, and Newspapers is not common. The sales and marketing teams rely on (1) Personal relations (2) Market Surveys (3) Investor Relations & (4) Dealer Networks of respective regions. The functional Hierarchy of the Sales and Marketing team is as below:

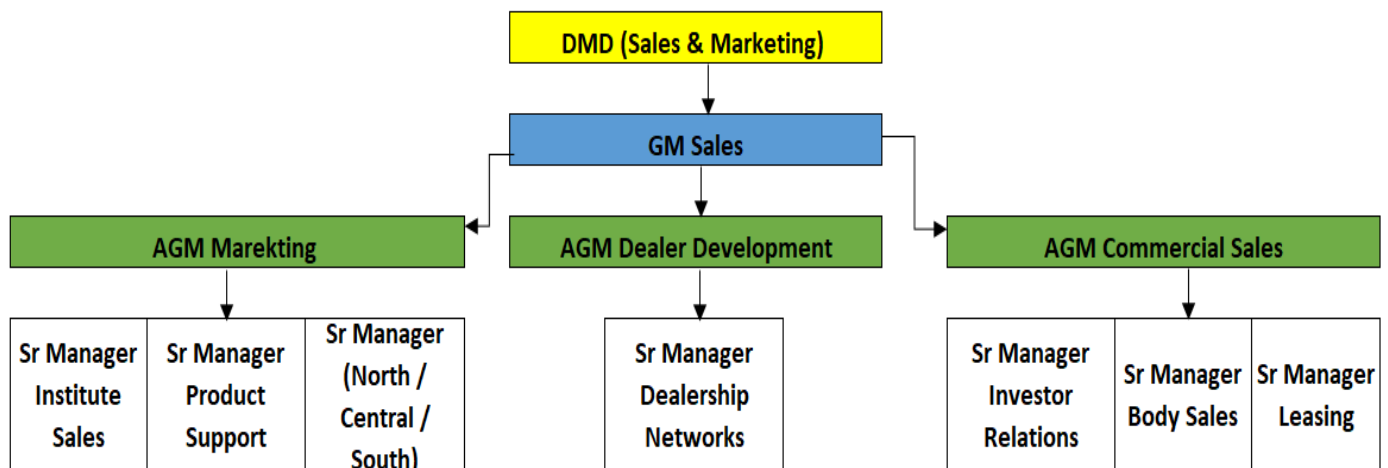


Figure: 1 Present Structure of Sales & Marketing

**Sr. Manager Institute Sales:** Responsible for Direct Sales and relationship Building with Institute Customers. Government departments like CDA, WAPDA, PM House and private

Institutes like Shifa International Hospital, and Quaid e Azam University are considered as Institutes.

**Sr. Manager Product Support:** Product Support Department focuses on Design aspects of Hino Trucks & Busses, Product Support Department closely coordinates with (1) Engineering and Development & (2) the Production Department to Fulfill customer requirements.

**Sr. Manager North / Central / South:** Responsible for Direct Sales and relationship Building with Customers based on their respective regions.

**Sr. Manager Dealership Network:** Directly responsible for Sales through Hinopak authorized dealer. Keep close coordination with dealers throughout the country. Play the role of Bridge between the company and the dealer.

**Sr. Manager Investors:** They are responsible for Relationship building with Private investors to have positive word of mouth in the commercial trucking segment. Investors are Private Business owners typical Petrol Pump & trucking station owners

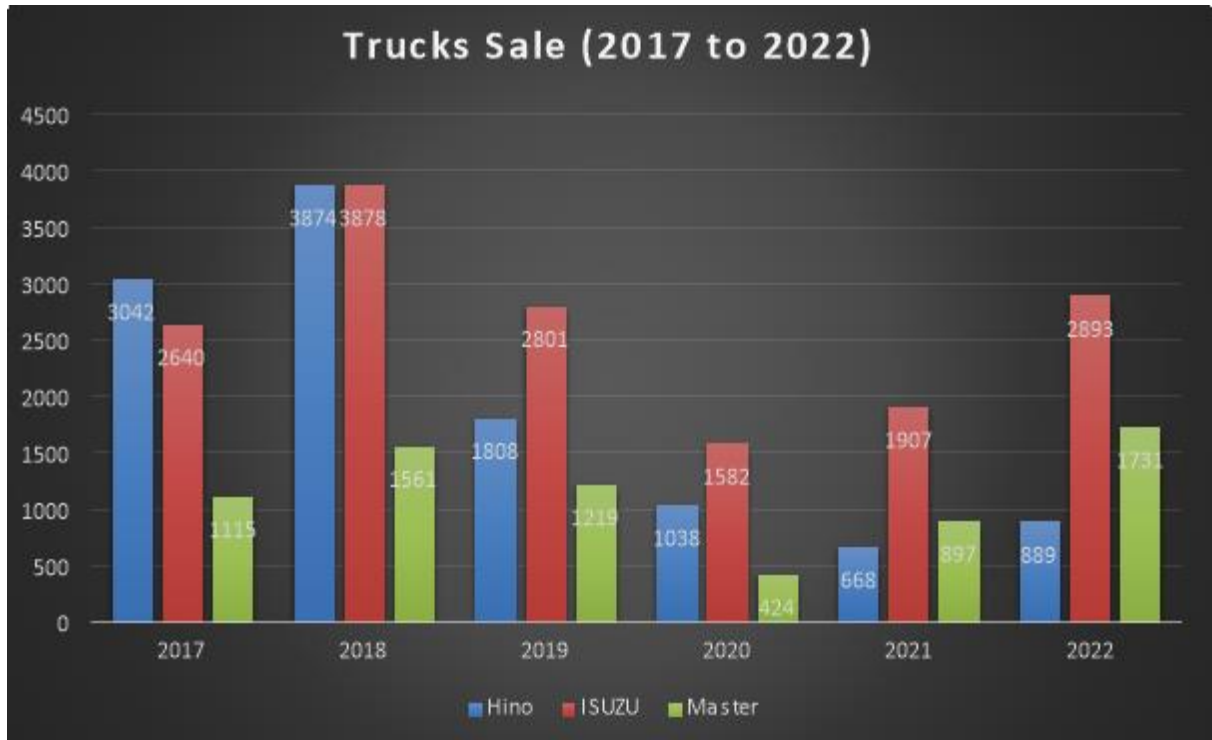
**Sr. Manager Body Sale:** Hinopak Body Plant offers Body fabrication of various superstructures like Fire trucks, Cement mixers, Dump Trucks etc. The Sr. Manager is responsible for capturing the Body Fabrication Business. Hinopak also offer Body fabrication service to its sister company Toyota in some SUV models. Although these body fabrications are not counted in the sales figure of the company. Hinopak also fabricated a Troop carrier body for Army trucks. Assembling, Body Fabrication and final testing are the responsibility of the senior manager body fabrication.

**Sr. Manager Leasing:** Sr. Manager Leasing is responsible for Relationship Building with leasing companies and banks throughout the country, providing general training and product awareness sessions to get a basic understanding of standard Hino Products. Understanding their requirements. Manager Leasing closely coordinates with the Sales team to provide financial services to both (1) Institute & (2) Commercial customers from Banks & other Leasing Companies.

As per above mentioned organizational structure of Sales and Marketing Team various departments had to work in close coordination with each other as well as with other departments Like Finance, MIS, E&D & Production. Above mentioned hierarchy is reviewed on annual bases and necessary changes are implemented if required.

- **Sale Statistics (Last 5 Years):**

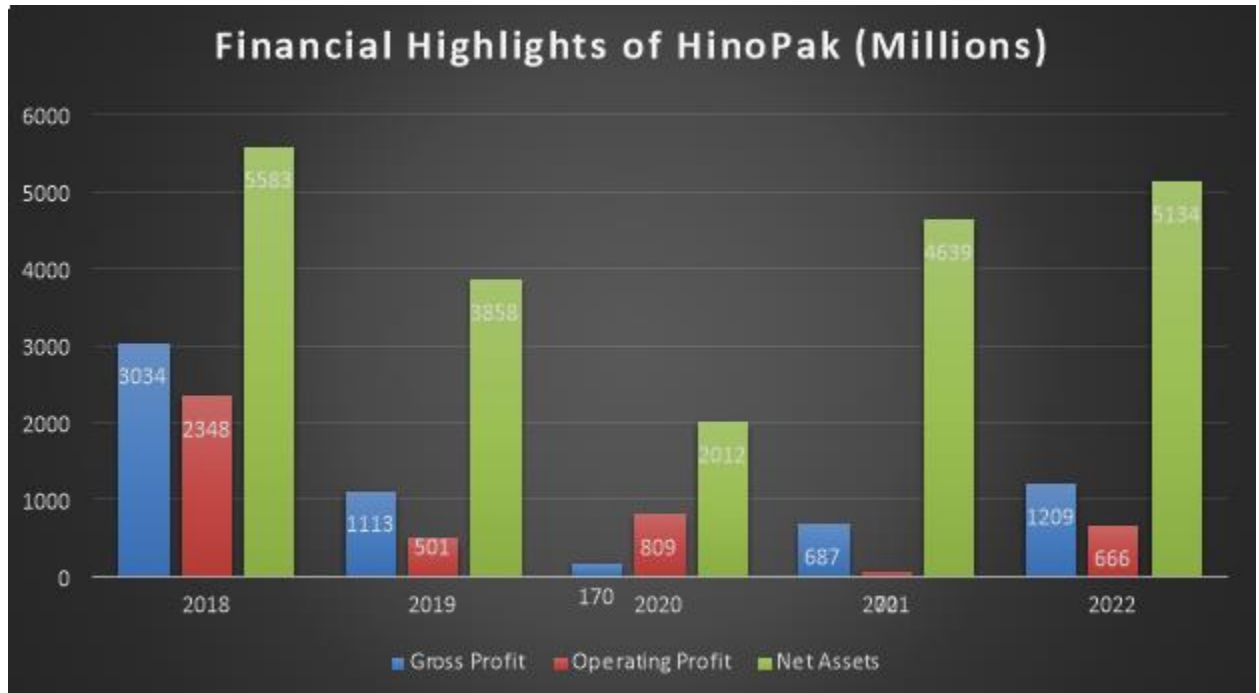
**Trucks Sale 2017 – 2022**



**Busses Sale (2017 to 2022)**



- **Financial Highlights (Last 5 Years):**



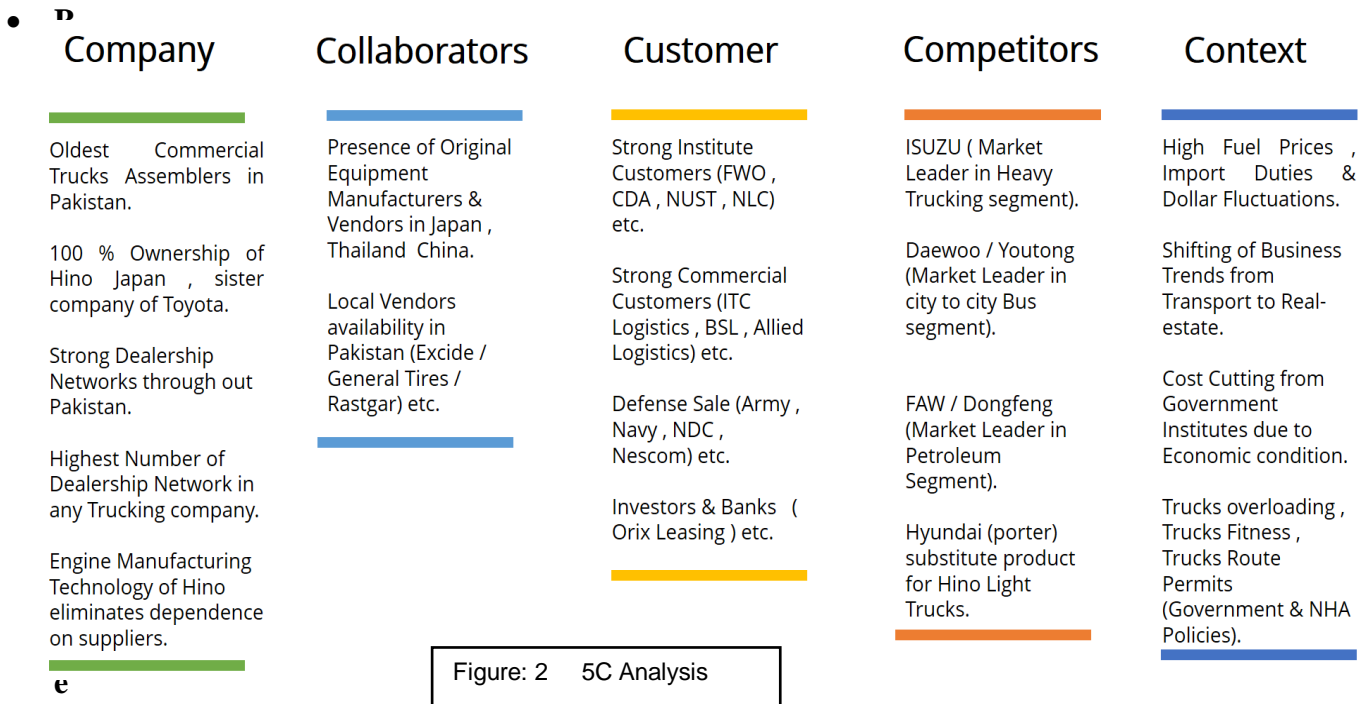
After 2017 Company faced a decrease in overall Profitability and assets depletion, Since 2020 net assets have started to increase and there has been an increase in operating Profits due to a rise in Product Prices. However, market share was decreased due to an increase in price from 2021 to 2022.

From the Sales Figure as mentioned in Sales Statistics in 2021, Busses' sale was 184 units which was reduced to 160 units in 2022. A decrease in sales occurred due to an increase in prices of Mini Buses and city Busses Price.

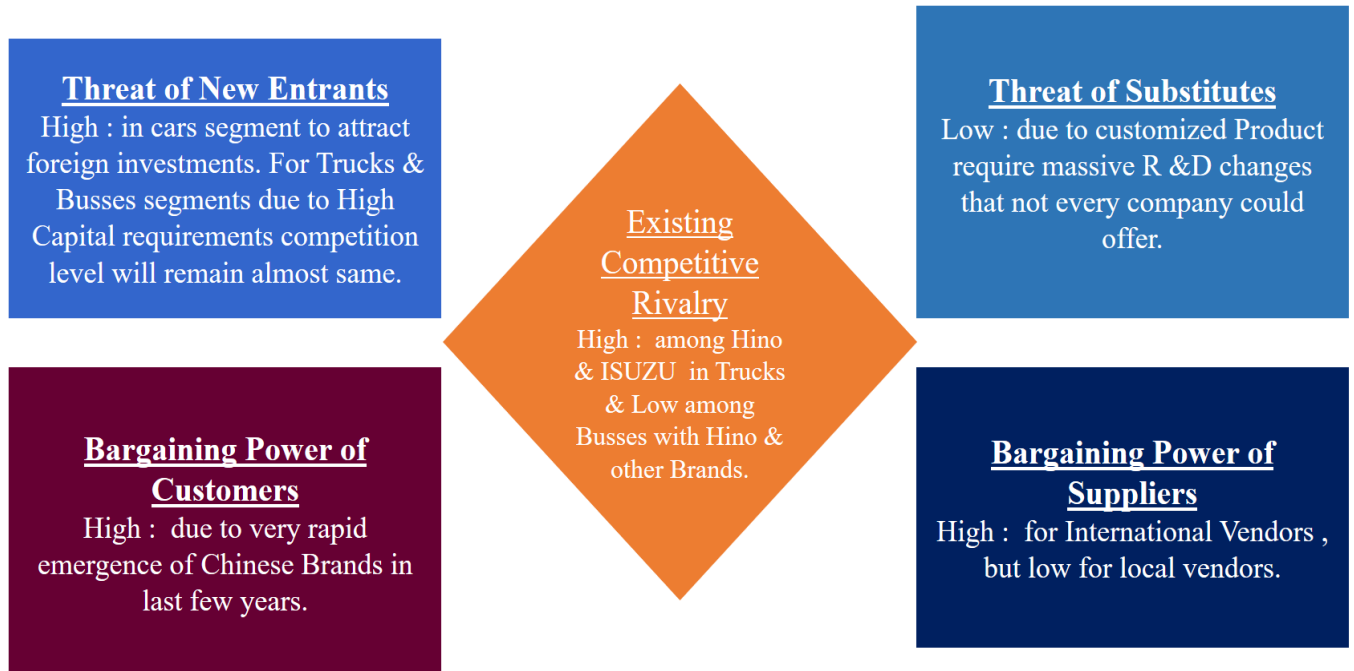
In 2021 Trucks Sale was 668 units that was increased to 889 units in 2022. This growth in the Truck segment was due to the introduction of new models that received positive responses due to superior Technology & value for money. But since 2018 Nose dive trend has also been observed in the Trucking segment which recovered a bit in 2022.

## 2. Situational Analysis (5C & Porters Forces)

### • 5C Analysis






### • Porters Forces






### 3. Hinopak Targeted Customers

- Market Segmentation

 <p style="text-align: center;"><b>Institutes</b></p>	 <p style="text-align: center;"><b>Commercial</b></p>	 <p style="text-align: center;"><b>Investor</b></p>
Collages / Universities	Logistic Companies	Private Investors (offer low Interest rates)
Government Institutes	FMCG Distributors	Private Financial Assistance
WAPDA / CDA / IMCG Collages / NUML etc.	ITC Logistics / Shan Distributors etc.	Folad Khan / IS Enterprise. etc.
<b>Size :</b> 150+ (Employees / Teachers etc.)	<b>Size :</b> 2 to 200 Employees	<b>Size :</b> 1 to 3 Partners
<b>Buying Pattern :</b> Budget Based	<b>Buying Pattern:</b> Requirement Based.	<b>Buying Pattern:</b> Based on Local Market Conditions.
<b>Size of Purchase:</b> 1 to 5 units/year for one customer.	<b>Size of Purchase:</b> 5to 30 units per / year for one customer.	<b>Size of Purchase:</b> 10 to 30 units / year for one investor.

• Buyer Persona

 <p>Institutes (Company CEO , University VC) <b>Institutes</b></p>	 <p>Commercial (Owner , Operation Managers) <b>Commercial</b></p>	 <p>Investors (Petrol Pumps &amp; Trucks station owner) <b>Investor</b></p>
<p><b>Characteristics:</b> High Educated Decision makers, Purchase is based on Annual budget. Brand Quality matters a lot. Moderate Concern about Price.</p>	<p><b>Characteristics:</b> Medium Educated Decision makers, Purchase is based on pure requirement. The price factor is very critical.</p>	<p><b>Characteristics:</b> Low Educated Decision makers, Purchase is based on Market requirements &amp; Seasonal Based. Concern about Lead Time availability.</p>
<p><b>Goal :</b> Establish themselves as a well-reputed institute.</p>	<p><b>Goal :</b> Increase revenue &amp; decrease operational expense.</p>	<p><b>Goal :</b> Business Development based on Buyers Financial status.</p>
<p><b>Motivator:</b> Good Product with backup support.</p>	<p><b>Motivator:</b> Cost Effective &amp; Value for money product.</p>	<p><b>Motivator:</b> Product with Market Demand and acceptance.</p>
<p><b>Challenges:</b> Dependence on Funds.</p>	<p><b>Challenges:</b> Dependence on overall Economic stability.</p>	<p><b>Challenges:</b> Asset vs. Liability Balance.</p>
<p><b>Purchasing Channel:</b> Both through Tenders or Direct Purchase.Purchased with Customer Invoice.</p>	<p><b>Purchasing Channel:</b> Direct Purchase or Finance through Banks or Leasing Companies.</p>	<p><b>Purchasing Channel:</b> Purchase directly from the Company in Bulk, and sold to a third party or on Leasing.</p>



## 4. Environmental Scanning

- **SWOT Analysis**

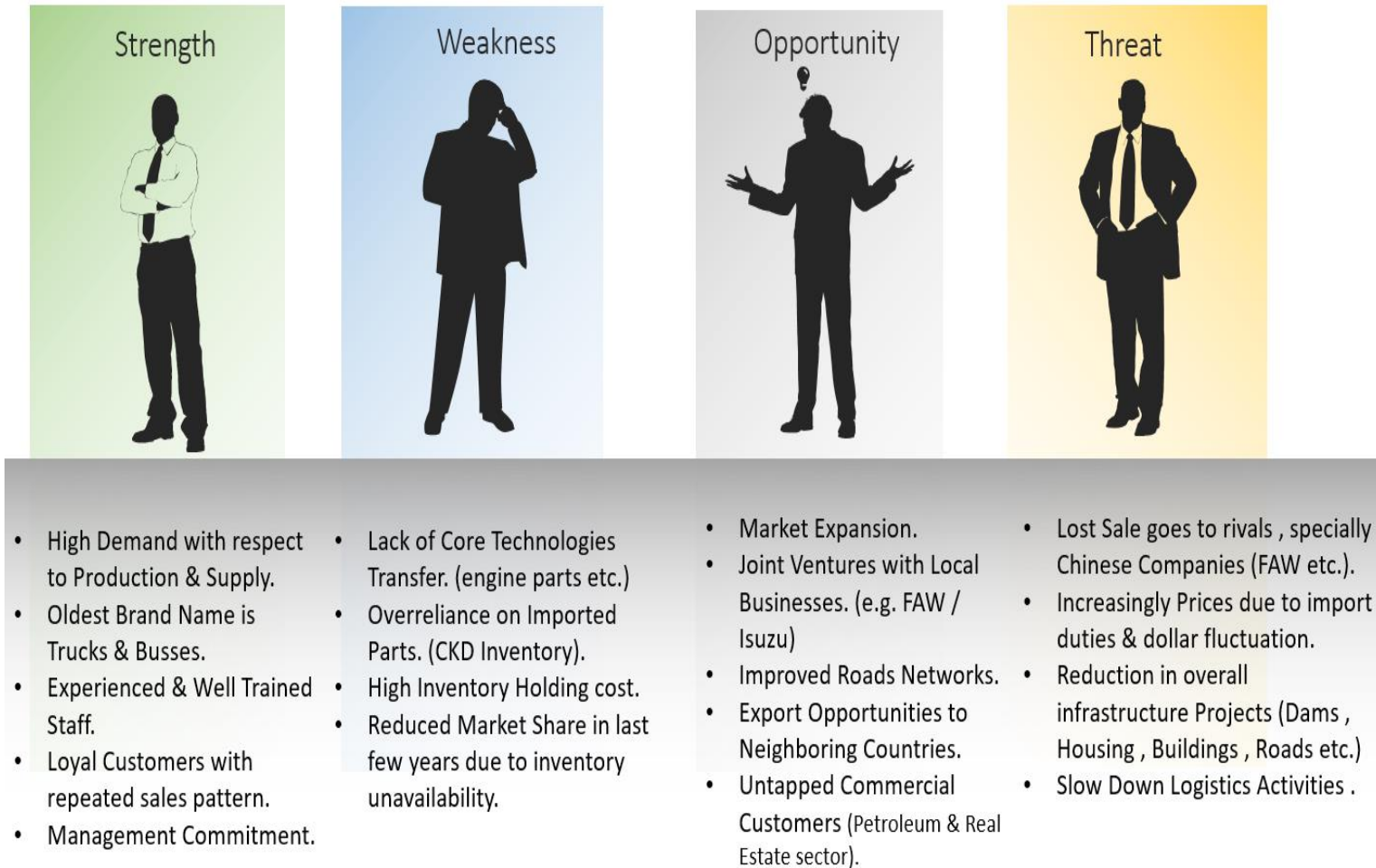


Figure: 4 SWOT Analysis



- **PESTEL Analysis**



### Political

- Lobbying (influencers , ISUZU owner Gen (r) Ali Kuli Khan. etc.
- National Autoploicy (GST Taxes / import substitution & Export Promotion)



### Environmental

- Euro3 Diesel Exhaust Emissions (International Organization Focus on carbon control of automotive).
- Global Focus on Sustainability & alternate means of mobility electric Vehicles etc.



### Social

- Growing road network and ease of mobility.
- Overaged Truck & Bus Drivers.
- Complex Public service vehicle Licensing Process.



### Technology

- Air bags & ABS compulsory as per EDB compliance.
- Fuel Injection system to improve Fuel savings.



### Economy

- Volatile Fuel Prices.
- High Interest rates & Inflation.
- Reduction of Infrastructure Projects (Buildings / Roads) and other projects that consumes Logistics).
- High Import Bills , reduction in dollar reserves.



### Legal

- Weak Consumer Protection Laws. (For customers)
- Copyright Laws for Fake spare Parts.

Figure: 5 PESTEL Analysis

## 5. Organizational Gaps

- **GAP # 1 Market Research & Marketing Process**

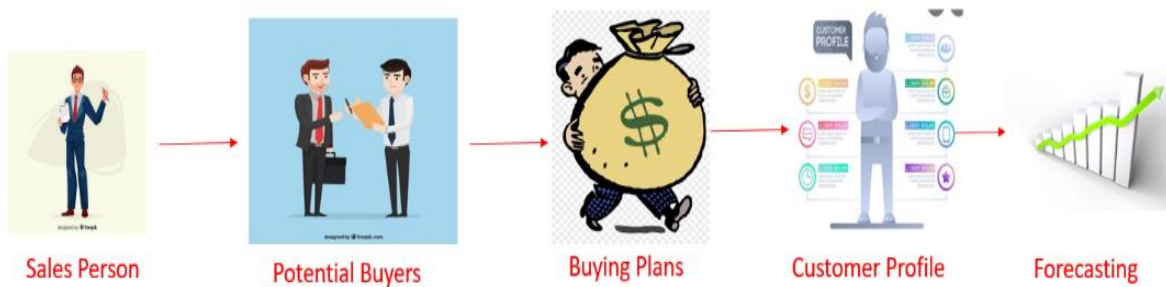


Figure: 6 Hinopak Sales Process

The First Organizational gap lies within the Sales Process, where Sales Person follows his instinct instead of the Previous Buying Pattern, the response is only generated when some inquiry is received. This kind of Sales Process has worked a lot of times due to the high demand for Products and very few substitute options available in the market.

**Sales Person:** The Head Office and Regional Offices of Hinopak have a dedicated Field Sales Force that visits potential customers based on previous information or in response to any inquiry received. Sales Person have little information about customer needs and awareness about new products available in the market.

**Potential Buyers:** Consists of (1) Institute (2) Commercial (3) Defense & (4) Investors Customers. Each has its unique requirements.

**Buying Plans:** It is the responsibility of the Sales Person to educate potential customers about existing product Lines, Technical Specifications, Price & lead time availability. And to ask about Budget constraints, Product of Interest, Decision Timing line etc. Higher management of the company also analyze and evaluates these buying plans.

**Customer Profile:** After visiting the Potential Customer the person prepares a new or updated existing Customer Profile that includes (1) the customer's existing fleet (2) contact information (3) the customer's business situation (4) Future Plans. CP is very critical and only memory available at the Hinopak database to predict customer buying behaviors.

**Forecasting:** Based on salesperson customer visits and customer profiles, the sales team predicts and separates mature and premature customer sales. This Sales Forecasting is discussed with higher management in monthly or weekly meetings. Upon these forecasting's supply chain department orders, CKD (complete knockdown) imported parts from various local & international suppliers, also Plant availability is dependent on orders in progress and backup orders.

**Consequences of Gap # 1:** Due to Predefined Schedules & Sales Person as a key decision maker following issues often occur:

(1)A person may not be comfortable with Tough customers even if they have great business potential. And too often visits customers who are more welcoming but have little hope for any mature sales case.

(2)No Commission is offered to the salesperson of the company to motivate star performers, all sales team work on fixed salaries with less flexible duty timings to attend to customers.

(3)Field Visits could be easily faked and manipulated, quality of visits and customer interaction is hard to measure for Higher management to predict buying plans.

(4)Duplicate visits by dealers and other regional office sales team occurs, and repeated visits of any particular buyer cause a waste of company resources.

## • GAP # 2 Customer Reach

The core Purpose of Customer reach is to stay in contact with an existing customer base or promote Products within Potential customer segments without spending significant resources. Hinopak has been following this approach for a very long time with very little change as a part of the company's annual Business Plan. Traditionally Customer reach appears to be very attractive and generated positive sales results in the Past. Also Promotes the Presence of the Hino Brand all over Pakistan.

**Warranty Claim:** Hinopak Provide 1 Year warranty on Hino Trucks & Busses, The purpose is to keep vehicles road-worthy and avoid massive breakdown. Warranty claim is provided through Hinopak Dealership Networks all over the country after initial approval

from Hinopak Offices. This Backup support always promoted Positive word of mouth. Through warranty claim company also get an opportunity to analyze common faults in product and to upgrade existing brands, as well as to trace any manufacturing defect in supplier items. Another Purpose is to stay in touch with the end user.

**Free Service Inspection:** The Company Provides 5 Free Inspections, in which scheduled Maintenance and General Inspections are done. Through Free Inspection End-user Contact Details & requirements are noted. A free Inspection is a tool for record-keeping of customer data for up to one to two years.

**Mobile Training Bus Unit:** The Company has a specialized Mobile Training Bus with Built-in features of a Training Room, Special Tools & Display related to Hino Products. This Mobile Training Bus travels to various cities by road to attend various (1) Road shows (2) Mobile Publicity with Hino Branding (3) Door Step visits to Hino Customers for Product awareness campaigns.

**Technical Training Center:** Hinopak has a Technical Training Center in Karachi where various Transporters, Drivers, Mechanics and new Customers attend 4 weeks to 2 Months of Training. Training centers have (1) Authorized trainers (2) Proto-type models (3) Simulations (4) Class Rooms & Online Exam Facilities. Previously these TTC Trainings Were Published on Newspapers with Paid Memberships. For the Last 5 Years, TTC has provided free of cost training to only targeted Customers and Company Employees. For New Buyers TTC is a very powerful tool to have a positive image of the company as a whole.

**Written Literature:** The company issues various Kind of Technical Publications and Service Bulletin related to Upgraded Model Specifications, Maintenance and services, Tools & accessories to (1) Hinopak Sales Teams (2) Customers & (3) Dealership Networks. Written Material Boosts Technical awareness about Features of existing or new models. The company has received a positive response in general about these publications.

**Consequences of Gap # 2:** Due to Changing Technologies, Customer Taste and communication Preferences as well as keeping operational cost of the sales department Following issues are raised:

(1) Warranty Claims gave information about only end user and not about the Procurement Department or Main Decision Makers in the Buying Process. Warranty claims could be nonproductive in enhancing customer reach as Faults are very small in quantity as compared to the total sales of Hinopak in the year.

(2) Free Service Inspections are beneficial for customer tracking for up to one year, as per previous records 30% to 40% don't avail Free Services due to (1) operational constraints in remote areas (desserts, remote constructions etc.) (2) Absence of Hinopak Dealership Networks in small cities (3) Lost Warranty Coupons etc.

(3) Mobile Training Bus road show activities and moving publicity consume a lot of company resources with the drawback of (1) Difficulty in monitoring impact or sales lead generated through road shows (2) Can only target a limited customer base within a limited time frame.

### • **GAP # 3 Conflict of Interest**

As an Authorized assembler of Hino Trucks & Busses in Pakistan, the organization has various clashes of interest with its (1) Suppliers and (2) Dealers with respect to warranty claims, lead time availability and customer sales.

**Dealer & Company Misalignment:** Dealer & Company Misalignment: Hinopak and Dealers have strategic misalignment due to (1) Common market & customer base, both dealer and regional offices of respective areas are targeting the same customers in the same area with the same product offering, this strategic misalignment often confuses Buyers with strategic importance for the company, the dealer has an advantage over Hinopak direct sales as the company offers discount Prices to its dealerships (2) Hinopak Brand Name, both dealer & Hinopak regional offices enjoy same brand name as it is difficult for end buyer to differentiate between company and dealer as both have same product line.

2nd misalignment is the company dealer agreement, as per the company & dealer agreement, every dealer had to buy some stock of units every month from the company whatever market conditions were or even if product demand was reduced. This contractual compliance often creates a very tight financial situation for dealers when there is any rapid change in the political situation or a shift in government policies.

3rd Misalignment concerns rival dealers operating within the same geographic location, In some cities more than one dealer is operating within the same geographic location, company

awards dealerships based on potential market size & demand. In the case of two rival dealers operating in the same geographic location tug rope effects increased, and lost sales in also observed massively as per Historical data.

**Supplier & Company Misalignment:** Hinopak has several suppliers to provide various automotive products ranging from Paint, Glass, Metal and rubber Parts. Many suppliers are well-cooperative and consider relationships in the long term. However, few suppliers are more profit-oriented than relationships. Hinopak offers 1-year warranty period, in which in case of any breakdown in any part free of cost replacement of the part is offered. Hinopak wants the same cooperation from its suppliers to offer Free of free-of-cost warranty for vendor items. but in actual cases, it does not happen too often with a few local vendors. Some local vendors only offer Final Quality checks or provide very limited warranties. So in case of any Vendor item failure additional cost of repair or replacement is bearded by Hinopak.

One more cause of supplier & company misalignment is to lead time availability of spare parts from vendors. As Vendors are more opportunist towards profitable deals, timeline assurance from the vendor side is very fragile. Sometimes unavailability of vendor items leads to delayed production from Hinopak.

**Consequences of Gap # 3:** Consequences of Gap # 3: Due to a Conflict of Interest between Hinopak, Dealers and suppliers Following Issues occur.

(1)Due to common customers & markets there is always a tug rope situation among the company's direct sales team & dealers, unhealthy completion leads to lost sales for the company overall. Both dealers and the company utilize their resources in one direction.

(2)Due to warranty claims supplier relationships with the company always be on an immature stage where the company easily switches from one vendor to another due to non-cooperative behavior from the supplier side whereas the company always pushes suppliers without understanding their concerns or sharing information.

(3) Minimum stock holding clause for dealer contract forces dealer into a very critical Financial situation, where chances of dealers to switch to other company's dealerships increase.

(4) Rival dealers operating within the same geographical locations is again a very unfavorable situation for the company, a win-win situation for both dealers is very rare and results mostly occur in lost sales.

## **6. Objectives of Solution Recommended:**

The Solutions suggested here would be the first time in Hinopak that improvement initiatives are taken by the company itself through multiple Tasks. These solutions are Experiments conducted by Management through feedback received from (1) Market Research (2) Customers (3) Suppliers (5) BOD Meetings (6) Senior & Junior Employees Monthly Meetings.

The Solutions recommended here have the Following Objectives:

- (1) To Increase the New Number of Sales. New Customer base as well as attracting customers from competitors.
- (2) To Retain an existing number of customers.
- (3) To Increase Customer Satisfaction Level and happiness, so indirectly sales Leads could be generated.
- (4) Improving Time Efficiency in the overall Sales Process.

### **Weightage of Individual Objectives:**

Sr #	Task	Weightage	Start End	End Date
1	Increase in New Sales	20	March 22	April 23
2	Retain the Existing Number of Customers	30	March 22	April 23
3	Boost Customer Satisfaction	20	March 22	April 23
4	Reduce Loss Time in Sales Process	10	March 22	April 23

These Objectives will be included in the KPI of the Sales person, Follow-up of these objectives will be taken at every Monthly Branch Meeting. Percentage of Completion is discussed and challenges will be shared.

## 7. Solution of GAP # 1: Develop Marketing Research Plan

**Free Health Inspection:** In Free inspection company trained Mechanic and field Staff visits various Trucking and bus Stations to inspect the condition of Hino models. Free Vehicle inspection of various Hino models at different geographical locations simultaneously to gather information related to (1) Hino model population (2) End User Information (3) Competitor Information & activities. Free Health Inspection activity is adopted by some other rival companies, and the impact generated through Free Health Inspection in Product Planning and catching customers is very positive.

Since March 2022 Hinopak Initiated Free Health Inspections at various Trucking stations located in (1) Karachi Port and (2) Mianwali Trucking Station to gather market

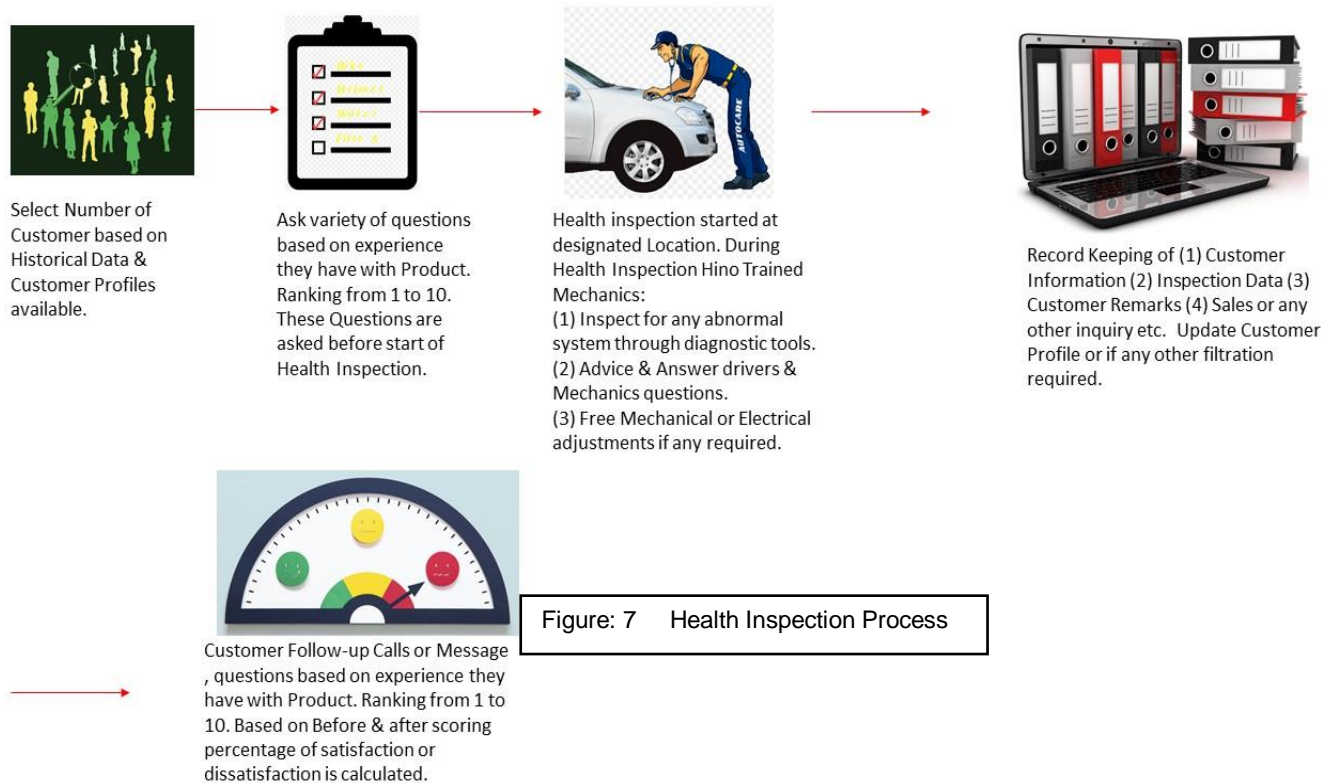


Figure: 7 Health Inspection Process

situation and customer voice. Free Health Inspection Address Organizational gap # 1 related with Market Research & Marketing Process.



Overall Health inspection generated Positive word of mouth, during follow-up calls and telephonic interviews.



Figure: 8 Health Inspection at Hawks bay

Through Free Inspection it is recorded that Customer Percentage Satisfaction Level increased 7% more when Free Inspection activity was organized at Hawks Bay - Karachi as compared to before the starting of campaign activity. A similar kind of percentage increase was observed in other cities.

**Service Camps:** In Service Camps, two to three days are spent on the roadside by the Hino Field Sales Team to educate Drivers and end Users about Hino Products. This activity was discontinued in 2014 due to security issues and Local Government clearance. ISUZU already arranged 2 Service Camps in every major city over the last 4 years. The Hinopak Sales team has also included 2 Service Camps in the 2023 Business Plan. Service Camps are based on the 3S concept of Hino where the objective is to promote (1) Sales (2) Service (3) Spare Parts and all 3S connected and interlinked. Service Camps address Organizational Gap # 1 related to Market Research and Marketing Processes and gap # 2 related to Customer Reach.

The measure of impact generated by Service Camps is calculated in the same way as of Free Health Inspection through (1) customer profiles (2)

a List of questioners (3) Follow-up systems. , both Health Inspection and Service camps are tools for sale lead generation and part of the marketing research difference between Service Camp and health Inspection is (1) the List of questions asked (2) Health Inspection is less costly as compared to Service camps (3) Health inspection is Technical oriented, whereas service camps are more sales oriented.



Figure: 9 Service Camp at Kallarkahar in 2014.

**Extended Warranty:** As per company Historical data concerning total company sales only 72 % of buyers avail Free Service that includes scheduled maintenance (Lubricants and spare Parts replacement), and only 6 % of Buyers face any warranty-related issues in 1-year warranty period. Out of 6% warranty claims 4% are Supplier related. From January 2023 the company extended its warranty claim to 2 years. Additional 1-year warranty claim cost will be included in the overall sale Price, financial calculations already done by the Hinopak Finance Department. The Purpose of an Extended warranty is a long time Pending customer voice where the rest of the rival companies (1) ISUZU (2) Master (3) Faw were providing two year warranty. The Implementation was done to address the concerns of Hinopak Strategic Customers. Extended warranty addresses Organizational gap # 1 related to Market Research and marketing Processes. Extended

warranty has already been implemented all over the country since October 2022 on all sale units.

The impact generated by extended warranty would be directly seen through online data entered for warranty jobs entered in the Hinopak warranty Management system in the coming months as till now all Hino Products are within the completion of a one-year warranty.

**New Models to Fill Product Gap:** In various Business Segments (Petroleum, Cement) rival companies are more penetrated due to Design features, loading capacities and body specifications. Due to the unavailability of these models over the last few years sales orders directly to other companies. The company is actively looking to launch alternate options to fulfill the requirements of the cement and petroleum sectors. Two LTV models (Hino XZU) were introduced in 2022, and 4 new models will be launched in 2023. Hino XZU was Purchased by Petroleum Companies and the sales target for December 2022 is already achieved. New Models Launching will effectively address Organizational gap # 1 related to Market Research and Marketing Processes. This New Models Induction increased 8.6 % in overall sales of Hinopak.

**Key Accounts Management:** The purpose of key accounts management is to take care of strategic customers. Key accounts are company loyal customers with repeat purchase patterns & single Hino Product induction. Through Sales Historical Data 68% of company sales are through repeat orders of Key accounts.

In Previous years no separate initiatives were taken to retain key accounts and to convert usual buyers or opportunist Buyers into key accounts. On the other side, rival companies like ISUZU & Master Motors had Key Accounts Management since 2015.

In 2023 Business Plans approval for new hiring is recommended to maintain key account manager. Responsibilities of the Key Accounts manager will be (1) Retain existing key accounts & find new business opportunities (2) Relationship Building and communication with Key accounts (3) Develop and offering Business Related Partnerships with key accounts (4) Discount offering on Bulk ordering or meeting special R & D requirements of End User. As of now recruitment of a Key Accounts Manager is under Process & it has been decided that the Manager of Key Accounts will work under GM Sales.

Need for key accounts management was identified due to constant feedback received from old customers that their sales cases and inquiries regarding Product are not timely addressed.

**E – Learning:** The MIS department of Hinopak is already working to provide new features in the company's online sales Portal, where recommendations were taken from each person about the content of the Digital Library. All relevant SOPs, Price Lists, Specifications and ongoing cases will be uploaded to the online system. The company's Past success stories and challenges in the form of real case studies will also be part of the digital library.

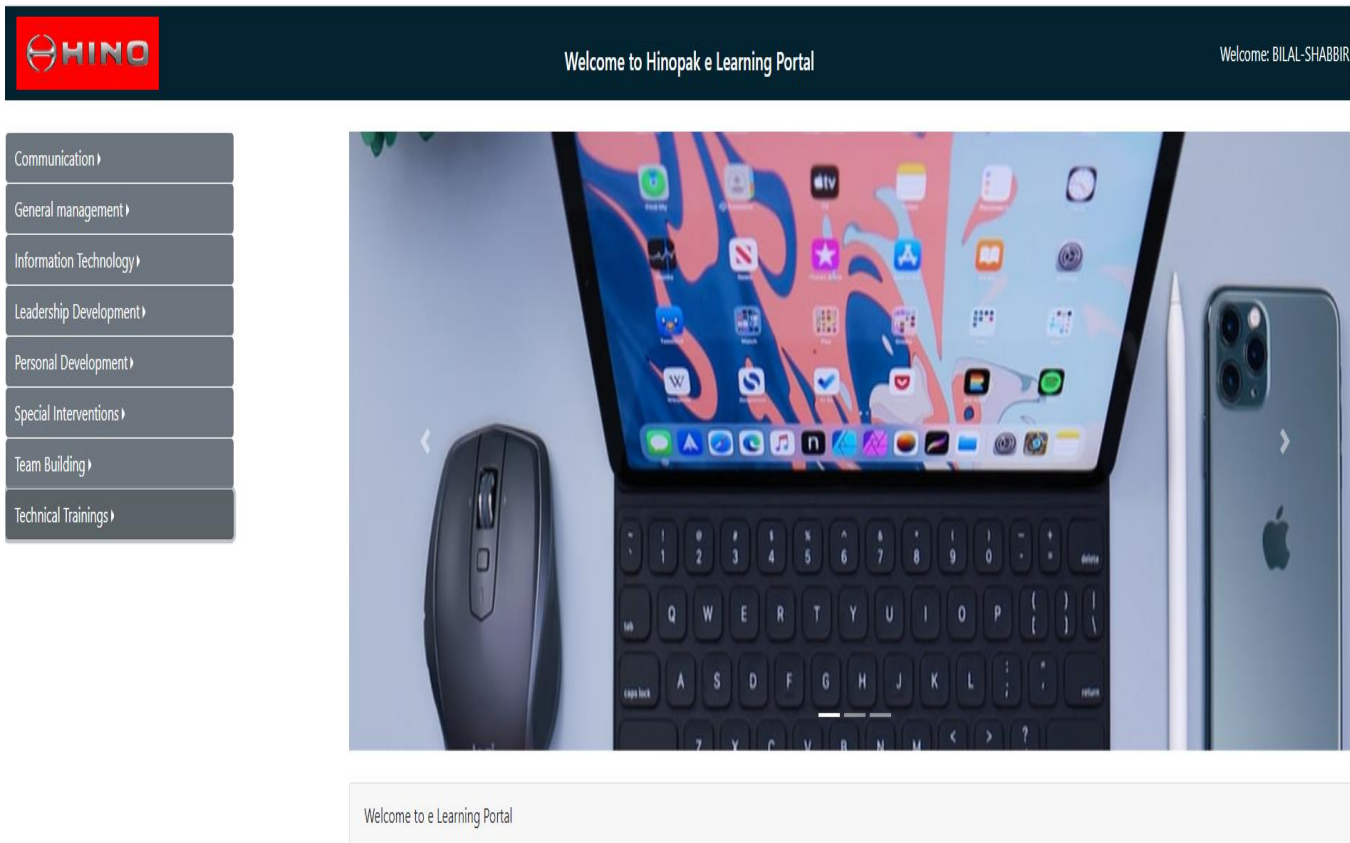


Figure: 10 Screenshot of ongoing E-Learning Portal

Access to the E-Learning Portal will be given to all designated Employees of the Hinopak Sales team and restricted to sales members of the Dealership Network.

To Protect confidential drawings and specifications firewall protection of CISO will be installed on all user systems.

## **8. Solution of GAP # 2: Enhance Company Reach**

**CSI Survey:** CSI Survey follows the customer opinion base model, where customer satisfaction level with the Product is recorded in Black and white Form. Several different questions will be asked related to (1) Specification (2) Lead Time availability (3) Price (4) Satisfaction Level etc. The Final draft of CSI survey is Finalized After that top 50 customers of all major cities will be interviewed. CSI survey has a single-point agenda to increase customer reach & gather precise filtered information about the Target Audience. Field visits Reports generated by Sales Person previously do have not precise questionnaires instead very general or redundant data that could be of no use in terms of marketing planning.

CSI survey was first introduced at Hino Malaysia, future launching of the new model series was based on customer voice and recommendation. These kinds of surveys were helpful for management in the Sales Planning and product Planning Process. Yet few issues were also associated with it. (1) Exaggerated comments or irrational comments by customers. (2) Feedback by non-concerned people who are not key decision-makers. (3) Not Interested in survey questions. While implementing in Pakistan these points were taken into consideration to maintain customer attention and true feedback.

CSI Survey has already been initiated and is planned to record its feedback at the Hinopak digital library for 3 years. Concerning overall sales inquiries, 2.3 % of Sales Inquiries have been received through CSI Survey to date.





At Hinopak, customer is our top priority. Company always welcome, customer's feedback for improvement in our system and product to complete this. Kindly spare some time.

ہینوپاک اپنے کسٹمرز کو ہمیشہ اولین ترجیح دیتا رہا ہے۔ کئی اپنے سسٹم اور پروڈکٹ کی بہتری کے لئے کسٹمر کی رائے کو ہمیشہ خاص اہمیت دیتی ہے۔ برائے مہربانی اپنا قیمتی وقت دیکھتے اور اس فارم کو پُر کریں۔

1. DATE OF LAST PURCHASE, QUANTITY & TYPE OF VEHICLES گازی کی آخری خریدی گئیں تاریخ، تعداد اور قسم

Date of last Purchase of vehicle آخری گازی کب خریدی؟	Quantity تعداد	Bus بس	Truck ٹرک

WHAT FACTORS CONSIDERED DURING LAST PURCHASE آخری خریداری کے دوران آپ نے کن عوامل پر غور کیا

Price قیمت	After Sales Support بعد از فروخت سپورٹ	Brand Image برائڈ	Resale Value ریسےل واپس	Resale Person سیلز پرسن	Technology ٹیکنالوجی	Parts Availability پارٹس کی دستیابی	Others کوئی اور

2. YOUR FLEET COMPOSITION آپ کی فلیٹ میں کون کون سی گازی شامل ہیں

HINO ہینو							
Dutro	FG	FL	SG	FM	AK	FB	Other

4. ATTITUDE & ATMOSPHERE (مطلوبہ جواب پر ✓ کا نشان لگائیں) ماحول اور برہنہ؟

- From where did you purchase vehicle? آپ نے گاڑی کہاں سے خریدی؟  Hinopak  Dealer  Investor
- Office atmosphere افسس کا ماحول  Good اچھا  Average مناسب  Poor بُرا
- Attitude of the sales Manager & Staff سائز اور قیمت بٹلر کا رویہ  Good اچھا  Average مناسب  Poor بُرا

5. VEHICLE DELIVERY (مطلوبہ جواب پر ✓ کا نشان لگائیں) گازی کی ڈیلیوری

- Delivery ڈیلیوری  Early پہلے  On time وقت پر  Delayed دیر سے
- Service & Warranty Information briefing سروس اور وارنٹی کی معلومات کی کوئی  Good اچھا  Average مناسب  Poor بُرا
- Vehicle condition at delivery گازی کی حالت ڈیلیوری کے وقت  Good اچھا  Average مناسب  Poor بُرا

Figure: 11 Final Format for CSI survey.

**Free Newsletter:** GM Sales along with the rest of the Sales team have recommended issuing Hinopak Newsletter for Specific customers in general. This was also the customer voice to get updated information about Plans of Hinopak concerning auto market. (1) New Models with upgraded specifications (2) CSR activates (3) Hinopak Future Business Plans etc. Issuing a Newsletter requires budget allocation which is under process. Content of the Newsletter as well as customer selection will be done based on customer data from customer profiles & customer Lists. The newsletter end user would be (1) Hinopak existing Loyal & concerned customers with regular buying patterns. (2) First-time or a new customer with a sales case about to get mature. Newsletter would be issued to

customers from three segments Institute, Commercial & Investors. TimeLine for launching date is not yet known and may be delayed due to some internal issues.

**Social Media & YouTube Channel:** Hinopak Official Facebook page has already a social media presence where (1) Service guidelines and (2) the Launching of new spare parts like coolant, batteries etc. are available for Public Consumption. This page also keeps active followers up to date about Technical and Social Activities going on at Hinopak throughout the country.

In addition to the Facebook page YouTube channel content creation is already under process where (1) New Model Visuals (2) Promotional videos & (3) Satisfied customer interviews will be shared. A YouTube channel is expected to be created at the end of March 2023. Hinopak Presence on Instagram & Twitter was also discussed both internally between Employees and externally with Customers, but due to the very small existence of a targeted audience, only the Official Facebook Page was chosen.

Rival companies like ISUZU & Master Motors have also a social media presence on Facebook pages. In addition, Promotion of products is done through freelancers and Paid media like Pak Wheels etc. Rival companies continuously follow customers to share Links & content of owned media & paid media. The rival company's YouTube channel is also operated by different freelancers.

**Go to Hino (Call Center):** The purpose of the Call Center with the Name of Go to Hino is to engage every single customer & not to miss any single inquiry received by the customer. Call Center eliminated the Time restriction of 9 to 5 Office timings as it is active 24 hours, as well as long waiting time by customers on UAN Numbers. The call center has been established along with the assistance of Jazz Pakistan for the last year. The Impact generated by Go to Hino is satisfactory as an average of 20 to 25 calls are received per day. All call center data could be shared with Management in the form of a report concerning (1) Call recording (2) Location (3) Precise inquiries on a Daily, Weekly and monthly basis. Regional heads of all areas are responsible for attending calls, in case of a missed call from one person it is automatically diverted to the next designated person. The call center number is pasted on the sold vehicle's driver's door. Not Bulk

orders but since creation pocket of small individual orders was received through call center reference. Approximately 0.83 % of the company's total monthly sales.

Concerning customer satisfaction with the call center or Hino Products. To date, the Hinopak call center is not focusing on customer satisfaction with call center efficiency or Hino product reliability for that purpose (1) Health Inspection & (2) Free Service camps are in place.



آپ کے ہینو ٹرک اور بس کی  
تمام دیکھ بھال کا حل



OUR CUSTOMERS SERVICE  
IS AVAILABLE 24/7

☎ 0304 1114570

Figure: 12 Hinopak Call Center Number

**1S Dealership Concept:** 1S Dealership means Company Authorized Spare Part Shops with a stock of Company spare parts purchased directly from the company in Bulk. 1S Dealer is offered with 5% to 7% Discount on Company spare parts, and specific stock of spare parts is needed to be maintained by 1S dealer. 1S Dealerships not only boost company spare parts sales but are also good tools to increase customer reach. Through past trends, it is established that 1S Dealership improves (1) Product Introduction & (2) Product awareness and overall improves the customer journey toward the Final buying process. The 1S Dealership concept was First introduced by car companies in Pakistan Toyota & Honda and they have several authorized 1S Dealerships in Pakistan, The impact generated by 1S is overall positive for Car Companies. Hinopak is already planning to award 1S Dealerships on an experimental basis to 3 Spare Part Shops. One in the South region, one in the Central & one in the North region. The survey of Interested



Spare Parts shops is already in Process and no final timeline has been decided to award the first 1S Dealership of Hinopak.

## **9. Solution of GAP # 3: Goal Alignment**

**Geographical Allocation:** As previously mentioned in Gap # 3, the strategic misalignment of dealers with Hinopak is due to common customers and operational areas. To mitigate this unhealthy competition, the company is working on precise geographical allocation with clear boundaries of (1) South (2) Central (3) North Region. Customers will be divided between the Hinopak direct sales team and dealerships in Pakistan. All Strategic customers will be directly covered by Hinopak with no dealer involvement. Whereas the majority of commercial customers & investors will be covered by dealers of respective areas (percentage of division will be decided in near future).

To eliminate unhealthy competition among dealers with each other, every dealer is eligible to sell products within its allocated geographical boundary. Hinopak will not provide Price approval in case of violation by dealers. Geographical allocation for dealers is an important fact that Hinopak 3S Dealerships (sale of trucks & Busses) are only available in Major cities (Karachi / Lahore / Islamabad / Peshawar / Multan etc.) and not in small cities. Dealers also can use their influence in their cities rather than other cities. Higher management is directly involved in covering this GAP and hopeful to complete it at the end of July 2023. Customer division and geographical Marking concerning dealers is a challenging process, due to every dealer having its own interests & challenges.

**Online Ordering:** Hinopak MIS Department along with Principal company Hino Japan & OEM Suppliers is working on a Joint Sale and supply chain Ordering Process system. Hino Japan & suppliers will be intimidated & have a clear picture of the inventory required for production by Hinopak through a computerized management system instead of manual quantity estimation. Stakeholders of this ordering system would be (1) Hinopak (2) Hino Japan (3) Dealers (4) Suppliers.

The purpose of this online ordering process is to reduce (1) Price Approval Time due to manual signing and processing (2) the delivery time of imported inventory (3) Local vendor parts. A new Ordering system would be more efficient & Time-saving than manual system. The budget is already approved for the New CMMS System.

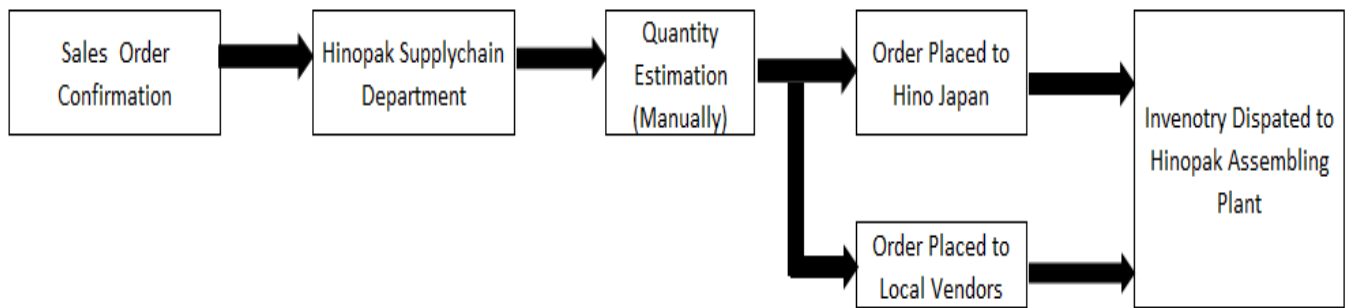


Figure: 13 Old Inventory Ordering Process

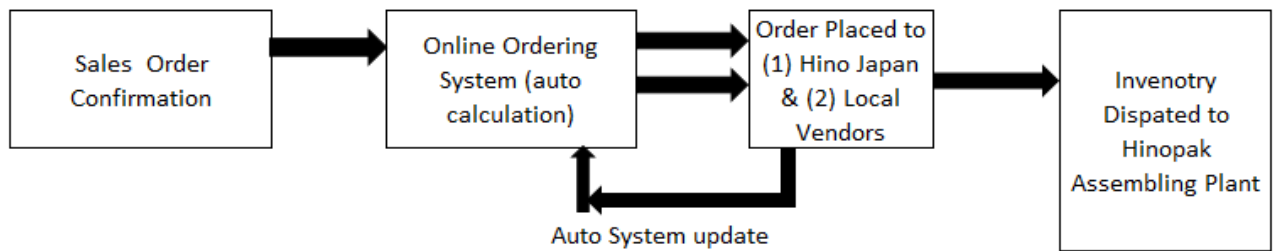


Figure: 14 Online ordering Process

Through auto-generated emails & online approvals, new ordering systems would increase the efficiency of the sales process.

**Principal Warranty Claim:** To Cover GAP # 3 about the warranty claim of Hinopak Products, after serious negotiations with Local vendors & Hino Japan some Progress has been made and the rest will be seen shortly. For Imported Parts, Hino Japan as a Principal Company & Hinopak as a Distributor of Hino has decided that fault that occurred due to poor assembling or processing will be covered by Hinopak, whereas Failure occurred on Imported CKD (complete knockdown) Parts due to material problems or damage while transportation will be covered by Hino Japan.

For Local Vendors with Non-Cooperative Behaviors, suppliers are shifted from local to Chinese & Korean companies for more critical parts like clutch springs & wheel Bearings etc these companies agree to provide warranty claims in case any manufacturing fault occurs. As a Local assembler and to fulfill PEPPRA rules of deletion Program, some less critical items like rubber parts of the interior Body that were previously imported were now purchased locally to fulfill compliance as well as to resolve quality issues and warranty claims. Shifting these suppliers has less impact on the overall price of the product as per financial figures of the Hinopak Finance Department.

**Forecasting:** Holding the cost of inventory is a big challenge for the company hence very limited buffer inventory is maintained by the company.

To cover this challenge Sales Forecasting of very coming every six months is very critical so that inventory ordering can be initiated for a six-month cycle and availability of inventory can be assured. The purpose is to directly utilize inventory for Production instead of storing it at warehouses for a long time which could increase holding costs.

The new sales forecasting Process has already been implemented in the last few months where sales demand is not only predicated by Sales Person but also through industry experts and large Automotive customers to predict future events, government policies that can impact imports, Budget allocation & feedback from Federal Government Planning division.

A recent example was a Flood in the South region of the country where massive damage occurred. Through surveys & other resources it was predicted that the Government would allocate most of its resources

towards rehabilitation of southern parts of the county, hence sale target was reduced by keeping future events under condensation.

As previously mentioned in Organizational Gap #1 sales forecast was largely dependent on salesperson information with less filtered data or brainstorming, A second opinion was rarely considered due to good sales figures, after the lost sales in the last few years' flaws were found in the field sales team where projected sales numbers were not achieved.

For Future Projections (1) CSI surveys (2) Service Camps Data (3) Go to Hino Data & (4) Health Checkup activity will also be merged with Sale forecast to get best Filtered

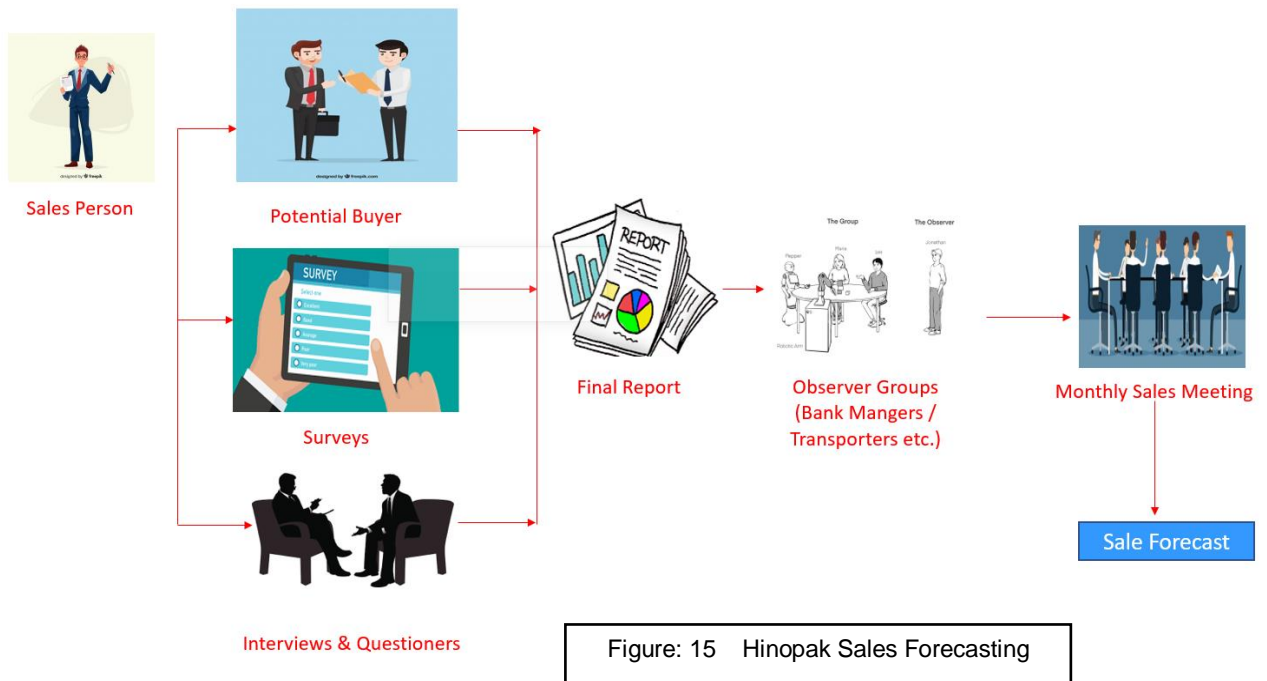


Figure: 15 Hinopak Sales Forecasting

information for informed decision making. Results of New Sales Forecasting Mechanism are not yet disclosed Officially by Hinopak, yet it is continuous means going in the right direction.

The sales team uses both (1) Quantitative & (2) Qualitative methods of forecasting, and after the completion of every Financial Year Forecasting error is calculated ( $\text{Forecast error} = \text{Actual} - \text{Forecasted}$ ), a minimum forecast error is desirable.

Quantitative methods like Oracle and computer software are also used for (1) Trend Projections (2) cyclic

Fluctuation and (3) the Effect of seasonality in parallel with other forecasting methods, but due to (1) Very fewer sales & Production volume & (2) Highly unpredictable market situation (supply chain issues, import shrinking, LC Issues, Flood & other natural disasters etc.). Forecasting error is always on the Higher side in the case of quantitative forecasting.

Through this revised Forecasting Mechanics since May 2022 lost sales have been reduced by up to 13%.

## 10. Timeline for Implementation:

Sr #	Task	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
<b>1 Solution of GAP # 1: Develop Marketing Research Plan</b>																							
1	Free Health Inspection		Plan																				
2	Service Camps																						
3	Extended Warranty																						
4	New Models to Fill Product Gap																						
5	Key Accounts Management																						
6	E – Learning																						
<b>2 Solution of GAP # 2: Enhance Company Reach</b>																							
1	CSI Survey																						
2	Free Newsletter																						
3	Social Media & YouTube Channel																						
4	Go to Hino (Call Center)																						
5	IS Dealership Concept																						
<b>3 Solution of Lost GAP # 3: Goal Alignment</b>																							
1	Geographical Allocation																						
2	Online Ordering																						
3	Principal Warranty Claim: Hino Japan																						
4	Forecasting		Plan																				

Figure: 16 Timeline

## 11. Estimated Budget:

### Estimated Budget (PKR) for GAP # 1: Develop Marketing Research Plan

Sr #	Task	Labor Cost	Material Cost	Other Costs	Total Amount
1	Free Health Inspection	25000	0	5000	30000
2	Service Camps	55000	12000	45000	112000
3	Extended Warranty	8000	50000	0	58000
4	New Models & Product Gap	0	0	0	0
5	Key Accounts Management	350000	0	45000	395000
6	E – Learning	45000	0	0	45000

Total Cost = 640,000 Pkr

### Estimated Budget (PKR) for GAP # 2: Enhance Company Reach

Sr #	Task	Labor Cost	Material Cost	Other Costs	Total Amount
1	CSI Survey	2500	10000	8000	20500
2	Free Newsletter	1200	55000	1200	57400
3	Social Media Presence	15000	0	18000	33000
4	Go to Hino (Call Center)	1000	0	85000	86000
5	1S Dealership Concept	0	75000	15000	90000

Total Cost = 286,900 Pkr

Estimated Budget (PKR) for GAP # 3: Goal Alignment

Sr #	Task	Labor Cost	Material Cost	Other Costs	Total Amount
1	Geographical Allocation	12000	0	15000	27000
2	Online Ordering	350000	0	55000	405000
3	Principal Warranty Claim	0	0	0	0
4	Forecasting	55000	1500	45000	101500

Total Cost = 533,500 Pkr

## 12. Impact of Solutions Recommended:

Sr #	Task	Weightage	Percentage Completion	Challenges Faced
1	Increase in New Sales	20	11 %	(1) R & D Changes for New Models (2) Inventory Management (3) Late Implementation.
2	Retain Existing Number of Customers .	30	9 %	(1) Delayed Sales Department Reorganization (2) Unrealistic Timeline as compared to job nature. (3) Resources availability
3	Boost Customers Satisfaction	20	8 %	(1) Late Implementation (2) Budget Approval Constrains (3) Cost Cutting Policies by Management.
4	Reduce Loss Time in Sales Process	10	1 %	(1) Increase in cost of implementation (2) Timeline for implementation was unrealistic as compared to scope of work.

With respect to implementing solutions start date was March 2022 and End date is April 2023. The above mentioned results are up to results of January 2023 were three months are still remaining.

### **13. Challenges faced Concerning implementation**

While implementing above mentioned solutions internal & external Challenges were face as below:

#### **Internal Factors:**

While implementing the above-mentioned solutions internal & external Challenges were faced as below:

Internal Factors:

- 1) Implementation costs increase concerning estimated costs previously calculated.
- 2) Constraints Budget Approvals from Management due to Financial situation.
- 3) Narrow Timelines for Planning & Execution of solutions concerning the scope of work.
- 4) Procedural requirements & delays from other departments (HR & Finance Policies).
- 5) First time such initiatives were taken on an Experimental Base by the company. So effort towards solutions were more through the “Hit & Trial “method.
- 6) Transfers of some Higher Management (key decision makers) occurred in the last year.
- 7) The expectations associated with objectives and solutions were too high to achieve.

#### **External Factors:**

- 1) Due to Dollar Rate Fluctuation Order Taking & Price Approval was stopped. (2) Due to Import Restrictions caused Blockage of the Raw Material Production Plant was halted for some time.
- 2) Similar economic crises were faced by Local Suppliers of Hinopak that caused delays in the availability of vendor items in Some models.
- 3) Due to the recent Flood in the Country all development Funds allocated for various purchases were diverted to Flood relief activities.
- 4) Slow development in Infrastructure, DAMS etc. Projects also reduce the demand for Logistics supply.
- 5) High-interest rates and inflation rates discourage investors from investing.
- 6) Due to Political Instability government officer’s secretaries & Chief secretaries are reluctant to approve any Future Purchase.
- 7) Due to security concerns outdoor activities were restricted.



## **14. Recommendation for Hinopak**

- 1) Due to the first-time implementation of such solutions, a very High Benchmark was set in Tough Economic Conditions, while making the next action plan experiences of this activity should be kept under consideration.
- 2) Due to Import Restrictions Buffer inventory was not available to keep the production plant running and compensate effects of volatile exchange rates. There is always a discussion about the minimum level of inventory to maintain intruders to deal with supply chain crises.
- 3) Although some of the recommended solutions are implemented some are in process and very few are Pending for an unknown period, to observe true visibility of impact generated by the mentioned recommendations, a less fluctuating environment is desirable where external Factors are under control as (1) Stable Exchange Rate (2) Unrestricted Imports of Raw material (3) Controlled Inflation & Inflation rates. Etc.
- 4) Due to upcoming compulsion & regulatory compliance of the government to control dollar fly out from the county & to control trade deficiency it would be mandatory for all Automotive companies to export automotive products in 2025. Concerning this compulsion, many Local assemblers are Brainstorming to Find new export markets. Hinopak is not an exception, previously Hinopak had exported Busses to UAE & KSA but due to local requirements, international trading was stopped. Today It is High time for Hinopak to explore new export markets to fulfill future regulatory compliance. Proactive Marketing research and planning are required. Middle East, Africa & Afghanistan should be targeted markets in this regard.

## **Abbreviation & Definitions**

- **Hino Japan** ( Parent Company of Hinoapak & other overseas operations)
- **Hinopak** (Distributor and only Authorized assembler of Hino Trucks and Busses in Pakistan)
- **Assembling Plant** (Factory where all components are gathered individually and fixed together to form a single functional product).
- **CKD** (Stands for complete knockdown kit, in automotive terminology product is delivered in parts and assembled at the destination).
- **Dealer Conference** (Yearly gathering of Dealers where dealer performance is presented and dealership agreement is renewed).
- **OEM** (stands for Original Equipment Manufacturer, a company sells a product by its name originally produced by some other company)
- **3S** (A dealership where all three functions are available (1) Sale (2) Spare Parts & (3) Service)
- **2S** (A dealership where only two functions are available (1) Spare Parts & (2) Service)
- **1S** (A dealership where only one function is available (1 Spare Parts.
- **Core Technology** (Licensed product for sale that can be modified independently)
- **Supporting Industry** (Group of industries that supply input to main Product).
- **OPEX** (Stands for Operational expense used for running routine operations).
- **Goal Alignment** (Stakeholders company, suppliers, and customers have a single objective).
- **Sales Margin** (amount of profit made on the sale of a product).
- **Health inspection** (Free inspection of Mechanical and electrical components of Automotive).
- **EDB** (stands for Engineering Development Board, defines Technology specifications for automotive assemblers in Pakistan).
- **OGRA Compliance** (Technology requirements for Automobile companies for transportation of petroleum products).

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**Appendix: A (Pictures):**

**ALL NEW HINO DUTRO 300 SERIES** NEW EURO 3 COMPLIANT

THE EURO-3 COMPLIANT ENVIRONMENT FRIENDLY JAPANESE TRUCK IN PAKISTAN

Driven by our values of Quality, Safety and Environmental Care, Hino Dutro fuel efficient trucks are committed to shaping a better world by reducing carbon emissions.

**HINO DUTRO DESIGNED TO DELIVER**

Hino Pak Motors Limited

**HINO**

ہمیں قدر ہے، آپ کے قیمتی وقت کی

اب گاڑی کی سروس، آپ کی سہولت کے مطابق آپ کے دروازے پر

ہمیں آپ کی سہولت ہے

0304-1114570 (24/7) (دوکان سروس چاہیں ان کا 24/7) (24/7) (دوکان سروس چاہیں ان کا 24/7)

**New Model to Fill Product Gap.**

**HINO**

خیبر اتناق گزرتا اسپورٹ کراچی

اشعار شفیق

★★★★★

میرا Hino ٹرک پر اعتماد تھا دے کیوں کے ان کے ٹرک بہت مضبوط اور پائیدار ہیں اور اس کے علاوہ انہیں بہت ہی کم تنجیٹس کی ضرورت ہوتی ہے کیوں کہ میں باقاعدگی سے اپنے تمام ٹرک کو Hino کے مقرر کردہ ڈیٹریٹپ سے سروس کرواتا ہوں، کیوں کہ مجھے اس بات کا یقین ہے کہ مجھے جتنی پارٹس مل رہے ہیں وہ سروسوں کے باخلاق لوگ آپ کی بات سنتے ہیں اور آپ کے مسائل کو سمجھتے ہیں جس کی وجہ سے ہمیں بروقت اور بہترین مشورہ ملتا ہے۔

**HINOPAK MOTORS LIMITED**

**End User Feedback.**

**Free Inspection Invitation**

**HINO** Hinopak Portal

National Sales

Human Resource

Administration

Total Support

Corporate & Financials

Supply Chain

Production-CAD

Quality Assurance

Sports & Recreation

IT

e for all a

**Online Ordering System (under process)**

## **Appendix: B Sales Margin & incentive for dealer:**

To motivate the company's authorized dealership network, the company is planning to introduce a revised sales margin and incentive scheme. Whereas sales commission will be increased to 2% / unit sale for a dealer who overachieves it's given targets. For all dealers in general the dealers who achieve their normal given targets will also be given a lump sum bonus. This incentive and increase in margin will be implemented in 2023.

## **Appendix: C Annual Dealer conference & sale target:**

The Hinopak dealers conference is scheduled every year in September, all dealers are invited to witness the annual performance of the company & dealers. Dealership



Figure: 17 Dealer conference 2022

agreements are renewed and canceled in case of any misconduct (which rarely happens). New sales targets are awarded concerning each model & customer segment, the best dealer award is announced, and finally, areas of improvement are discussed. Each year sales targets are set between 4 % (lowest) to 8% (Highest). The percentage of targets varies from dealer to dealer. Newly awarded dealers are given low targets until they are established, whereas old dealers are given the highest targets in 2023.

## **Appendix: D Increase in 3S & 2S Dealership Networks:**

Hinopak is planning to increase its existing dealership network starting from 2022, in this regard new potential dealers are under consideration, as per long-term planning of 2027. Eight new dealerships will be awarded at remote locations in Pakistan to increase customer reach. In 2022 one new dealer was introduced in DI Khan. For new dealers Cities includes, where Hino's presence does not exist. Cities include (1) Gilgit (2) Muzaffarabad (3) Mianwali (4) Kallarkahar (5) Abbotabad (7) Hattar industrial Area & (8) Faisalabad.

Long-term planning is an initiative taken to benefit from the Logistics and supply chain activities of CEPC routes. Two new already existing dealerships are also enforced including (1) Peshawar & (2) Quetta dealerships to engage Pak Afghan Trading activities.

Evaluation & Interview Process for interested investors & already existing automotive dealership owners is under process each year 1 to 2 new dealerships will be awarded.

## **Appendix: E Company owned Dealership:**

In 2017 Hinopak experimented first time in the History of the Pakistan Automotive industry to establish a company-owned dealership at Hino Multan. The construction of Hino Multan was started in 2018 and completed in 2020 and has been functional since.

The objective was to grab its presence in south Punjab as no other dealer was available starting from Lahore to Sukkur. Hino Multan had become the center point for Lahore and Sukkur. Also, it had become a model dealership for the rest of all Hino dealerships.

Hino Multan dealership addressed the issue of Lost sales in South Punjab although all provisional head offices are in Lahore (Education, Health etc.) and are key decision makers. Commercial Customers and investors are largely engaged by the Hino Multan dealership.