



Malmö's strategic location gives Toyota good market coverage in northern Europe

## Toyota in Scandinavia's biggest car port

Toyota's car handling hub in Malmö – the size of 70 football pitches, and Scandinavia's biggest car park into the bargain – is the distribution node for cars going to nine markets in northern Europe.

It was in 2003 that Toyota chose to concentrate its distribution of Toyota and Lexus in Malmö. Before that, cars were distributed to various ports in Scandinavia, where after reloading and quality controls they were sent on to end customers in the market in question.

"There were several reasons why we chose to concentrate our business in a joint hub," explains Peter Stern, Toyota Logistics Services Sweden's hub manager. "The first benefit is that a hub creates shorter lead times in our handling. It is also a matter of cost, as deliveries to one and the same port can be carried out more cost-effectively."

"Quality was another important parameter," says Koen Vandersteegen, Regional Manager, Vehicle Logistics at Toyota Motor Europe. "When the cars were delivered to several ports we were dependent on various local partners, making it harder to control and audit the quality work. With a joint hub you can standardise this work and ensure that the quality is high and consistent."

Toyota's striving for standardisation has made the company famous – chiefly through Toyota Production Systems, where the Lean concept is well known. Koen Vandersteegen emphasises that the same view of efficiency, value creation and constant improvements now characterise Toyota's distribution philosophy and its measures in the field of transportation and logistics.

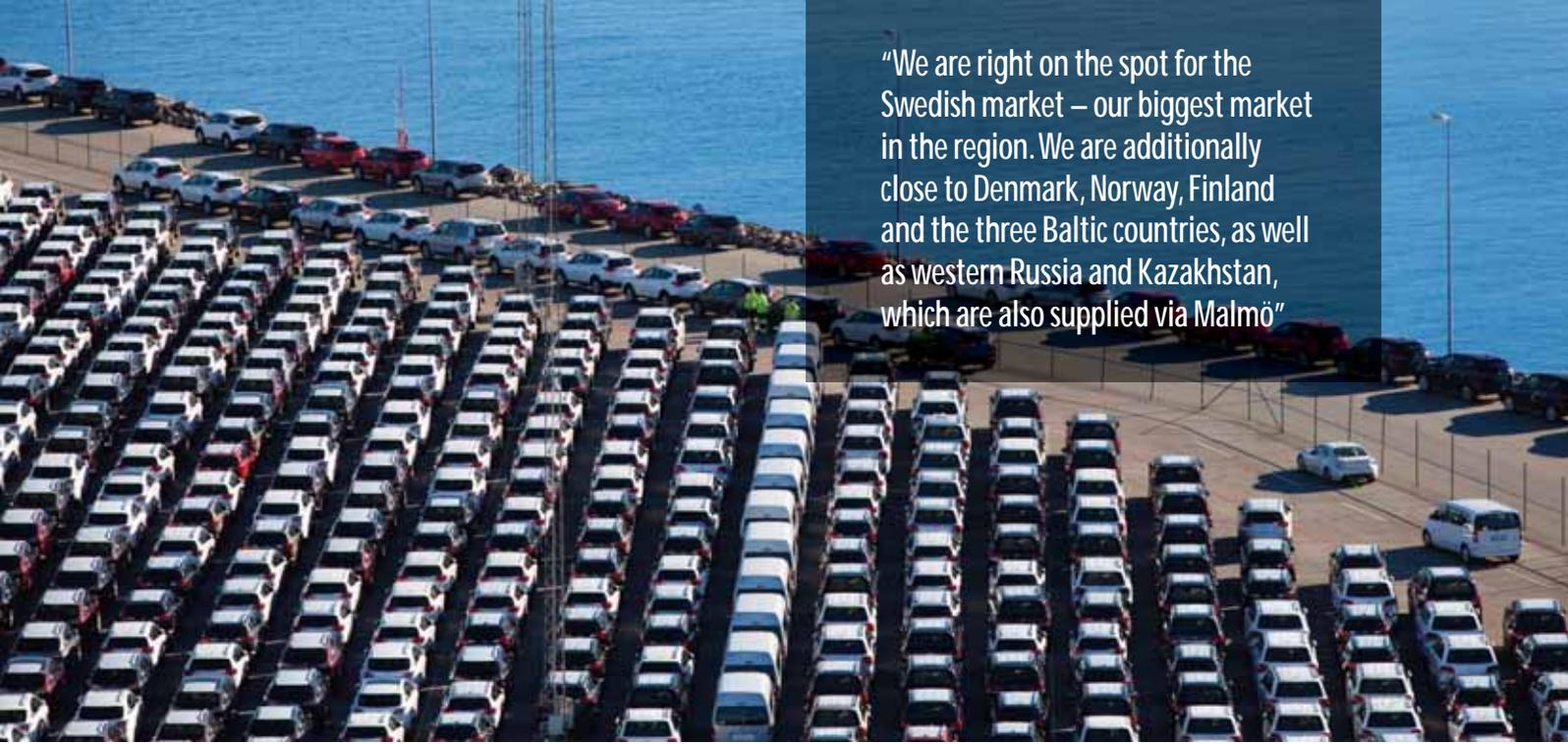
"One of the main aims of these measures is a high level of delivery reliability. This means that in its dealings with the end customer the car seller will be able to guarantee a definite delivery day for cars from Toyota," says Peter Stern.

### Efficiency and quality

The logistics network of which the Malmö hub is part starts from ten or so car factories all over the world, and ends with the 270 retailers in northern Europe. The cars are shipped to Malmö from Japan, and they also come from factories in Europe, e.g. in Britain, France, Turkey and Portugal.

When they have arrived they are reloaded for final transportation, as well as for a quality inspection known as the Pre-Delivery Inspection, which involves local adaptation regarding registration plates, manuals etc.





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"Standardisation comes into play here, allowing us to ensure high quality in every aspect of our work during the final stages before the cars reach the customers," says Peter Stern.

Toyota's decision to establish its hub in Malmö in part goes back to the port's strategic location, which gives Toyota good market coverage in northern Europe.

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A well-developed infrastructure is another obvious requirement on Toyota's part. In Malmö, CMP (Copenhagen Malmö Port) offers trimodal logistics solutions, whereby goods can easily be transloaded between boats, trains and trucks. Toyota benefits from the train connections, allowing cars to be sent on to retailers in Swe-

den every day. For the markets in Finland and the Baltic countries the cars are loaded onto smaller vessels for onward transportation to local ports.

"For us, access to big spaces is also important when a hub is established," says Koen Vandersteegen by way of conclusion. "And last but not least the staff are important. They have to be knowledgeable and experienced when it comes to unloading, loading and other services – in short, they must be specialists in car handling!"

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