

CASE STUDY

AT THE SHARP END OF SUSTAINABILITY



When Julianne Furman set up Polydesign Systems car component factory in Morocco 25 years ago, the country was largely absent from the automotive industry's mental map. Today, as manufacturers reassess where and how they source components, that early decision looks like a clever strategic move.

Furman, the company's general manager, says supplying European car giants from North Africa required more than competitive pricing. "The key was convincing them to come and see, touch and hear what we do," she says. "Once they came to see us, everything changed."

Over time, customers such as Volkswagen, Ford and Porsche came to view Morocco not as a risk but as a reliable extension of their European supply base. That shift has accelerated since the pandemic.

The collapse of just-in-time orthodoxy, trade tensions and labour shortages across Europe have exposed vulnerabilities in the continent's network of mid-sized component manufacturers. "There's a very integrated market that's beginning to fall apart," Furman says. "We will never go back to the world we had pre-Covid."



Polydesign, which designs and manufactures seats and interior trim parts, closed three plants in Bulgaria and transferred production to north Africa to overcome staffing issues. While many European manufacturers struggle with absenteeism and ageing workforces, Morocco continues to offer scale and stability.

However, policy volatility has added another strain. Like many global car brands and their suppliers, Furman is frustrated by Europe's rapid regulatory push towards electrification: "Everyone retooled for electric vehicles but the expected demand did not materialise".

The EU has led the way on environmental legislation but recently relaxed some of the toughest rules, such as banning petrol and diesel cars from 2035.

However, Furman says that car manufacturers are acting as if nothing has changed. "We still have to submit the carbon footprint for parts when we submit our price, which means that preparing a proposal now takes 20% longer."

Those frustrations are reflected across the automotive landscape, which is now littered with bankruptcies, forced acquisitions and growing pressure on suppliers to finance tooling and development upfront. "We're not a bank but having cash is now a competitive advantage," she says.



Looking ahead, Furman expects consolidation to intensify. Mid-sized suppliers, she believes, may be better positioned than heavily leveraged larger rivals because they are able to innovate and bring new parts to market more quickly.

Polydesign has made the most of its move to Morocco but success brings new risks. Chinese suppliers are investing heavily nearby, attracted by trade access to Europe and the US.

For now, Furman remains cautiously optimistic. “We’re in the right place,” she says. “That doesn’t mean it will be easy – but it gives us a good chance.”

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Julianne Furman
General Manager
Polydesign Systems

