

Honda Motor Co., Ltd.

Integrated Infrastructure Effortlessly Links Honda and Global Suppliers Smooth Transfer of Large CAD Data



Service: Enterprise Cloud
Biz Storage File Transfer



Mr. Mikiya Fujita
Manager
System Service Division
Global Master Management Department
Honda Motor Co., Ltd.

“With seamless global service, the strength of NTT Com, we achieved a globally standardized supplier network system, along with faster product development, procurement, and production.”

Company Profile

Name: Honda Motor Co., Ltd.

Address: 2-1-1 Minami-aoyama, Minato-ku, Tokyo

Capital: ¥86 billion (as of March 31, 2014)

Number of employees: 198,561 (consolidated), 23,467 (nonconsolidated) (as of March 31, 2014)

Business: With the slogan “The Power of Dreams”, Honda promotes development of products and technologies that are useful for our lives and dreams. In addition to the development of cars, motorcycles, and similar products, Honda has been actively pursuing new business areas such as the development of bipedal walking robots and small jet airliners.

URL: <http://world.honda.com/>



Challenges

- Creating a globally standardized method of moving large data such as CAD
- Realizing a flexible supplier network for business continuity even in emergency situations

Solution

- Utilize NTT Com’s global datacenters and expansive network
- Leverage NTT Com’s fast, secure transfer service for smoother data movement

Benefits

- Shorten product development with an infrastructure for fast design data transfers
- Lower total data transfer costs by 30%

Challenges

Nonstandard data transfer protocols. Some suppliers used traditional mail service
Needed to transfer a large amount of design data more quickly

Honda produces and sells automobiles, motorcycles, agricultural equipment, snow throwers, outboard engines and other products globally. They excel at making “products that exceed customers’ expectations” and to do so, it is essential to develop products that foresee customer needs and to build a global supply chain that provides them quickly.

“We develop our products globally with the aim of meeting varying local needs,” says Mr. Mikiya Fujita of Honda.

However, Honda was having issues establishing smooth collaboration with suppliers spread around the globe. When developing a new product, Honda’s product development team would first draw up a new mechanism, for example, and then the design would be passed on to suppliers. The suppliers would produce a prototype for mass production in 3D CAD and return it to Honda. Throughout parts testing and production, these large data files had to be sent back and forth.

There are supposedly between 20,000 to 30,000 parts in a car. Each part requires this kind of back and forth of data, and conventional exchange methods vary from region to region. A data transfer service was used in Japan and Thailand, but other regions used other media, mailing paper copies, and other methods.

“Mail could take up to a few weeks to be delivered, and it was affecting the speed of product development,” says Mr. Fujita.

This difficulty in sharing data across regions was causing issues in the flexible selection of suppliers for their global network to ensure stable supply lines.



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“At the time of the earthquake and tsunami in northeast Japan and the flood in Thailand, both in 2011, many suppliers were unable to operate, which had a huge impact on our production. We not only need to procure parts at optimum cost and speed during normal business operations, but in times of natural disasters as well, we need a global network of suppliers we can work closely with,” says Mr. Fujita.

Solution

Take advantage of a service area covering the globe
 Craft an integrated infrastructure to leverage that global environment

To solve this issue, Honda began developing an integrated infrastructure to facilitate supplier cooperation called the Global Supplier Network (GSN) with NTT Communications (NTT Com) as a partner.

It was absolutely categorical that GSN have highly reliable datacenters and a fast and stable global network to ensure smooth cross-regional transfers of gigabytes of data.

“NTT Com boasts global network and provides datacenter services all around the globe. We were impressed with their globally standardized ICT infrastructure and their 24-7 helpdesk services,” says Mr. Fujita.

NTT Com also provided an integrated portal to manage the data transfer service and supplier information. Instead of creating a completely new system, GSN was put in place quickly and efficiently by utilizing NTT Com’s global platforms, such as the Biz Storage File Transfer service and Enterprise Cloud.

Measures to reduce data transfer time across regions were also taken, says Mr. Fujita. “Let’s say a design engineer in Southeast Asia sends data to a supplier in North America. If the supplier

has to access a datacenter in Singapore via the internet to obtain the data, it takes a relatively long time. To counter this problem, we connected the datacenters to a backbone network which takes advantage of NTT Com services to swiftly transfer files between them. Anyone accessing the data will automatically be connected to the nearest datacenter as indicated by their registered ID.”

Benefits

Network will eventually link 10,000 suppliers
 Drastic reduction in data transfer costs

GSN was completed in just 10 months, with datacenters in Japan and Singapore connected to the system, and it has been so successful that Honda plans to expand it by linking datacenters in Thailand, the UK, North America and other areas for even more global convenience, says Mr. Fujita

“We expect that 5,000 suppliers will be using this system within a couple of years, a number that will eventually double.”

Biz Storage File Transfer has a convenient function that automatically restarts downloads in progress when connected, as well as security features such as one of the most effective data and communication encryptions available.

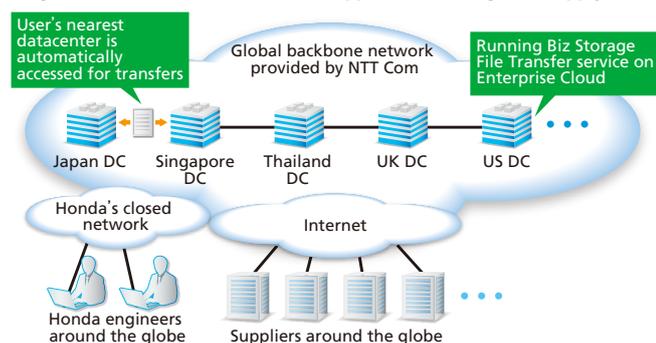
“Design data is a very important proprietary asset that supports Honda’s competitiveness. Security is an absolute imperative. However, when dealing with Chinese companies, we have to unencrypt data for legal reasons. This flexible service enables users to easily encrypt and unencrypt data for efficient data transfers,” says Mr. Fujita.

The system has also been effective in reducing costs. With the previous system, a fee was charged for each ID registered, so suppliers had to take on an additional cost burden, but GSN solved this issue with a flat fee.

“Overall operational costs for data transfer, including the costs incurred on the supplier side, have been reduced by about 30%.”

As GSN keeps detailed records about each supplier, including cost estimates, it allows unified management and for designers to choose appropriate suppliers through the portal. Honda intends to optimize its supply chain with the evolution of GSN and NTT Com will continue to support their efforts to create new products and technologies.

Diagram: Data transfer service that supports Honda’s global supply chain



Honda engineers and suppliers are able to freely exchange design data globally. Connecting datacenters with a backbone network, users can access the nearest datacenter for fast data transfers.