

Honda case (chapter 3) – strategic management



Managing Innovation and Technology Course Homework: The Honda Case – Chapter 3 The Honda Case 1. Are hybrid electrical vehicles a radical innovation or an incremental innovation? Are they competence enhancing or competence destroying, and from whose perspective? How would you answer these questions for fuel cell vehicles? Hybrid electrical vehicles are an incremental innovation.

In the perspective of customers and some companies who support the concept of hybrid vehicles, they are competence enhancing while in other perspective of those companies who are not supporting the concept of hybrid vehicles, they are competence destroying. For fuel cell vehicles, they are a radical innovation. From the perspective of the companies who make the batteries and the customers who want to save more money, they are competence enhancing.

However, from the perspective of the companies involved with the production of petroleum and who do not support the concept of fuel cell vehicles, they are competence destroying. 2. What factors do you think influence the rate at which hybrid electric vehicles are adopted by consumers? The factors I think will influence the rate at which hybrid electric vehicles are adopted by consumers are gas prices, environmental issues, the cost to purchase hybrid electric vehicles, and the possibility of new and better technology to come like fuel cell vehicles. . What would be the advantages or disadvantages of Honda and Toyota using the same engine standard? An advantage of both Honda and Toyota using the same engine standard would be the ability to improve the hybrid electrical vehicles by learning for the each other's successes and failures and having the brain

power of the engineers for both companies working to develop and make the best product. The competition could also help keep prices down and save the customers money.

One disadvantage is that it would limit the development of new and better technology for the future if they are both focused on the same engine standard. 4. Is Honda's strategy of producing a different engine standard than Toyota and not collaborating or licensing to other automakers a good one? What would you recommend? There are different perspectives on the strategy Honda chose to produce a different engine standard than Toyota and not collaborate or license to other automakers.

Honda has been successful in the auto industry and perhaps it is a good idea so that they can set themselves apart from their competitors however, Honda remains a small automaker compared to their competitors and if they chose to collaborate and license to other companies, perhaps they could be a bigger more successful company. I would recommend that they collaborate and license to other automakers because I think it would help them to become more successful than they currently are. 5. Why do you think Honda is simultaneously developing hybrids, diesel, natural gas, and fuel cell cars?

Should Honda pick one upon which to focus its efforts or is it important for Honda to pursue synergies (and preserve its options) by developing and promoting multiple technologies? I think Honda is developing different technologies simultaneously because they want to keep up with their research and become a leader with new technologies and be able to develop vehicles for the future that are considered good for the environment. I think

Honda should pick one technology, fuel cell cars, to focus on and put their efforts towards.