

Company background history of honda motors



**ASSIGN
BUSTER**

Honda Motor Co., Ltd, Japanese Multinational Corporation, known as a manufacturer of Automobiles and Motorcycles, was found on 24th September 1948 by Mr. Soichiro Honda and Mr. Takeo Fujisawa. Honda in Japanese literal meaning is root field or origin field. Mr. Soichiro worked as a mechanic at Japanese tuning shop, Art Shokai, since in his young age. Then in a self-taught engineer, he designed his first drafts of piston design and sold to Toyota, but it was rejected. Because of shortage of gasoline during World War II, he was not able to develop in producing the car. After that he established The Honda Technical Research Institution in Japan of small engine for 2 bicycles. And his first motorcycle was Honda Cub; first automobile was T360 mini pick-up truck.

PRODUCTS & BRAND

Automobile

Honda's global lineup consists of the Fit, Civic, Accord, Insight, CR-V, and Odyssey. An early proponent of developing vehicles to cater to different needs and markets worldwide, Honda's lineup varies by country and may feature vehicles exclusive to that region. Moreover, Honda entered Formula One as a constructor for the first time in the 1964 season at the German Grand Prix with Ronnie Bucknum at the wheel. Some of Honda vehicle models are 2000-2006 Honda Insight (53 mpg-US/4. 4 L/100 km; 64 mpg-imp combined), 1986-1987 Honda Civic Coupe HF (46 mpg-US/5. 1 L/100 km; 55 mpg-imp combined), 1994-1995 Honda Civic hatchback VX (43 mpg-US/5. 5 L/100 km; 52 mpg-imp mpg combined), 2006- Honda Civic Hybrid (42 mpg-US/5. 6 L/100 km; 50 mpg-imp combined), and 2010- Honda Insight (41 mpg-US/5. 7 L/100 km; 49 mpg-imp combined).

Motorcycles

Being the largest motorcycle manufacturer in Japan, Honda started its production in 1955. Honda reached its peak in 1992 for manufacturing almost 3 million motorcycles annually. By 2006 this figure had reduced to around 550, 000 but was still higher than its three domestic competitors. Honda also appeared in the Motorsports called Honda Racing Corporation (HRC) in 1982. The company combines participation in motorcycle races throughout the world with the development of high potential racing machines. Its racing activities are an important source for the creation of leading edge technologies used in the development of Honda motorcycles. HRC also contributes to the advancement of motorcycle sports through a range of activities that include sales of production racing motorcycles, support for satellite teams, and rider education programs. Some of Honda Motorcycles Models are Honda CD 70, CD 100, and CG 125. (<http://en.wikipedia.org/wiki/Honda>).

Power product & Engine

The company started engine production in 1953 with H-type. Honda power equipments reached record sales in 2007 with 6, 4 million units. Its quality completes line of generators for commercial and consumer applications. All Honda Generators meet or exceed EPA (Environmental Protection Agency) emission standards. Some of Power Equipments are EU1000iA, EU2000iA Camo, and EU6500iSA. Honda is also the world's largest manufacturer of engines and has earned its reputation for unsurpassed quality, performance and reliability. The purpose engines are designed to meet or exceed the

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demands of the customers through advanced engine technology, quality components and state-of-the-art manufacturing facilities throughout the world. Honda Engine Products are GC160, GCV160, iGX340, and iGX440.

Robots

ASIMO is a robot developed under Honda's Research & Development robotics program. It is the eleventh in a line of successive builds starting in 1986 with Honda E0 moving through the ensuing Honda E series and the Honda P series. Honda has also pioneered new technology in its HA-420 HondaJet that allows new levels of reduced drag, increased aerodynamics and fuel efficiency thus reducing operating costs. (<http://en.wikipedia.org/wiki/Honda>).

SWOT TABLE

Strengths

- **High and powerful research and development R&D**
- **Innovation**
- **Best market share leadership**
- **Strong and powerful brand equity**
- **Different and unique products**
- **One major strength is the revolutionary engine technology with the help of which Honda is gaining success day by day**
- **Popularity is termed as one of the best strength which results in betterment for the company**

Weaknesses

- **Cost structure of Honda is high as compare to other automobile manufacturers**
- **Apart from Nissan & Toyota, Honda requires privileged purchase deposit**
- **Honda focus more on international deposits as compare to domestic deposits**
- **Civic model is consider as one of the major weakness for Honda Company**
- **Honda products are termed as inoffensive in terms of style and design**
- **Prices for non-luxury vehicles are far high as compare to other manufacturers**

- In truck line, Honda Company is not offering strong products and proposals

Opportunities

- Honda has the best opportunity to use its R&D in producing cars according to the needs and demands of their customer. This is only possible because of the increase in demand for less pollution cars.

- Emerging market is one of the best opportunity for this company

- Various models are there which caters the lower segment

- Fuel efficiency is now a days termed as one of the best opportunity which can results in the best productivity for the company

- Alliances are the best opportunities for Honda Company

- Honda can increase its production by focusing on sales and research

- They can gain more popularity by doing better research and development

Threats

- One of the major threat is the economic slowdown

- All the external changes for instance taxes, politics as well as government are the major threats for Honda Company

- Another threat is the lower cost competitors

- Price war is also consider as an important threat for this company

- **Oil prices are contributing a lot towards the loss of Honda company**
- **Second movers are the major threat for Honda company**
- **Substitute products are the major threats for the Honda company**

EMPLOYMENT & SUBSIDIARIES

Business of Honda Motor Co., Ltd are Automobiles, Motorcycles, Financial Service and Power products. According to fiscal report in 2006, around the world this company employed 144, 785 employees. 28, 783 employees worked in Motorcycle Business field. 105, 623 employees worked in Automobile Business field. 1, 921 employees worked in Financial Service Business field. And 8, 458 employees worked in Power Product and Others Business field. Its head office is located in Tokyo, Japan. It contains many subsidiaries around the world such as Europe (UK, Spain, Germany, Belgium, France and Italy), Asia (Japan, China, Taiwan, Thai, Vietnam, Malaysia, Indonesia, India Pakistan, and Philippine), North Africa (USA, Canada, and Mexico) and others (Brazil, Turkey, Australia, and New Zealand). Due to net sale report in 2007, regularly income of Honda in Europe is 1, 236, 757 million yen, 5, 980, 876 million yen in North Africa, 2, 964, 344 million yen in Asia, and 905, 163 million yen in others. Sale report chart in 2007 category by region:

COMPETITOR

There are many competitor of the company. Automobile: Mitsubishi Motors, Nissan, Auto sale (Chevrolet), Camco Motor (Hyundai), Lexus, Mercedes, Toyota, Kia Motors and RM Asia (Ford). Motorcycle: Yamaha and Suzuki.

III. COMPANY STRUCTURE

STAFF MOTIVATION

Honda motivation system provide as below:

- + Training course for specific skill to abroad: staffs need to work for the company at least two year after coming back
- + Annual increasing salary: evaluation staff (A= 15%, B= 10%, C= 5% of their current salary)
- + Annual bonus: evaluation staff (A= 100%, B= 85%, C= 75% of their current salary)
- + Insurances: health insurance and life insurance
- + Disability: non discrimination
- + Paid time off (Overtime paid)
- + Retirement plan
- + Provide associate and their families

IV. MANAGEMENT STRUCTURE

Honda is multinational company. It integrates itself into many part of the World in many different forms of management to adapt to the real environment. This flexible management style allows Honda to gain great benefits from their investment. Moreover, through this system of glocalization, Honda is still a strong company among its competitors.

V. FINANCIAL STATUS

Financial report

Honda Motor Co., Ltd., and Subsidiaries

Years ended March 31 2009

(<http://khuram.synthasite.com>)