

ANALYTICS

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Honda undergoes a digital transformation



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Tsutomu Ogawa, Chief Engineer, Data Analysis & Utilization Section, Honda

Once-in-a-century period of change

With annual sales of nearly Yen15Bn (US\$144.6M) from 28.83 million units, Honda is a true giant of the automobile industry. Consisting of 430 companies, Honda Group employs over 200,000 people in the design, manufacture and sale of two and four-wheeled vehicles. It also has a Life Creation Center covering new business areas such as power products, cultivators, outboard motors and aircraft engines.

Automobiles are its main business and with new trends such as electric and self-driving vehicles, Honda needed a way to capitalize on this once-in-a-century period of change. It wanted to create new value by putting data to work in ways that could provide innovative support to its operations, enabling it to streamline the business companywide and to provide next generation services.

An initial step was to establish a digital transformation supervisory unit to maximize customer value and optimize the value chain of its existing business lines. The unit has a value creation department that is working to provide new value through data utilization.

To support this initiative, Honda had already deployed an integrated business intelligence (BI) platform but needed a solution that would be easier for data scientists to use.

“In order for us to be able to quickly gain clearer insights once we had understood the data, we needed an environment that was excellent at visualizing things,” says Tsutomu Ogawa, Chief Engineer in the Data Analysis & Utilization Section of the Value Creation Department.

Solution Overview

Customer Name

Honda

Industry

Manufacturing

Geography

Tokyo, Japan

Function

Sales, Supply Chain Management

Business Value Driver

Reimagined Processes

Challenges

- Capitalize on important changes taking place in the automobile industry
- Streamline business processes and provide next generation services
- Gain clearer insights from data analysis

Solution

Honda is using Qlik Sense and QlikView to streamline business processes and establish a companywide data culture.

Results

- Reduced production costs, more efficient business operations
- Created companywide data culture with thousands Qlik users
- Prepared materials from months to a single day



Increased ability to gain data insights

Honda originally implemented QlikView then implemented Qlik Sense with the help of Qlik's partner, Ashisuto.

Ogawa explains, "There are many BI tools available that simply use SQL. What we thought was efficient about Qlik Sense was the fact that it is not a BI tool that simply guides you through information. Instead, it is self-guided BI which increases your ability to gain insights from data. We also liked the way it first considers how data is structured before it compresses the data.

"One of the things we appreciated most about Qlik Sense was the fact that we would be able to improve the environment by ourselves, without needing to ask the IT department to help. We would be able to structure it just the way we wanted, so in that respect Qlik is typical 'shadow IT'. Its philosophy is open and its back-end is open-source, so we would be able to link it to systems any way we wanted, and that was important in order for us to be able to analyze data fast."

Fostering a companywide data culture

Initially, the Qlik tools were used by 400 Honda staff in the data analysis and utilization section but such was their value that, along with Qlik's enterprise reporting capabilities, it is now used by thousands of Honda employees, companywide. The company is also taking advantage of Qlik educational support to foster a corporate culture of data utilization. Although Qlik started off at Honda as a 'shadow IT' product that was used primarily by individual departments, it has now become widely recognized as a valuable companywide IT solution.

"The older staff here, the ones who have some successes under their belt, place a lot of importance on experience, instinct and gut, but when it comes to the younger staff, who have little experience, or when it is a question of taking on something that is new, data must be used to make up for what's lacking," says Ogawa. "That is why we need to establish a culture where everyone is able to put data to work, and we need to present environments and tools that make data easy to understand. That is where Qlik solutions play an important role, enabling data literacy amongst our employees."

The company is putting Qlik to work in various ways, such as carrying out root-cause analysis of sales situations by combining multiple data sources. It is used to analyze the occurrence of quality problems and third-party evaluations in collaboration with social media, and also for analyzing Honda's positioning on various factors including performance reports.

In addition, Honda has combined Qlik solutions with IBM's Watson AI platform to create a robot for natural-language analysis and recommendations. The robot responds to questions regarding information that is likely to have an impact on the number of cars sold, and the analysis needed to formulate the answers is carried out by Qlik.

Noritoshi Yoneyama, Assistant Chief Engineer in the Data Analysis & Utilization Section, says: "Qlik solutions first turn raw data to analytics-ready data, making it actionable and offering new perspectives that quickly lead to actionable insights, and I think this makes them very powerful products. It would be completely unrealistic for us to try to create this environment using only tools like R and Python."

"What people need will vary depending on what department they work for and what task they are working on. Some people are creating things, others are analyzing things in depth and yet others are putting to work the information obtained, but one thing that's good about Qlik is that it works very well when used in different ways. This is really valuable when we are carrying out discussions based on results people have realized."

Qlik has helped make business operations more efficient. Operational departments appreciate the way Qlik solutions help reduce production costs for written materials; for example, customer questionnaire reports are printed in groups of about 50 and formerly had to be created individually, but thanks to Qlik they can now be updated and checked on a single sheet. Likewise, automobile planning materials that formerly took a month to create can now be produced in a single day.

Ogawa concludes, "To create citizen data scientists you need to increase literacy and we want to use Qlik solutions to foster a companywide culture where data can be put to work."

The keys to success



1

day to create planning materials
that previously took a month



50

reports now condensed
into a single sheet

“Qlik solutions first understand the data and then organize it, offering new perspectives that quickly lead to insights, and I think this makes them very powerful solutions.”

Noritoshi Yoneyama, Assistant Chief Engineer, Data Analysis & Utilization Section, Honda



About Qlik

Qlik transforms complex data landscapes into actionable insights, driving strategic business outcomes. Serving over 40,000 global customers, our portfolio leverages advanced, enterprise-grade AI/ML and pervasive data quality. We excel in data integration and governance, offering comprehensive solutions that work with diverse data sources. Intuitive and real-time analytics from Qlik uncover hidden patterns, empowering teams to address complex challenges and seize new opportunities. Our AI/ML tools, both practical and scalable, lead to better decisions, faster. As strategic partners, our platform-agnostic technology and expertise make our customers more competitive.

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