

## *Chapter 9*

# **The Honda Way: An Innovative Approach to Management and Production**

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The Honda Way. These three words represent not only a successful approach to management, but also a new way of doing business. The Honda Way is well understood by many within the Honda organization, but is not always easy to explain to others. Some understanding of the Honda Way can be achieved by returning to the beginnings of Honda Motor Co., Ltd., in 1948, and its founder, Soichiro Honda.

## **Toughest Challenges**

From the beginning, Honda's successes can be attributed to a philosophy of seeking out the toughest challenges and applying creativity, innovation, and imagination to solve them.

It was a tough market that Soichiro Honda entered in 1948. Japan was starving for transportation, and no less than 248 competitors sought to meet the need. Like most of his competitors, Honda purchased 500 small, single-cylinder engines and adapted them as auxiliary power for bicycles. But unlike most of his competitors, Honda believed technology held the key to Japan's future and sought a way to improve his products.

In the fall of 1949, Honda introduced a lightweight 50cc motorcycle. At 3.0 horsepower, it was more reliable than the competition and had a superior stamped metal frame. In 1951, Mr. Honda turned to technology for a breakthrough four-stroke engine design that doubled the horsepower of his previous engine while being quieter and more reliable as well.

The success of this four-stroke model propelled Honda to first place among Japanese motorcycle manufacturers, allowing Mr. Honda to pursue his life's passion – building and racing high-performance motorcycles. Through perseverance and continued application of ideas and technology, Honda met with success, not only in winning races, but in the development of vastly more efficient engines.

Honda's experience on the track led to the development of one of the world's most efficient engines for street motorcycles – the 50cc Super Cub model. The Super Cub was a dramatic success, both in Japan and worldwide. Production reached 3,000 per month in only six months, proving the value of innovative design and quality production.

## **An International Viewpoint**

Honda was not then, and is not now, a typical company. In 1954, when Honda was only six years old, the company adopted an international viewpoint. Honda dedicated itself to supplying products of the highest efficiency at a reasonable price for worldwide customer satisfaction. This international viewpoint remains the cornerstone of Honda today.

Honda sells its products all over the world. Our competition is in Germany, Italy, Japan, and Korea as well as other countries. Our products are made to compete in world markets. Thus, it is events in