

Honda's Ohio Suppliers – Partners in Continuous Improvement

A Look Beyond the Numbers

As part of its commitment to meet local needs, Honda's philosophy is to "build where we sell and buy where we build." As a result, Honda's relationship with its network of local suppliers is a critical partnership.

When Honda began producing a single line of motorcycles in 1979, parts came almost entirely from Japan. Today, nearly all the parts that go into Honda products are purchased domestically. Honda now has 175 Ohio suppliers among the 620 who supply all of Honda's North American manufacturing. Ohio companies supply \$6.8 billion in parts and materials annually – more than half of all North American Honda purchases – and represent 70 percent of the company's purchased costs.


Clearly, Honda and its suppliers must work closely together to meet challenges and focus on providing customers with products that have exceptional quality and value. Simply put, Honda's current and future success depends on the success of its supply base. And while this focus is likely true of all manufacturers, the Honda approach to suppliers is different. The traditional approach of manufacturers is to negotiate with suppliers on price alone. Honda takes a different approach by focusing first on cost. By understanding cost, Honda can help suppliers take cost out of their processes and become more competitive.

However, this fundamental difference in approach would not be possible if Honda did not also focus on another key difference – building a working partnership with suppliers.



Grove City has a part in making what the world drives.


Congratulations to Tigerpoly Mfg., Inc.



Honda of America Mfg. is proud to honor Tigerpoly Mfg., Inc. with our prestigious Productivity Improvement Award for outstanding performance over the past year.

Tigerpoly Mfg., Inc. supplied air ducts are part of our Ohio-made Honda cars sold in America and in more than 60 countries around the world.

World-class excellence made in Grove City.



Reducing costs sometimes means going to the supplier's business and examining each step of the manufacturing operation. It sometimes means working directly with suppliers to re-engineer their manufacturing processes. Few suppliers will let companies this far into their business if they think the information will be used to take advantage or get a better price from their competitors.

Honda suppliers have embraced this approach and view the relationship as a true partnership. In fact, Honda is consistently ranked near the top of manufacturer-supplier relationship studies because the company is intent on sharing the success and benefits with its suppliers and is committed to working to develop them even as it continues to stretch them to meet continuously higher standards. Honda recognizes supplier achievements at its annual North American Supplier Conference and shares this recognition with its suppliers in their local communities as depicted in this ad from 1998.

The total result is not only a highly effective supply chain but a mutual partnership built on trust, respect and cooperation. This approach has helped Honda build strong, lasting partnerships with suppliers and service companies across Ohio. These partnerships have played a key role in ensuring Honda's and our suppliers' competitiveness and success over more than two decades.