

CASE STUDY

Honda Motor Co., Ltd.: A Case Study

How a Global Innovator is Turbocharging its Innovation Process

Honda is a global manufacturer of automobiles, motorcycles, and power equipment with revenues of more than \$100 billion. The company has one of the world's largest R&D budgets and is a leading innovator in many technology areas, including energy-efficient vehicles and robotics.

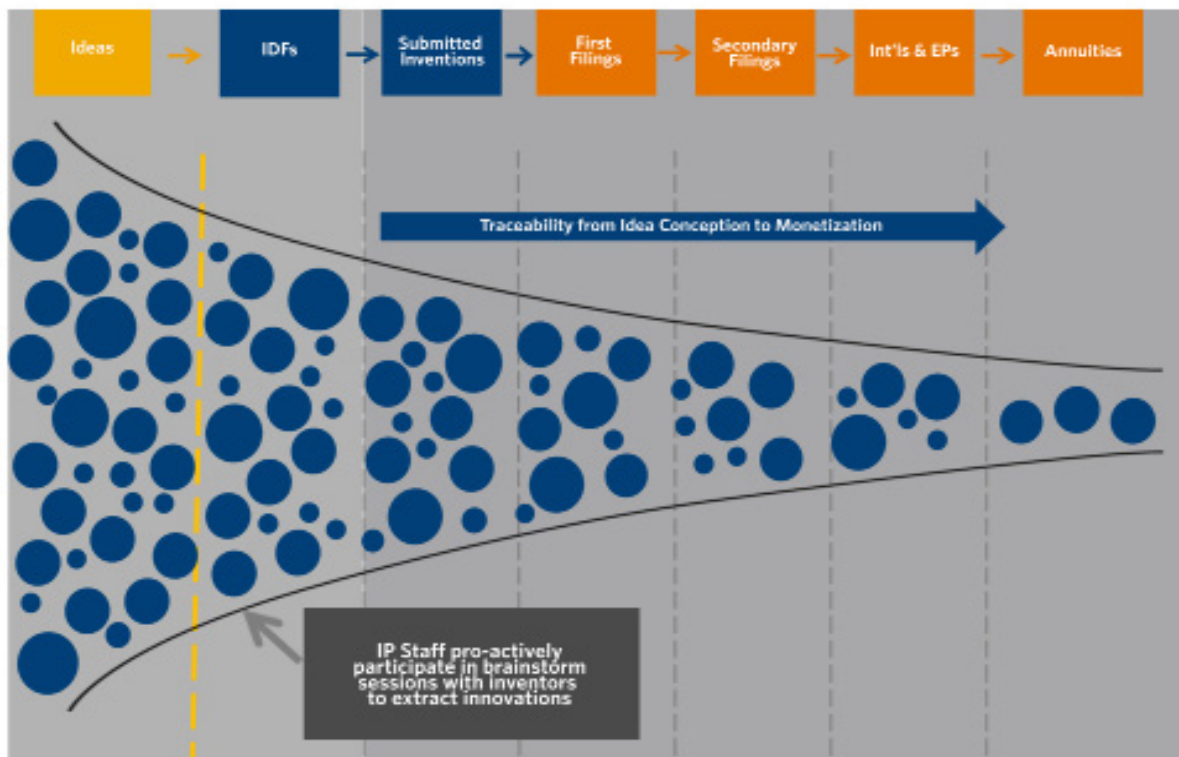
"One Team Honda"

In 2014, Honda carried out a significant organizational restructuring. As part of this restructuring, the seven geographic regions were required to coordinate innovation so that the company could more quickly respond to customers' needs.

This "One Team Honda" concept encourages innovation at the regional level while leveraging best practices across the company.

Deepening IP and R&D Integration

One such best practice is the idea extraction process pioneered by Honda's [R&D Center](#).





"Success is 99% failure."

- Soichiro Honda, Honda Founder

THE IDEA FUNNEL - FROM EXTRACTION TO MONETIZATION

The site's IP professionals participate in R&D brainstorming sessions with engineers, asking questions to determine whether a seemingly-new idea is really novel, and drilling down into details that are in fact potentially patentable.

Due to the fact that IP professionals stay up-to-speed with competitive patent filings, they know what areas are already protected by a "patent thicket" and which offer a clear field of use.

Honda's IP professionals don't just wait for innovations to emerge from the engineering team downstream, they work proactively to integrate patent committee review processes into the various stages of R&D - harvesting ideas as soon they are ripe for picking.

Knowledge as a Global Bridge

Once innovations are created, they need to be shared.

According to the 2014 bestseller *Driving Honda: Inside the World's Most Innovative Car Company*, Honda prides itself on "accumulated knowledge linking the global company like a bridge."

Knowing what doesn't work is as valuable as knowing what does work, and sharing information about R&D dead-ends is just as important as sharing news about breakthroughs.

As Honda founder Soichiro Honda said, "Success is 99 percent failure."

Honda's new CEO, Takahiro Hachigo, is himself an engineer involved in vehicle development, including the US version of the Odyssey minivan. At his first press conference as CEO in July 2015, he stressed the need for even greater regional coordination and better communication within the company.

Oiling the Global Innovation Engine

To realize the "One Team Honda" vision in IP management, Honda charted the course to standardize global IP practices while enabling local autonomy at R&D centers where the innovation happens.

"The formation of Honda Patents & Technologies, LLC, is a great example of Honda empowering regional IP teams to accelerate IP portfolio growth", explained Masahiro Hirota, General Manager, IP Strategy Planning, referring to Honda's strategy in maximizing quality innovation.

"However, we also needed a global platform to manage our IP processes and teams. It will serve as a communications channel between our R&D centers, and between our IP staff and partners in procuring and protecting our IP rights", Masahiro Hirota further explained.

With this vision in mind, a cross-functional, cross-location IP team was formed with the goals to:

- Consolidate information systems and streamline operations around the company's innovation processes;
- Expand cross-pollination of ideas and best

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practices between the company's regional R&D centers

- Harmonize and calibrate innovation evaluation criteria across the portfolio
- Strengthen traceability from R&D investment to patent quality

Global Best Practices Adapted the Japanese Way

As part of achieving these goals, Honda selected Anaqua as its partner to provide a global IP management solution. With ANAQUA8 in Japanese, the Honda team successfully brought idea, patent, trademark, contract, product anti-counterfeit, and litigation management together on a single platform.

"We needed a partner who has global best practices built into their solution, and who is also extremely flexible to serve our regional needs." Mr. Bessho explained.

During the implementation, the Honda team sent a delegate to Boston to attend the Anaqua User Conference to glean best practices from other multi-national IP portfolio owners and even visited several Anaqua clients in North America. The large-scale implementation served as a catalyst for global teamwork and change.

Because the Anaqua workflow is configured to handle a company's specific process for invention capture, engineers and IP professionals at Honda needed to agree on common questions to ask, criteria, procedures, and workflows.

One result was the creation of a unified idea disclosure form to be used across locations.

Enhancing Portfolio Strength Globally

The global roll-out of a common system and metrics further strengthens Honda's patent competitive position worldwide. There is now one system of record that manages IP assets for all of its IP teams in every country that it operates in. Honda now gains visibility into their R&D innovation activities across the globe. IP teams in different countries also manage IP disputes and product anti-counterfeit enforcement independently or collaboratively across teams and geographies on a centralized platform.

Leading the Pack

Honda's never been afraid to lead the way. In 1959, the Honda racing team competed in the Isle of Man Tourist Trophy – the world's leading motorcycle race. This was the first entry by a Japanese company. By adopting the Anaqua platform, Honda became the first Japanese company to adopt a non-Japanese IP-management system.

Honda continues to pave the way as a leading global innovator and industry maverick, proactively assessing its position in the global marketplace and adapting in order to stay ahead of the curve while still staying true to its organizational culture and regional needs.

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