



## Honda

TDG supports Honda's fast-moving operation for over 25 years

### The Client

Honda is a highly successful global business which first began as a motorcycle manufacturer in 1963 and went on to become one of the leading players in the automotive industry. By the 1990s the company had established operations around the world, including a full scale car production plant in Swindon in the UK. The many hundreds of parts required to construct a car need to be available on a 'just in time' (JIT) basis in order to maximise cost effectiveness, minimise storage and transportation requirements and keep the lines functioning at an optimum level. Any interruption to the line feed can cause significant problems: and stopping in the line can result in hefty financial penalties being imposed.

### The Challenge

- ◆ TDG began its successful relationship with Honda over a quarter a century ago, initially de-stuffing containers of imported motorcycle parts and transporting them to the manufacturing facility.
- ◆ As Honda production levels steadily increased, TDG proactively established a storage facility adjacent to the Swindon plant, purely to enable enhanced service levels to be provided, and to facilitate greater unit cost reductions.
- ◆ Margins on car sales are low therefore Honda is extremely focused on inventory reduction throughout their parts supply chain.
- ◆ Having matched their supplier production arrangements with their own finely balanced, fast paced production schedule, Honda relies on TDG to reduce the time spent in the warehouse down to a bare minimum.



### The Solution/Benefits

- ◆ The TDG Swindon team are a fully integrated part of Honda's operations.
- ◆ Comprising over 100 drivers, 70 dedicated warehouse staff, 40 vehicles and 175,000 square feet of state of the art warehousing.
- ◆ Activity, operates 24 hours a day, five days a week, and is ultimately responsible for the time-critical delivery of around 20% of a car.
- ◆ The TDG warehouse moves a swift pace. 200 deliveries are made directly into the Honda plant daily, providing parts in a strictly pre-defined sequence to meet the JIT requirements of the lines.
- ◆ Running such a time sensitive operation requires a myriad of benchmarks and performance measures in order to ensure that excellent standards are constantly maintained.
- ◆ Timeliness of collection and delivery – down to the minute – is recorded and monitored. A vast range of detailed management information is provided on all operational areas in order that TDG and Honda can work together to maintain optimum efficiency.
- ◆ Through careful management, since 2005 TDG have brought the Honda stockholding in the warehouse down from 1.5 days to just 0.8 days in 2007.
- ◆ Having renewed their contract with Honda again in 2007, the management team are now focused on bringing costs down further via a number of new and ongoing operational initiatives.

*"TDG have provided us with excellent and reliable service for over 25 years. Add this to the fact that their team regularly come up with innovative ideas to bring our costs down, the TDG:Honda relationship is a strong and productive one which is set to continue."*

*Andy Piatec, Director of Logistics, Procurement & Purchasing, Honda UK Manufacturing*

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