13th September 1999

Honda Strengthens European Operations

Honda is to strengthen its European sales and distribution organisation with the goal of becoming more efficient, more profitable, and above all, more customer focussed.

A complete re-organisation will take place to significantly increase the effectiveness of Honda's business by better use of resources within its European operations.

National sales operations will concentrate their efforts on major improvements in customer service. Product planning operations will move closer to the marketplace, thereby improving understanding of customer product requirements.

The new organisation will comprise:

- Three regional operations with the direct responsibility for managing product planning and marketing
- At national level, sales operations will concentrate their efforts on the dealer and customer interface
- The European HQ becoming more focussed on Honda's Pan European strategy

Honda will also bring together different product groups, automobiles, motorcycles and power equipment, to build a stronger business foundation and brand image.

Commenting on the forthcoming changes, Minoru Harada, President of Honda Motor Europe said:
"The whole purpose of this re-organisation is to place us closer to our customers and their needs".

Honda recently started work on construction on its second European car plant at Swindon, UK, and completed the expansion of production capacity at its Atessa motorcycle facility in Italy.

"Increased European production and this re-organisation will make us much stronger. I believe this is fundamental for the future growth of our European operations," concluded Harada.

The re-organisation will commence on October 1st 1999.

New Organisation

The new organisation is based upon market similarity characteristics and potential sales volume.

UK Region	North Region	South Region
UK	Austria	France
East Europe	Belgium	Italy
Greece	Germany	Portugal
Ireland	Netherlands	Spain
Scandinavia		
Switzerland		

The biggest impact will be in the North and South regions, where previously independent sales businesses will come together under two new regional companies and dramatically increase their focus on retail operations.

Honda Motor Europe (North) GmbH, based in Offenbach, Germany will take responsibility for the operations in Austria, Belgium, Germany and the Netherlands.

Honda Motor Europe (South), SA, based in Paris, France, will take responsibility for the operations in France, Italy and Spain and a co-ordination function with Portugal.

Honda Motor Europe UK(a division of Honda Motor Europe Ltd.), in addition to its operations in the United Kingdom, will also take responsibility for some of Honda Motor Europe's commercial relationships with Scandinavia, Eastern Europe, partnership companies and independent distributors.

Honda Motor Europe Ltd, based in the UK, the existing European HQ, will also devolve its product planning, marketing, advertising and regional strategy to the three regional operations. This will allow the HQ function to concentrate on Pan European strategy.

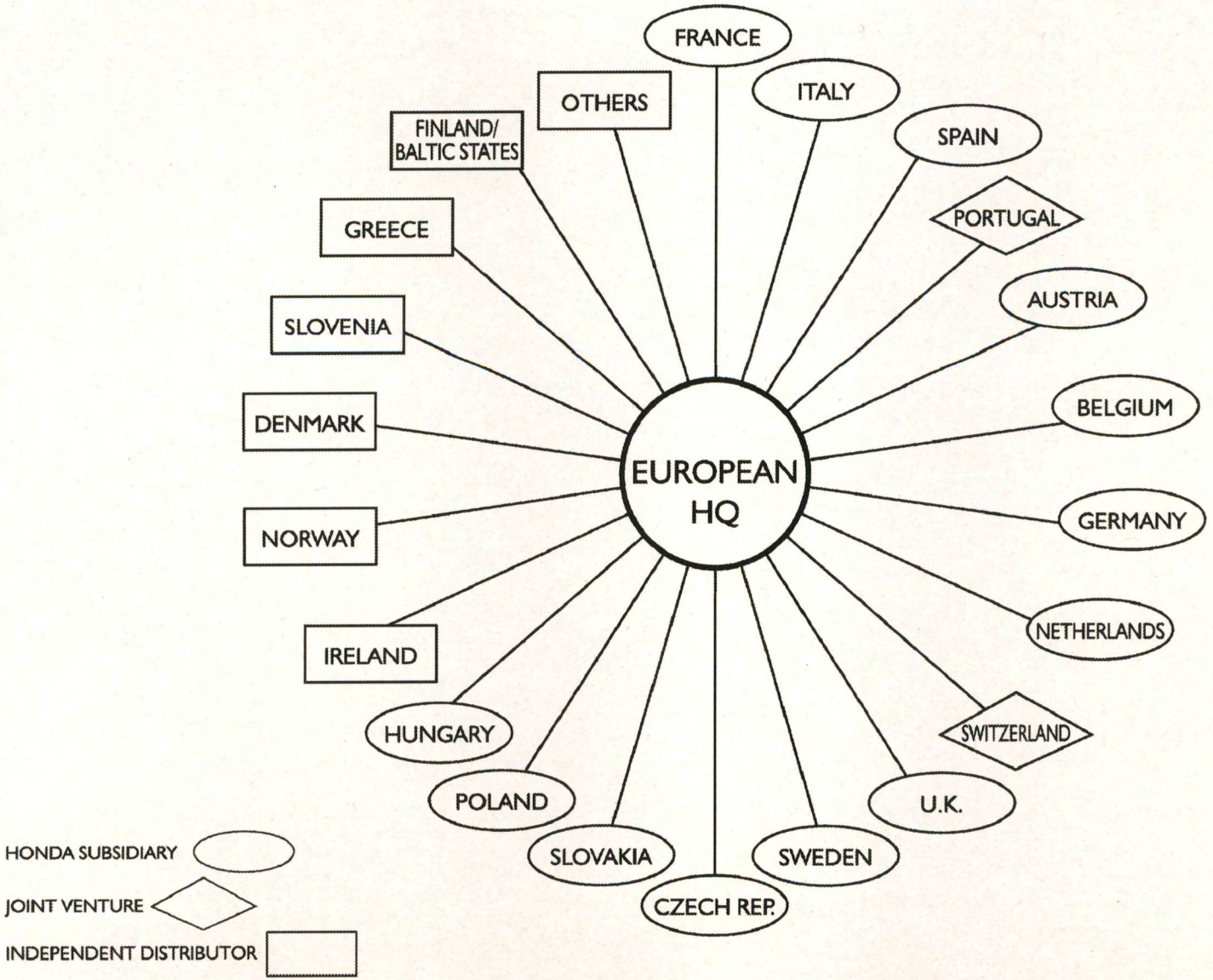
Editor's Note:

*Honda's current position in Europe

Investment		£1.1 billion
Sales Turnover		$6.2 billion(FY 99)
Sales Units	Car	266,000 (CY 99 plan)
	M/Cycle	340,000 (CY99 plan)

Power products	1,104,000 (CY99 plan)
Subsidiaries	35
Manufacturing operations	7
Associates	6,000

HONDA'S EXISTING AUTOMOTIVE SALES ORGANISATION IN EUROPE



HONDA'S NEW AUTOMOTIVE SALES ORGANISATION IN EUROPE

