

Honda Australia MPE brings its dealer systems in-house



Honda Australia MPE distributes motorcycles, marine power equipment and personal watercraft through over 1,000 dealers and is part of the global Honda company, the world's largest engine manufacturer. Dealers use a LANSA Web solution for sales registration and warranty claims and can upload parts orders directly from their dealer management systems to Honda's core System i Movex and HiPack ERP applications. Honda has also started a project to integrate the Salesforce CRM with its systems via LANSA Integrator.

Craig Bassett, IT manager at Honda Australia MPE, says, "The new LANSA Sales solution handled over 30,000 registrations in its first four months, over double the volume of the previous hosted Web solution. We view LANSA as a key component in our ongoing strategy of building better communications with our dealer network."

An Unreliable Hosted Solution

"We aim to provide the best possible services to our dealers to make it easier for them to find out about product features, pricing, availability, warranties and financing. The Web plays an increasingly important role in delivering these services," says Bassett.

"But the hosted Web service we were using was not meeting our standards. There were too many steps to register a sale and the system wasn't perceived as user friendly by the dealers."

Honda MPE has over one million Vehicle Identification Numbers (VINs) in the field in Australia at any point in time and has to keep track of which VINs are with which dealer and which have been sold. A structural shortcoming was that the hosted system's

database was synchronized by batch data uploads from Honda's system. If the hosted system got out of sync, Honda had to send it a file with all unregistered VINs.

The delivery of orders was not reliable either, as **Tony Aisbett**, business analyst at Honda MPE explains. "Orders were uploaded to the hosted site and the service provider would FTP them to the IFS on our server. We would poll the IFS and pick up the orders when they appeared."

"Sometimes orders went missing. The dealer was sure they had uploaded their orders to the hosted site and the service provider would say they had forwarded them to us. But we didn't get them. It was a finger-pointing exercise."

"Fixing problems and making modifications was difficult and expensive. It was hard trying

to explain a business issue to someone with only graphical HTML skills. The service provider wasn't always that responsive either," continues Aisbett.

There were functional shortcomings as well. For example, the old system didn't handle 'cash backs'. Dealers had to send in a paper form, someone had to check that it met the conditions, key in the details and send it to accounts, who would mail a payment to the customer or dealer.

When Honda decided it was time to replace paper-based warranty claims, Bassett wanted to use the opportunity to implement an integrated Web solution for registration, warranties and orders that resided on the same System i server as their core systems.

Honda uses the Movex ERP for its Completely Built Units (CBU) business that sells fully assembled motorcycles, power equipment and marine engines. Parts and warranties are managed with HiPack, a customized RPG solution built by Honda's head office in Japan.

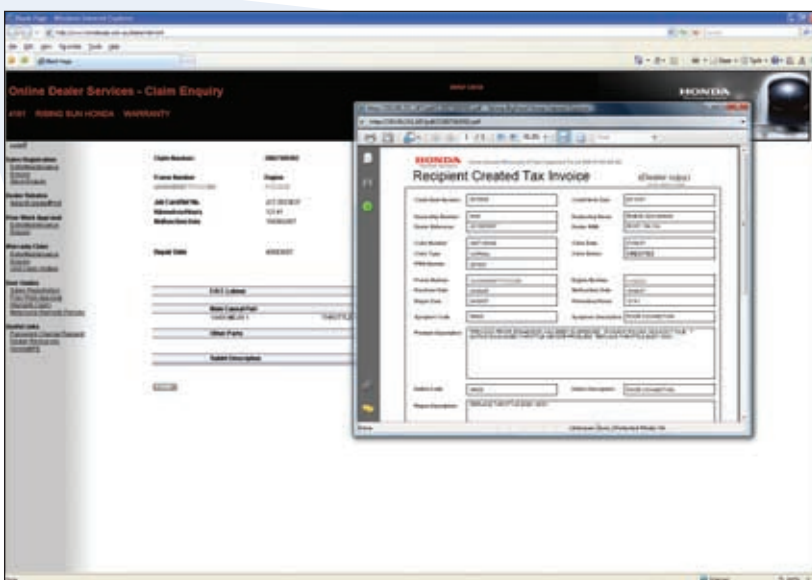
"We looked into Web facing the green screen RPG applications. But you still have to develop those programs in RPG and don't get the full value of a real Web application. We evaluated several options and found LANSA was the best tool for us," says Bassett.

"The Web-based cash back system has given massive administrative savings."

An Integrated Web Solution

Honda used Visual LANSA to build online sales registration, cash back management, order uploading and warranty claims solutions for its dealers. LANSA Integrator is used to securely upload orders and to make sale/warranty registration, warranty claim and rebate documents available as PDFs.

When registering a sale, the dealer can now enter a VIN or search by model number in his own stock. Once selected, the dealer keys in the customer details. This instantly updates the HiPack ERP with the sales registration. LANSA Integrator then creates a PDF confirmation with sales and warranty details, which the dealer can print and give to the customer. →



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If the conditions of a cash back campaign are met, they are now automatically applied and the details printed on the sales registration.

When a customer comes to a dealer with an equipment problem, the dealer can now determine whether a product is still under warranty by searching online for the VIN.

"So, even if the customer has lost his warranty papers, the dealer can still help," explains Aisbett.

The dealer then enters claim details, including the claim amount based on parts and labor and submits the claim for approval. The dealer can also request and print a claim summary PDF.

When Honda approves the claim, a credit is raised against the dealer and the dealer can then request a recipient-created tax invoice PDF. Again, LANSA Integrator is used to create and send documents as PDFs via FTP. Honda's internal staff also use the same Web interface to process direct warranty claims.

"The LANSA site also lets dealers export and upload parts orders in real time from their management system to our System i," adds Aisbett.

"We have agreed on a predefined format for exporting orders with the three major dealer management systems in Australia, Revolution, Biscourt and C8, so once an order has been exported, the dealer goes to our Web site, browses for the order file and presses the send button. The system sends the order file via the LANSA Integrator FTP service and it goes straight into our system."

"We inform the dealer instantly on his screen of the order number created in our ERP system and send a confirmation fax within minutes," says Bassett.

Massive Administrative Savings

"The site provides an easy experience for our dealers," says Bassett.

"Their feedback is "That was easy, I'll order something again from Honda." To bring a dealer back to our site, rather than a competitor's, you have to make the site simple and easy to use."

"Unless you offer better service you fall behind. You don't necessarily implement new systems because you expect a payback. You do it to keep business and stay ahead of your competitors."

"Running our own fully integrated LANSA Web solution is far more reliable than the



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hosted environment. There is no risk of orders getting lost as the orders go straight to our server and the dealer gets an instant confirmation," says Bassett.

"The new Web-based cash back system has provided a massive administrative saving," adds Aisbett. "The old system didn't support this at all. Cash back applications come in electronically having already been validated against campaign rules. The system then either credits the dealer's account or kicks off an automated procedure to send the customer a check."

"We find LANSA the cleanest and most efficient way to deliver an application. The LANSA site runs on the same server as our core HiPack and Movex ERP applications, uses the same databases and calls some of their logic."

"There is nothing to install or maintain on the dealer's side and no special equipment is required. Any authorized dealer with a PC and browser can securely access the application."

"Visual LANSA was easy to learn and highly intuitive with extensive online help. I have been using RPG for 30 years and the Web is a whole new paradigm. So it was still a hurdle to get familiar with the Web and the way it, event driven development and JavaScript behave."

"Considering we started less than a year ago, we are now incredibly advanced in the way we

utilize the Web and the business process integration between our applications."

"Developing our dealer solution in-house with LANSA delivers huge benefits."

Honda's Strategic Direction

"Flawless communication with our dealers is top priority," says Bassett.

"LANSA lets us build and support our dealer communication solutions in-house, delivering huge cost savings and benefits and it also allows us to be more responsive to enhancement requests and problems."

"We control our own applications and don't rely on a vendor prioritizing our change requests. We could not develop Web applications on the System i before, but now we can. That is the major advantage."

"The LANSA solutions are very successful and well accepted. When an opportunity comes up to provide more systems we will always consider LANSA as a first option."

"LANSA's Web development and direct B2B integration tools are our strategic direction. We see the LANSA applications as a core part of the business," concludes Bassett. ■

COMPANY AND SYSTEM INFORMATION

- Honda Australia MPE started operations in 1991 and has its headquarters in Melbourne, Victoria. Part of the global Honda company that is the world's largest engine manufacturer, Honda Australia MPE manufactures and distributes motorcycles, marine power equipment and personal watercraft. Sales for Honda MPE in the 2007 financial year exceeded \$350 million, representing approximately 210,000 units.

For more information visit: www.hondampe.com.au

- The LANSA-based solutions at Honda integrate with HiPack, Movex and WebSphere Portal Express. Honda uses an IBM System i model 520.