



HONDA LOGISTICS CASE STUDY

Honda Logistics Reallocates 50% of AP FTEs

CHALLENGE

Honda Logistics North America, Inc. (HLNA) provides special warehousing, storage, freight, transportation and logistics for Honda manufacturing facilities throughout North America. Founded in 2013, the Ohio-based privately owned company employs approximately 3,800 people.

Until 2015, HLNA's AP department was relying on a variety of divergent manual, paper-based processes to handle 115,000 invoices per year, with inconsistencies from one location to the next. This decentralisation of process led to lack of invoice and accrual visibility within the business, in addition to creating significant delays which damaged vendor relationships. Brad Gerritsen, a 21-year AP veteran and Accounts Payable Coordinator for all HLNA companies in North America, knew there was **a faster, more reliable way for Honda Logistics North America to process invoices**, so he began investigating e-invoicing at industry conferences.

After proving the efficacy of invoice automation to HLNA's manager of finance and gaining business approval, Brad spearheaded the project, beginning with soliciting competitive bids; he researched and vetted three different companies before ultimately deciding to partner with Tungsten.

"We needed a system that could manage all seven companies' invoices separately as well as having a clear authorisation matrix for approvals. Tungsten Network offered us the best solution for a complex business."

Brad Gerritsen, Accounts Payable Coordinator, Honda Logistics North America, Inc.



SOLUTION

A competitive bidding process focused on the need for seamless, expedited and visible processing of invoices across all North America locations. Another priority for HNLA was a solution that streamlined workflow and approval routing within a centralized ERP. What ultimately set the Tungsten Network solution apart, however, was its ability to provide advanced historical and real-time, line-level analytics that allow HNLA's AP team to begin investing in strategic initiatives.

IMPACT

Now in its sixth year using Workflow, HLNA has experienced transformative results from the very beginning.

"By taking a proactive stance on our Accounts Payable processes as opposed to a reactive stance, we are able to better maintain a positive relationship with our internal customers, our vendors, our internal management staff and our finance staff," says Brad.

Indeed, the manual, paper-based systems no longer exist, and invoices are validated within 48 hours with no invoice going lost or unpaid. Brad and his staff have full visibility of every invoice, and HLNA now faces far fewer late fees and finance charges. Unlike many organizations, HLNA experienced no interruption of service or productivity as a result of COVID-19, and considers the move from manual to digital systems the primary factor in their continued success.

Partnering with Tungsten Network has given Brad, and the rest of his team, peace of mind. The books are closed on the first of every month, there's greater synergy between AP and other HLNA departments, and for the first time in the company's history the AP department is able to offer deep discounts, focus on strategic initiatives, and serve as a profit centre for the company.

Interested in learning more?

Explore our suite of AP & AR solutions, and continue your journey towards achieving world-class performance.

[Get in touch today](#)

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CUSTOMER SNAPSHOT

Honda Logistics North America, Inc.



INDUSTRY

Logistics & Supply Chain

GEOGRAPHY

North America

KEY OBJECTIVES

- AP centralisation
- Process consistency
- Invoice visibility
- Expedited processing
- Improved vendor relationships
- Enhanced analytics

RESULTS

- Reallocation of 50% of FTEs to other parts of the business
- Guaranteed validation of every invoice within 48 hours
- Full visibility of invoice status
- Elimination of late fees and finance charges
- Faster, less painful audits
- Improved global repayment and supplier reconciliation
- Improved vendor data quality
- Ability to realize deep discounts
- AP team focused on strategic initiatives