

# Honda – Dynaflo Key Learnings

April 2020

DRAFT

#StopTheSpread

**HONDA**



# Overview of this deck

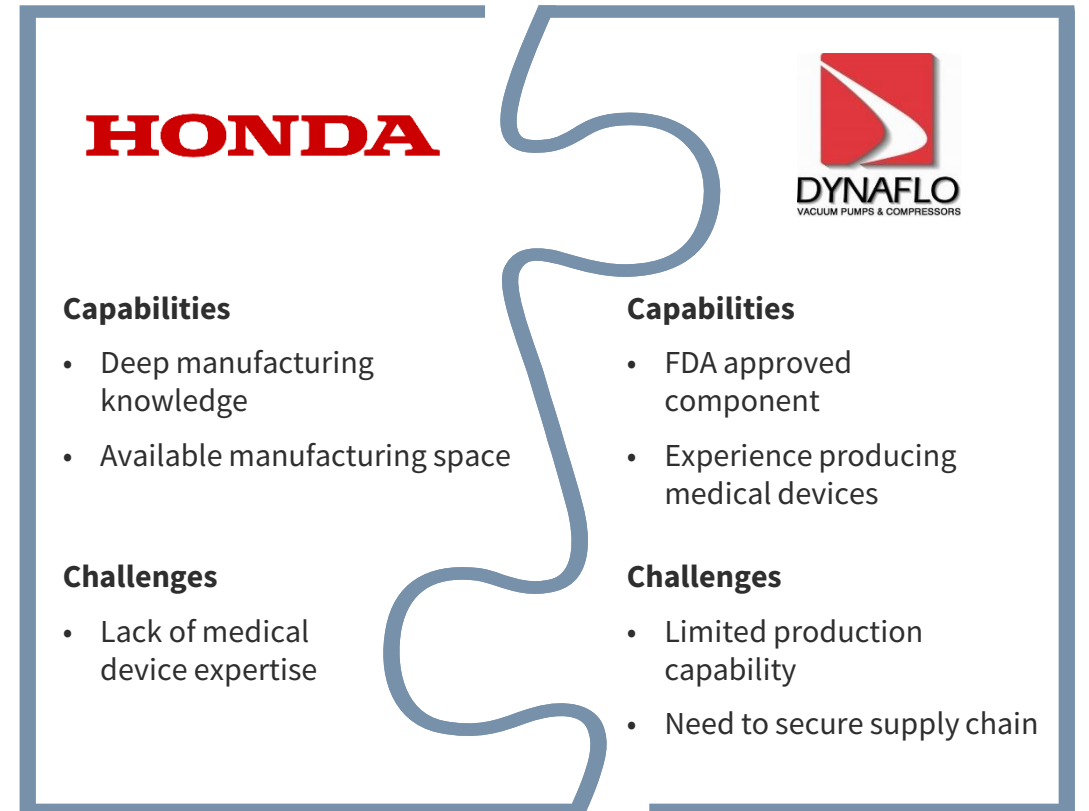
- This deck covers key lessons from the Honda – Dynaflo partnership, which was created to prevent a shortage of compressors, a critical component of ventilators, during the COVID-19 pandemic
- The following slides include:
  - Summary of the situation
  - Main challenges
  - Guiding principles of success
  - Supply chain Best Demonstrated Practices
  - Results and long-term benefits

# Honda and Dynaflo successfully partnered to scale production of compressors, ensuring ventilators get to hospitals on time

## Situation overview

- Dynaflo Inc. produces diaphragm vacuum compressors, a critical and specialized ventilator component, for a major ventilator OEM
- Dynaflo typically produces ~75 compressors a week, but their OEM customer needed 2,500 a week to hit COVID-19 production targets
- They reached out to Stop the Spread (STS) to identify a partner to scale production; STS connected them with Honda
- Thanks to Honda's expertise in mass production of complex parts, production is on track to reach 10,000 compressors per month

## Partnership rationale



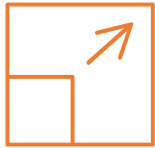
# Together, they had to overcome numerous challenges that compounded the difficulty of scaling production



## COVID-19 restrictions

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- Personnel working remotely
- Limited ability to travel



## Scaling production

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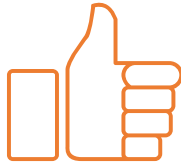
- ~30x production increase from pre-COVID levels
- Complexity of compressors (+300 parts)



## Time-sensitive

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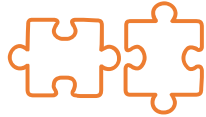
- Tight timeline to meet OEM requirements



## Ensuring quality

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- Need to meet highest quality threshold

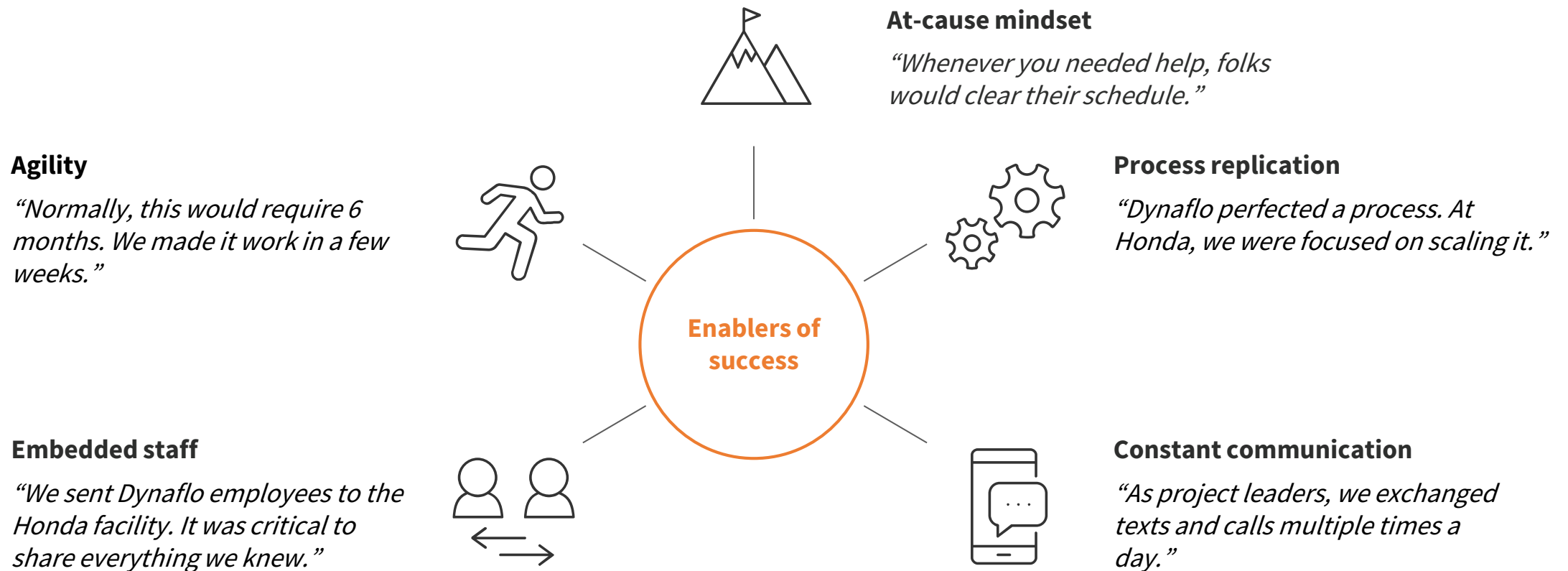


## New collaboration

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- Massive difference in company scale (15 vs +200,000 employees)

# Success was a result of focused work, hand-in-hand collaboration, and the replication of existing processes



# Dynaflo ensured it could successfully scale production with Honda by securing its supply chain



This information is confidential; it is not to be relied on by any 3rd party without prior written consent.

## Challenges



- **Managing ongoing disruptions** to supplier network due to COVID-19
- **Locking in additional components** for increased production
- **Redirecting supply chain** to provide components to both Dynaflo and Honda facilities

## Solutions



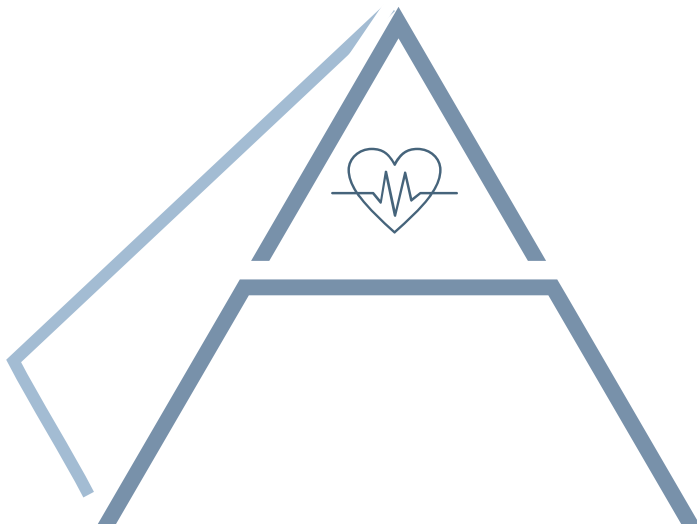
- **Increased output from existing suppliers** with idle manufacturing capacity
- **Engaged additional suppliers** to create redundancies
- Addressed both **critical components and commodity items** to avoid bottlenecks
- **Purchased additional tooling** to prevent production issues

# The partnership has created impactful results during COVID-19 crisis; experiential learnings will drive long-term benefits for stakeholders

## Meaningful near-term value

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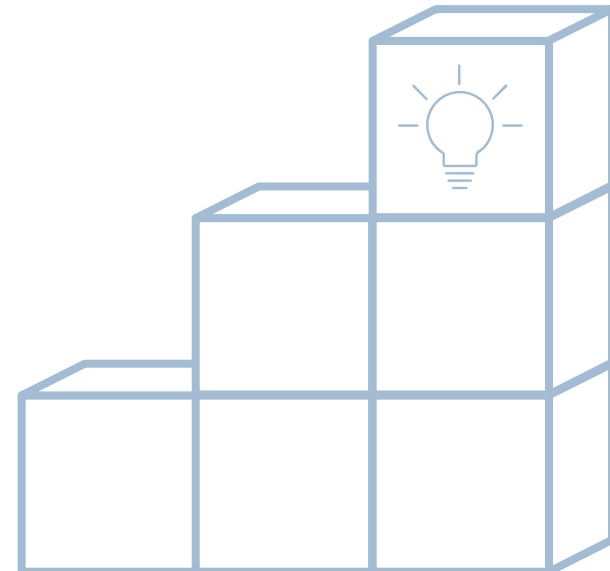
- By producing compressors, Honda and Dynaflo supported a major OEM as they **ramped up production of critical care ventilators**
- By scaling production from 75 ventilators a week to 2,500, the partners are on track to **achieve a 33x increase in output**



## Impactful long-term experiential learnings

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- Honda experienced being a supplier first-hand, which will allow the company to **improve its relationships** with its own suppliers
- Dynaflo worked with a contract manufacturer for the first time, **enabling the firm to quickly scale** in the future



**Special thanks to Honda and Dynaflo for sharing their learnings and inspiring story!**

**Please reach out to Stop The Spread if we can help your team think through ongoing  
COVID-19 initiatives**

