

Honda uses OutSystems as a business app dev platform to support company-wide DX

50%

increase in development productivity

360

work-months saved in development time

130,000

work-hours saved annually in operational efficiency

Challenge Soaring past the “2025 Digital Cliff”

In 2018, Japan's Ministry of Economy, Trade and Industry published a report stating that aging infrastructure and outdated legacy IT systems could lead to an annual economic loss of up to ¥12 trillion—the equivalent to ~\$75 billion USD. Coined the “2025 Digital Cliff”, it results from a combination of Japanese companies’ dependence on legacy systems and the country’s severe talent shortage.

With the clock ticking, Honda moved fast to tackle this issue. “In 2022, we launched a company-wide DX [Digital Transformation] initiative to modernize operations, reduce our dependency on legacy systems, and improve our operational efficiency by 30%,” Takuya Abe, Assistant Chief Engineer, explained.

After careful consideration, Honda identified the accounting department as the most pressing candidate to pilot this transformation. “We managed our budget and development resources from hundreds of departments using Excel. We needed a new system to centralize data management and enable real-time visibility over budget spending and performance data,” Abe described.

Solution DX pilot: A new accounting system for real-time visibility

Seeing that none of the off-the-shelf solutions was a perfect fit, Honda decided to build its own systems. “Our operations are subject to rapid changes,” Abe explained. “Building the solution would give us the agility to proactively and quickly make modifications and improvements as needed.”

Honda chose OutSystems for its rapid development framework, user-friendly and intuitive IDE, rich UI capabilities, and the strong partner ecosystem in Japan.

Built with the support of OutSystems partner Dentsu Soken, the new accounting solution integrates with several internal systems, enabling the accounting team to centrally manage the data from multiple departments and visualize it in real-time. “By modernizing this system, we reduced operational person-hours and improved the speed and accuracy of decision-making,” Abe shared.



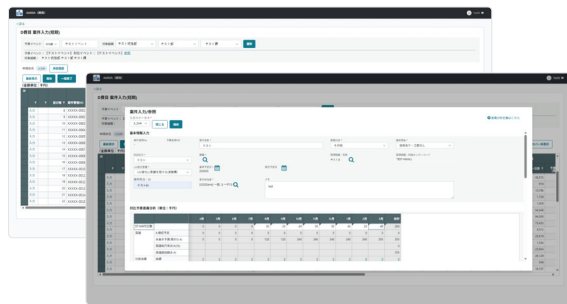
“ When integrating AI into enterprise applications, governance is the most critical factor. You need the right balance between AI’s convenience and control. The design philosophy of OutSystems aligns perfectly with that. That’s why we’re taking the leap and choosing OutSystems as a platform for AI integration with our business applications. ”



Takuya Abe
Assistant Chief Engineer, AI Platform & Data Mgmt Dept., AI Innovation Division, Digital Unit, Corporate Administration Operations, Honda Motor Co., Ltd.

Digital democratization and an AI-powered CoE

The success of this pilot gave Honda the confidence to expand the DX initiative into other areas. With limited development resources and a long backlog of projects, Honda set up a Center of Excellence to scale the use of OutSystems and empower both IT and business departments to build applications, without the security risks of shadow IT. While the business division focuses on the development of small to medium-scale business apps, the IT division develops semi-core systems and their peripheral systems.



“Our CoE provides development guidelines, reusable templates, and common components to project teams,” Kenichiro Morozumi, Assistant Chief Engineer, described. “We also manage core functionality such as authentication and authorization, system logs, employee master data, and integrations with other systems.”

“When we launched the DX initiative, we targeted a 30% improvement in operational efficiency. OutSystems has been one of our critical foundations in hitting that number.”



Kenichiro Morozumi
Assistant Chief Engineer AI Platform & Data Mgmt
Dept., AI Innovation Division, Digital Unit, Corporate
Administration Operations, Honda Motor Co., Ltd.

By managing these foundational elements centrally, the CoE ensures that all apps meet Honda’s security and architectural standards, allowing the decentralized dev teams to focus entirely on creating business value. This approach enables Honda to work on 10–20 parallel projects simultaneously.

Recently, Honda has been looking to take its DX initiative further by incorporating an AI agent into the CoE intake process. “We receive many requests at our CoE,” Morozumi

shared. “So we built the DX Plans Builder using OutSystems Agent Workbench to be efficient in handling project proposals and consultation requests about how to use the OutSystems platform.”

Results Fostering company-wide democratization of development, increasing productivity, and reducing work hours

With its CoE framework and OutSystems, Honda is now delivering about 10 applications annually, with 10 to 20 projects running in parallel at any given time, all despite limited IT resources.

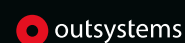
Some of the solutions launched support various business areas, including research and development, design, quality, after-sales service, and corporate affairs.

By improving development productivity by 30% to 50% compared to traditional development, Honda estimates a cumulative saving of approximately 360 work-months in development time. On the operational side, the roughly 37 OutSystems applications already deployed in the field generate an annual reduction of approximately 130,000 work-hours.

As for the Center of Excellence on OutSystems, it enabled Honda to embrace digital democratization, with business units building the applications themselves in a governed, consistent manner.

Ever focused on innovation, Honda is now looking to adopt the cloud-native capabilities of OutSystems to incorporate agentic AI into its process of building business applications.

By leveraging these cloud-native capabilities, Honda is not just addressing the Digital Cliff. It is leaping beyond it to further advance its operating processes and to drive innovation.



Build custom
applications and
AI agents, faster.

