

Brief

Stamping Ideas into Reality

Volume 5 Issue 5

May 2007

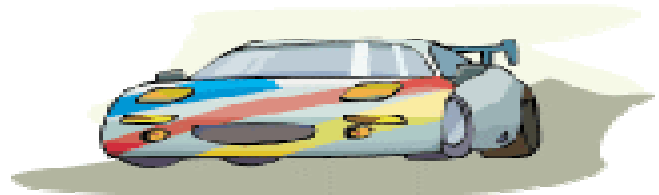
Start Your Engines: Race for the Future

Automotive suppliers are not just making components any more. They are bringing their most innovative ideas, expertise and technology to the drawing boards. "U.S. Automotive manufacturers are working to cut their vendor base by fifty percent and giving more responsibility to those they retain," relates, PK Dennis, marketing director at Die-Tech.

What caused this shift in business practices? Dennis, who just returned from the Precision Metal Forming Association (PMA) 14th Annual Automotive Parts Supplier's Council in Detroit, MI, explains this new trend. Much of the discussion at this meeting centered on the financial future of General Motors, Chrysler, and Ford, referred to as the "Detroit Three" and the pressure they are under from the "New Domestics" – foreign companies manufacturing automobiles in the United States. Being more responsive to the customer, eliminating a variety of automobile lines and reducing capacity were reported as being key to the Detroit Three avoiding bankruptcy and retaining market share in the face of competition from the New Domestics.

In a domino effect, the success of the Tier-One and Tier-Two suppliers are tied to the health of the car manufacturers. Due to efforts to cut costs, [shorten time to market](#) and still produce high quality products, suppliers are being asked to participate in every aspect of product development, from conceptual design engineering through manufacturing. "The manufacturers expect more from their tier-one suppliers and the tier-one companies expect more from their (tier-two) vendors," says Dennis. "It isn't enough just to make quality components. They want to know what ideas and technology their suppliers have to offer, they expect quality and knowledge to be pushed from the bottom up."

This emerging need for closer collaboration is described by many in the consulting field as an "epochal event in the evolution of the automobile industry." It is said to even over-shadow the turning points of Henry Ford's mass production and lean manufacturing.



"These trends involve a greater degree of communication as well as the need for open, effective relationships between customer, supplier, manufacturer and everyone in between," adds Dennis. She describes how Die-Tech is responding to support their own customers being pressured by these new expectations.

"We are learning how to make faster decisions using better data," explains Dennis. "There is no room for error. We rely on our engineers and technicians to create robust processes and participate in setting specifications with our customers. Quality and [continuous improvement](#) have become everyone's job," she adds. Dennis further explains that the easiest and most effective cost reductions occur when designs are still ideas – before any investments in tools or equipment are made.

So, who is going to win the race to the future? It will be the suppliers who are ready for the next level of responsibility. Perhaps it would make sense to have Die-Tech as part of your pit crew.

Win a gift certificate! Send your suggestions for Die-Tech product improvements to ideabox@die-tech.com and you will be entered in our quarterly drawing for a \$50 Amazon gift certificate.

For further information: Website: www.die-tech.com Phone: 717 938 6771 Email: stamping@die-tech.com