

Connector

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Auto Manufacturers & Their Suppliers

Consumers are more demanding than ever – challenging manufacturers around the globe to not only produce superior quality products at a lower price but also to deliver innovations, such as hybrid, environmentally friendly cars at a faster pace.

Today's harsh environment may have a silver lining, according to Tim Zeigler, Vice President of Business Development. "Automotive companies and their suppliers have an opportunity to make bold decisions that might have been previously unthinkable." Zeigler believes that this is the time to review products, customers, programs and strategy for revenue and cost savings. "We need to challenge our business structure and operating model and move quickly," he adds.

Zeigler explains that automotive manufacturers have direct suppliers as well as tier one and tier two suppliers -- Die-Tech is both a tier two and a tier three supplier. He goes on to report that three factors are dramatically affecting the automotive supplier industry: rising material costs; the weakened dollar; and a slowdown in auto sales, are likely to turn 2008 into one of the toughest years ever.

Steel and red metal (such as copper) costs are up 100% in the last five months. "The cost of metals are going sky high, admits Zeigler, due to the consumption from India and China."

The weaken US dollar may be giving us another advantage: foreign automotive manufacturers moving to US to take advantage of the weaker dollar give U.S. automotive suppliers new opportunities.



Lastly, Zeigler explains that, because of the slowdown in auto sales, the manufacturers will want to have more control of inventory with faster turnaround and will seek suppliers that are located near their plants.

Zeigler advocates that only those suppliers who can adapt to the new environment will survive. He describes it like a cascade. He says that suppliers must look for ways to improve operational performance, at each step in the supply chain. "At Die-Tech, we have instituted a lean manufacturing process and a workplace that is more visible, mapped out and progressive. Consequently, we can guarantee on-time deliveries and produce short runs when necessary to meet our customers just in time inventory requirements. We have learned how to anticipate, evaluate and successfully resolve business challenges in our increasingly complex regulatory and economic landscape."

Are you looking for a supplier who can deliver results when it really matters? Perhaps it is time to look at Die-Tech.

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