



## Are you a top performer?

What drives performance for Japanese automotive suppliers?

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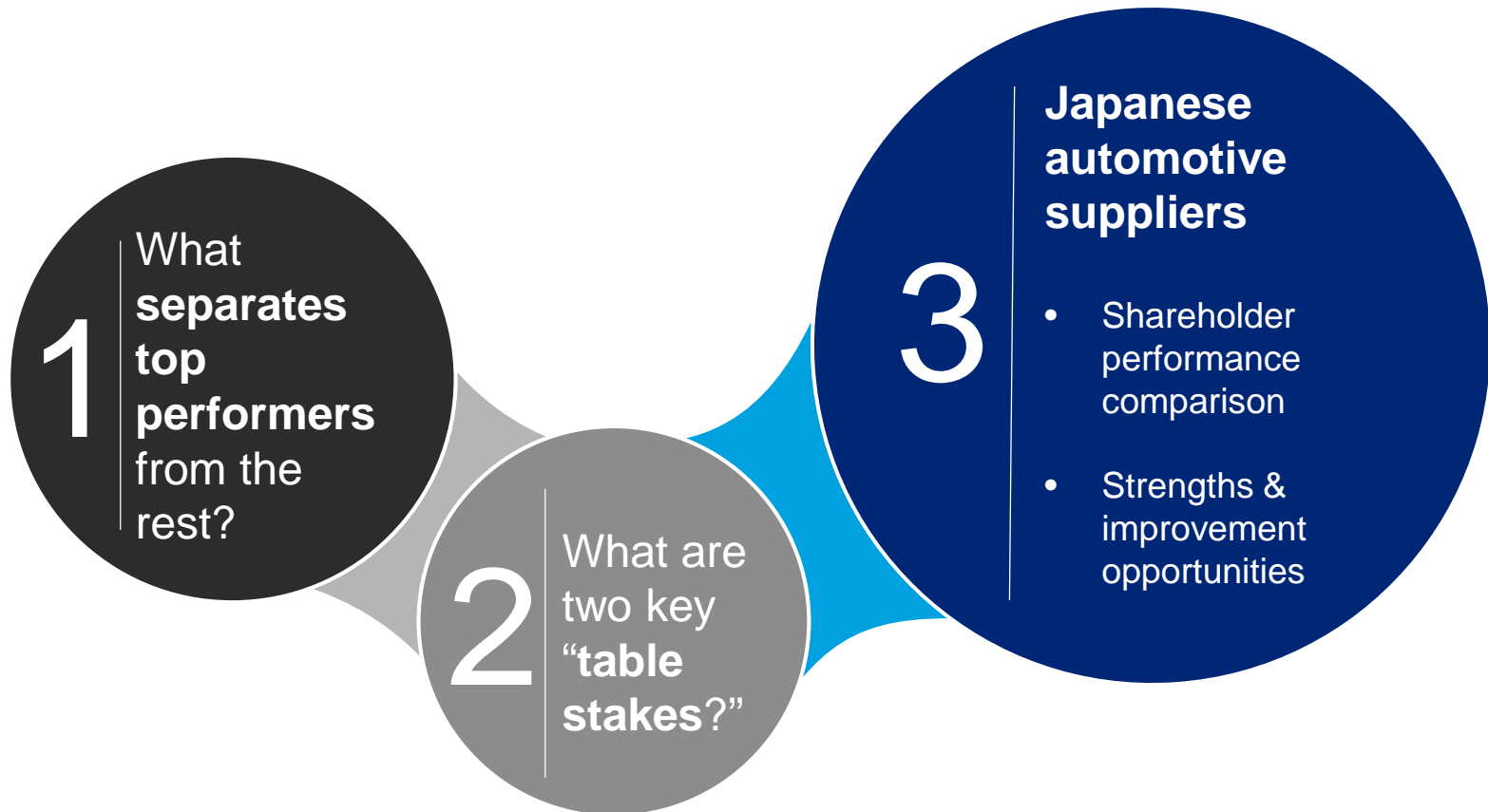
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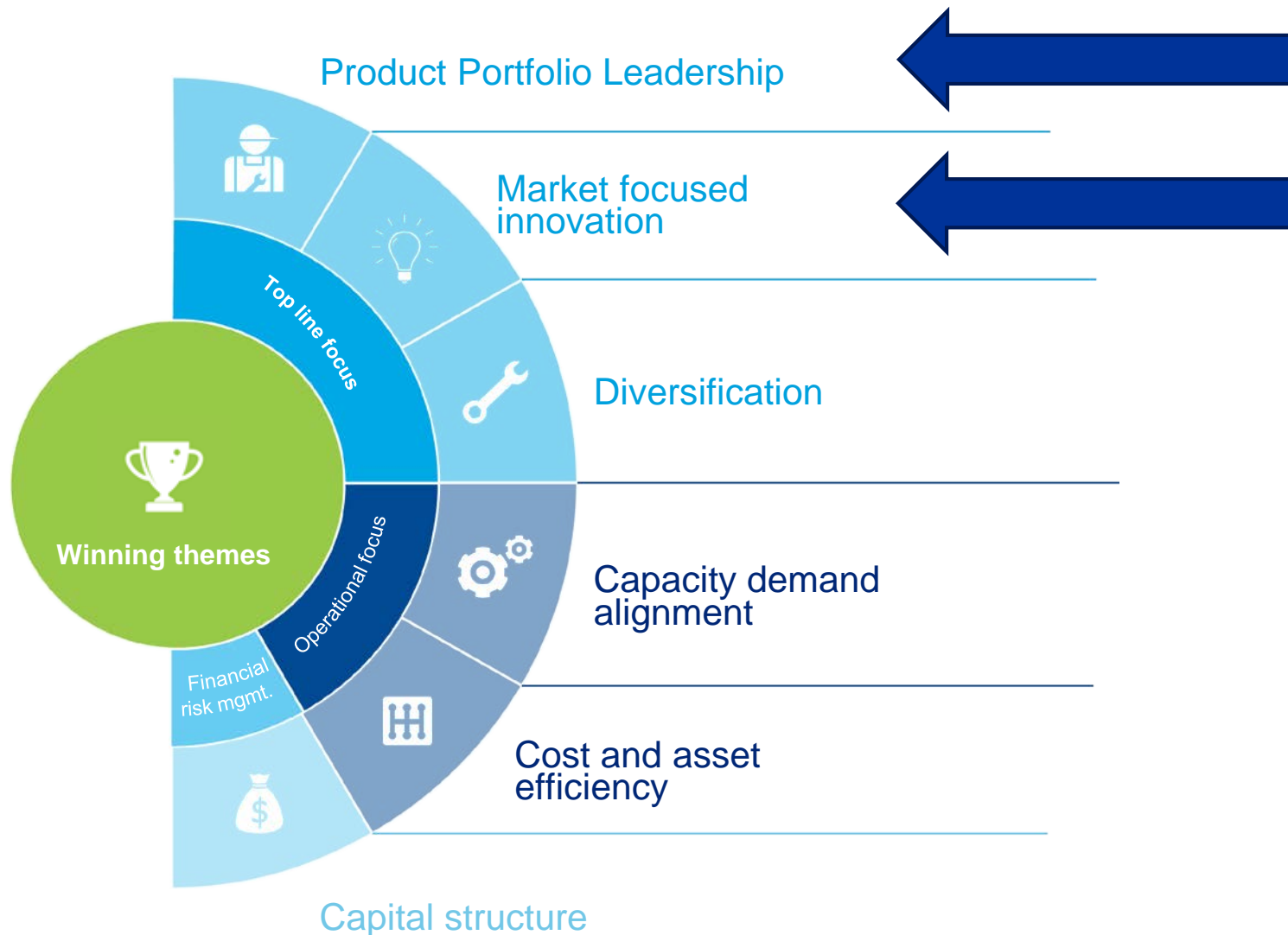


# Introduction and background

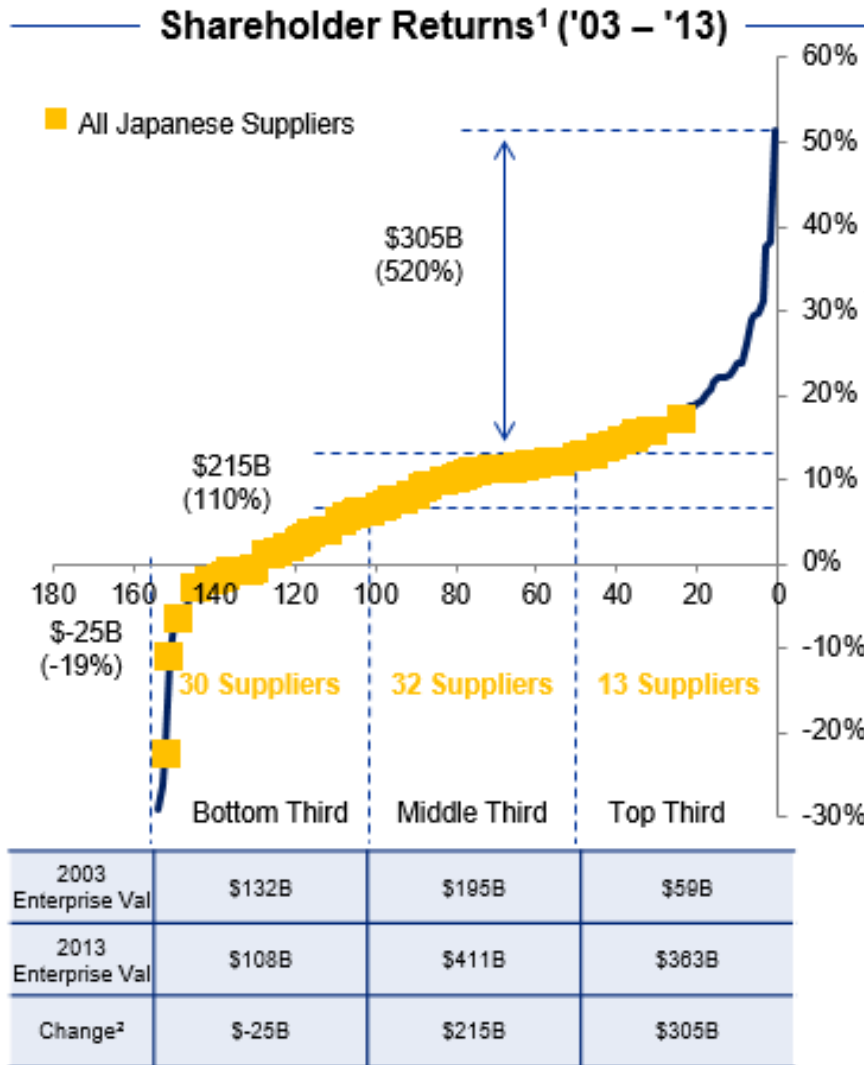
The 2014 Global Automotive Supplier Study analyzed 200+ suppliers globally across regions and component segments to understand which suppliers delivered exceptional Total Shareholder Return (TSR) and how



# Six winning themes drove superior shareholder value creation among automotive suppliers



# Why does this matter?

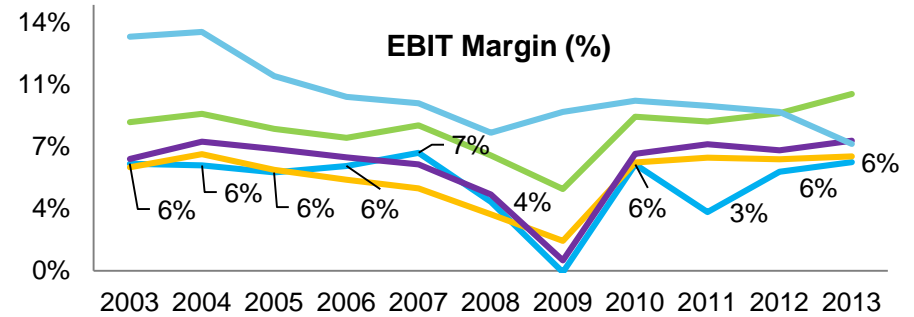
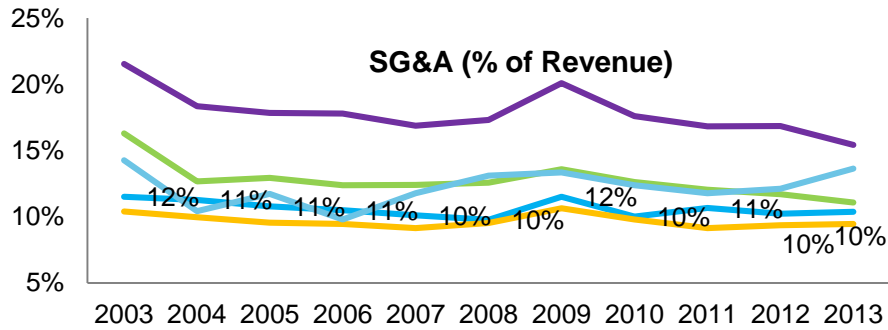


Japanese suppliers have generated a **less than proportional amount of shareholder value** compared to other global suppliers

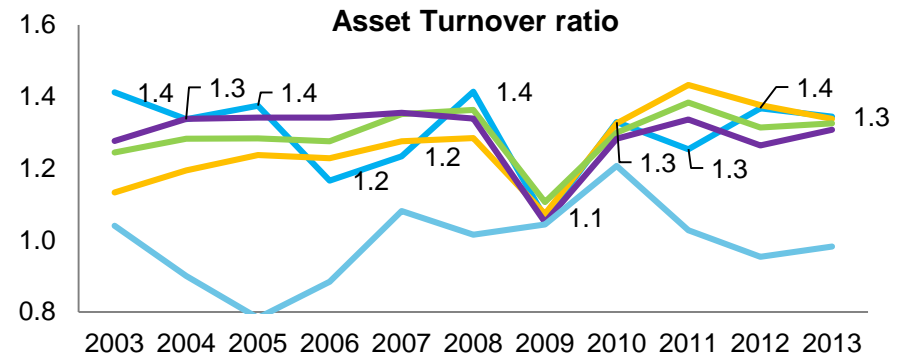
Top performing **Japanese suppliers lag global peers** in shareholder value creation

# Japanese suppliers as a group have lower profitability with respect to other global peer groups

Financial Metrics ('03 - '13)

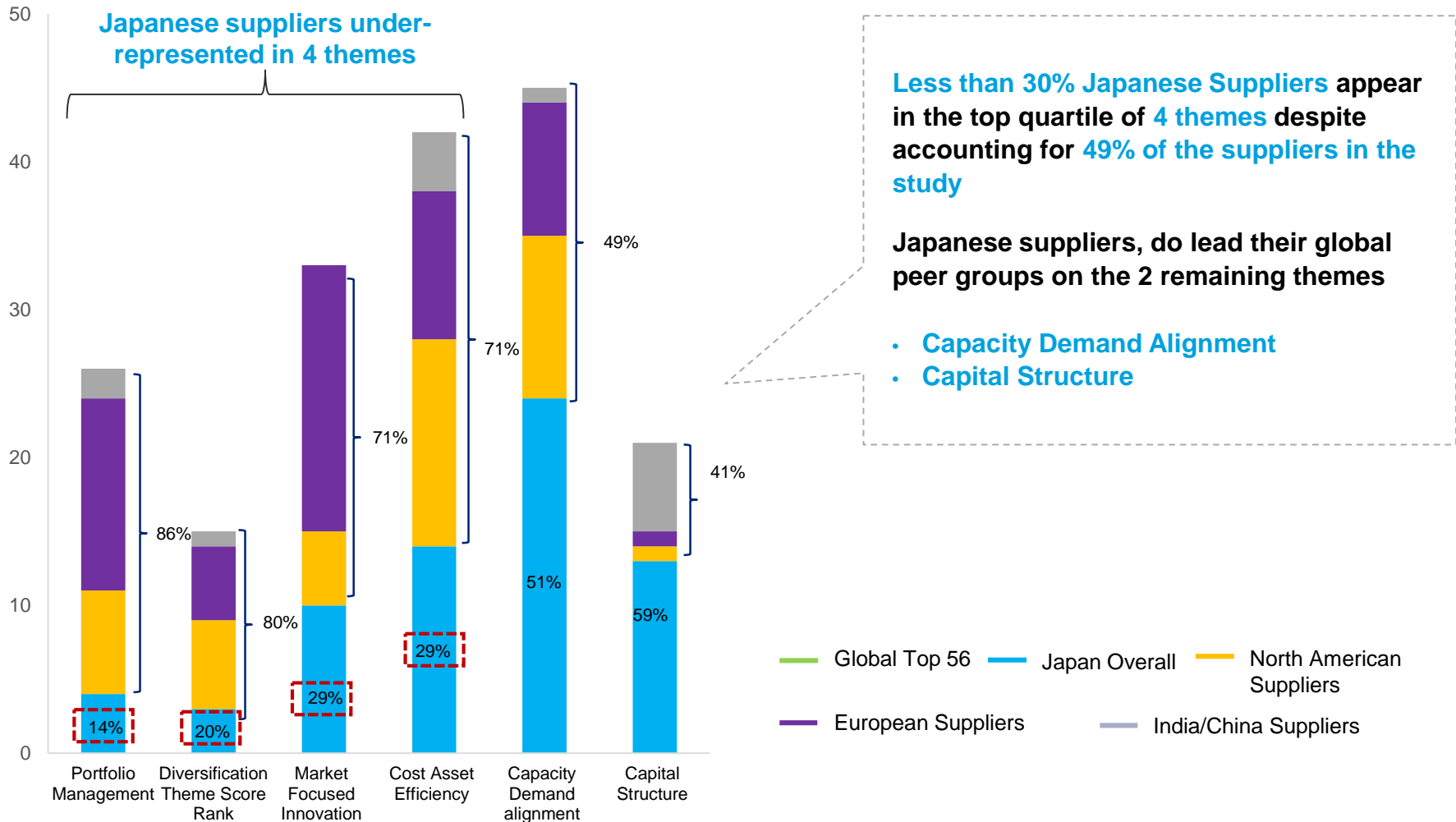


— Top 56    — Japan Overall    — North American Suppliers  
— European Suppliers    — India/China Suppliers



# Japanese suppliers are under-represented in the top quartile performance group across 4 of the 6 winning themes

% of suppliers in the top quartile by theme



# Examples of suppliers driving performance

## *A large automotive Tier 1 Japanese Supplier improving their Product Development Process*

### Client Situation



Client seeking assistance in improving the efficiency and effectiveness of its New Product Introduction (NPI) processes and enhancing its ability to manage complex projects

The project's objective was to drive the identification & prioritization of improvement opportunities.

### Solution / Approach



**Operational Performance**

- A re-defined Project Manager role designed to drive action and improve accountability



**Product Development Strategy**

- Business Unit specific Master Schedule Templates and Master Schedule Management best practices



**Project Health Analytics Tracking**

- Standardized NPI tracking metrics designed to monitor project health and facilitate timely go/no-go decision making

### Impact



The project team was able to quantify the efficiency benefits, gain approval from the Board of Directors, and execute the seven detailed planning initiatives required to achieve the future state vision. Client anticipates 4-6% improvement in product development efficiency as well as significant lead time reductions.



Client focused on **Cost & Asset Efficiency** theme for improvement

# Examples of suppliers driving performance

## *Major Japanese Tire Manufacturer aligned its distribution and channel strategy to it's product portfolio management strategy*

### Client Situation



The US operations of a global tire manufacturer required a channel strategy to better understand which distribution and retail channels were best suited for its product portfolio.

### Solution / Approach



#### Research and Analytics

- Conducted primary research of ~2,000 consumers to identify consumer attitudes, purchase expectations, purchase evaluation criteria and purchase experience
- Analyzed value chain across different distribution channels and conducted detailed SKU analysis to understand the dynamics of both distribution and retail channels



#### Strategy development

- Conducted leadership workshops to develop future-focused industry scenarios to identify trends and uncertainties and deep-dive into a set of future and alternative scenarios
- Captured considerations and concerns regarding the company's future and incorporate into the 3, 5 and 10 year view of their channel strategy

### Impact



Identified capabilities required and potential actions to adjust channel volumes, service policies and pricing in certain channels; identify both favorable and unfavorable channel and distribution partners



Deloitte helped the client in achieving **Product Portfolio Leadership**



# Contact info



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