

SELLING TO THE NORTH AMERICAN AUTOMOTIVE INDUSTRY.

INTRO- There's a statement in the lyrics of the song New York New York the great Frank Sinatra sang. "If I can make it there I'll make it anywhere it's up to you New York New York". In the North American Automotive Industry this is the Song lyrics we sing "If I can make it there I'll make it anywhere it's up to you Detroit Detroit". The Big 3 Ford Motor Company, General Motors, and Stellantis (late Chrysler) have carved out a standard that the suppliers must meet in order to succeed that the whole global automotive industry follows. The days of the old martini bar lunch salesman are over. That was the days when all the engineers and buyers would meet for lunch and discuss business over martini and the salesmen would pick up the tab. Today as a supplier to the industry you must meet the standards and be very competitive to win business. You can still have the lunch however the code-of-ethics is very high in the automotive industry and you must follow the rules.

I'M COMMITTED - As a potential supplier you must make a minimum commitment of 3 years to enter the market if you want to succeed. The automotive industry has many supplier already why do they need you? Do you have a new technology that is better? Do you have the best cost in the world? Do you have the best timing to deliver in the world? Do you have the best service in the world? Are you in the right place at the right time to enter the market based on other suppliers over capacities? Do you have a sales and marketing partner that understands the industry with the

knowledge & experience to put you in a position as a new supplier? To learn a new instrument you must commit to a minimum of 3 years to get past the 1st stage of fundamentals in playing. You will spent the rest of your life and career trying to master the instrument only to continue to raise the bar year after year but never mastering it.

I was born and raised in the suburbs of Detroit and pizza was one of my favorite foods. Back in the day we could dial 7 numbers on the phone and 20 minutes later a person would deliver my family a hot pizza to our door. Many people do not understand the importance of pioneering large business orders to large industry. Some believe you can just dial 7 numbers and overnight you have million dollar opportunities just like ordering a pizza. They want it now without putting in the time and unfortunately it does not work.

You must make the commitment or you will not become a long term supplier. Edgar (Ed) Prince was an American engineer and businessman who founded the Prince Corporation. Which was sold to Johnson controls which is now Adient one of the largest seating and interior supplier in the world today. Ed Prince quit his job with a die cast machine manufacturing company to start his own business back in the 1970's. Working from a rented small 2 bay, abundant gas station, Mr. Prince developed the first lighted vanity automotive sun visor mirror sold, over time was in almost every vehicle made today. From there he diversified into automotive interiors systems for OEM manufactures. Prince Corporation was sold in 1996 to Johnson control for \$1.35 billion US dollars.

I have many more stories of small companies becoming mega automotive suppliers and what you will find in everyone just like Ed Price they were all very committed to penetrating the market.

WHERE DO WE START- If you are not currently an approved automotive supplier and would like to make the commitment or you are an approved supplier that has few or no orders.

- 1. Some companies display at a trade show with some success for opportunities but it all comes down to the right person with purchasing authority to walk by your booth. It can be somewhat expensive to display at tradeshow and you still must have the understanding of the customer and the knowledge in how to approach the opportunities.**
- 2. Some companies hire direct personnel to develop the business. This could work however may be more costly with expenses for salary, medical benefits, and expenses travel cost of business etc. before your 1st order comes in.**
- 3. Hiring a sales consultant or manufacturer's sales representative partner. They have experience in the field, they should have good contacts already in the market. And they work as an independent business allowing you to deduct a lot of your sales development expenses. Their monthly fees are normally 1/3 the cost of direct employees keeping development cost down along with a small commission based on the business they book for you.**

Once you decide on the best way that works to develop the new market it's time to get started.

GETTING STARTED- First you start by identifying your core competencies then build a potential account list that you can match your core-competencies with. When your account list is completed it's time to begin to add key contact information and start your sales development process.

Start calling on customer base to set meetings and show your services with the goal of having an opportunity to be added to their approved supplier list. This process can take longer than you think because many decision makers hide behind their emails and voicemail screening not to respond because they don't want to take the time to develop another supplier unless they have current supplier issues.

This is an area some sales consultants are very helpful with and may have a current relationship already with the key contacts.

Once you have a set meeting make sure you take the time to present your service presentation in a timely manner. Keep your presentations down to 10 minutes so you have time to ask specific questions. I've seen suppliers try to present for over 30 minutes and they lose the audience because they don't have much time.

Ask questions such as: Are you adding any new suppliers, Do you have any specific problems today, Can you give us a price check RFQ, Do you have any new programs coming up we can quote, Is there anyone else that's not here today you would like us to talk to.

Thank them for the time and begin your follow-up campaign calling on contacts 1 a month, try to set up lunch meetings or any additional meeting. Continue the process over and over until the opportunity is given knowing they are buying your product type from a competitor. Get to know other engineers and decision makers along the way with your 1st contact consent. Then repeat the process over and over with everyone you meet deep and wide.

YOUR FIRST RFQ- When you receive your first RFQ and treat it like gold many companies have no idea how to receive a RFQ from a major automotive company. Make sure you have the proper Data to quote correctly, Make sure you can make the product what is being quoted if you can't tell the customer right away.

Make sure you meet the timing on when the RFQ is due. Your estimating department is very important to your success and must review every quote as high importance.

Many suppliers want to play cards with buyers however very rarely does it work. Most automotive buyers have seen all the quoting tricks in the book and are quick to label those type of companies.

It is best that your quote is very honest and forthcoming that way the buyer will respect you and also turn to you in a time of need.

Once you have finished your quote on-time give the buyer at least a week before you follow-up. Buyers are very busy people supporting engineering, fiancé, production plants, their customer, and other suppliers. Don't be a pesky hound dog it could offend the buyer and make your company and you look bad.

I use the James Bond approach .007 very respectful with shot emails or voice messages "Morning Mr. Buyer hope you are doing very well".

- Do you need any further information on our recent quotation?**
- Do you have any idea when you may have feedback so I can tell my plant management?**

No pressure what so ever when you have time.

Wish you a great day!

Sincerely,

Mr. Supplier

Be patient there is a reward at the end of the rainbow. Many buyer will have you quote the same product up to 3 times to try to hit budget target pricing. This does not mean you have to hit the target only take another look and try to lower you cost if you can.

When final numbers are in the buyer will tell you if you're in the game or not, don't be discouraged if you don't win the bid, always have an attitude of gratitude. That way the buyer will come back to you on the next project.

Never turn an opportunity to quote a project even if you have not been awarded any yet. Example: I quoted a potential customer over 20 times until I was awarded 1st program the buyer always turned to me because he/she new I'd respond on time plus it help strengthen my relationship. Remember you made a commitment to the industry you're not going anywhere but up. Also remember Mr. Ed Prince he quoted many, many, times without getting business and look at his finish line.

Once you are awarded business treat your customer like gold and remember it is the customer that pays for salary's, new equipment, 401K, retirements, vacation homes, or in Mr. Prince case Hawker private jets. It's all about the customer and always respect the person in your organization that brings the opportunity in along with P.O. (purchase order).

NOW YOU HAVE BUSINESS- You have your 1st order so be the best you can in supporting your new customer base. It is your customer to win over it is also your customer to lose.

Up your game and customer service so your competitors will not eat your lunch. Do a great job for the customer and your future is endless.

Sincerely,

John MacDonald

Global Automotive Component Sales (Global-ACS Inc.)