



WOODBIDGE FOAM LEVERAGES SUPPLIERS, CUSTOMERS USING INNOVATION

Written by Jana Schilder
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For managers in advanced manufacturing, knowing about the latest and greatest components and materials being created by their suppliers gives manufacturers a distinct advantage over less curious competitors.

At the supplier end, knowing what advanced manufacturers want to make tells the suppliers where to concentrate their innovation.

And, of course, it continues up the sales chain; retailers and business-to-business vendors can learn what their customers want, and pass the word back to manufacturers. "Please make this. Our customers will buy it."

Your car interior: brought to you by Woodbridge

Because Woodbridge Foam Corporation is the largest moulded plastics producer in the world, when you sit in almost any car you'll probably be surrounded by Woodbridge products. And because car companies are headquartered in many different countries, Dr. Hamdy Khalil, global technical director for research and product development, and his associates leverage their partners in ways that reflect different national traits.

He understands different cultures and is well travelled. He's a graduate of two Egyptian universities, and holds a PhD from Windsor University.

He said traditional national traits were weakening, and there were always exceptions to the rules, but basically, the relationship between suppliers and car manufacturers could be fairly easily categorized along country lines.

Car culture: Germany, U.S., Japan

In broad strokes, the German car companies call in the suppliers, one firm at a time, and discuss with them the whole development of a component, ranging from concept through materials to final assembly details. Then, the Germans pick the supplier they think will yield the best result.

The big advantages are that both the company and suppliers get to explore fresh ideas, and the company gets lots of design choices.

And, German cars tend to have hard seats.

The Americans, for the most part, continue their long-time approach to supplier relations. The car companies use their own engineers and designers to come up with the concept they want to implement, and then provide drawings to several suppliers, as part of a bidding process.

The big advantages? Companies control the design and the lowest price supplier gets the work.

And the Americans have the softest seats.

The Japanese start their leveraging their suppliers with a request to "bring us the newest ideas, the highest technology, the most innovation." And once they get these ideas, they work with the suppliers to determine how to bring them to production, and get them installed in a car.

The big advantage? Breakthroughs that lead to customer satisfaction.

The Japanese seats? Like Goldilocks—not too hard and not too soft.

The generally-failed Daimler-Chrysler merger and the apparently successful Fiat-Chrysler and Nissan-Renault relationships all have helped reduce the traditional nation-based automotive manufacturing approaches.

Dr. Khalil said the Fiat-Chrysler relationship provided a ready-made dealer network for Fiat's return to North America, and Fiat benefited from some of Chrysler's advanced electronics. And Chrysler learned from Fiat's expertise in small cars, including handling and maximizing fuel economy.

Lesson: pick a system...and get on with it

Perhaps the most important lesson is that there are many ways of working with suppliers and customers. The actual manner of working—the German way, the American way, the Japanese way—is less important than simply picking a way, and starting to leverage these upstream and downstream partners. It's his version of "Just Do It."

Jana Schilder is a technical writer with RIC Centre, an organization that supports entrepreneurs and innovators in Peel Region in Ontario. The organization offers advanced manufacturing facilities with people and programs to help businesses innovate and grow, including in-depth, industry-specific education programs, peer-to-peer networking events and breakfast seminars. Learn more at www.riccentre.ca.

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