

You CAN grow your business! Innovate!



The sad state of the US automotive manufacturing business is nearly always in the news. It is a major contributor to the sad state of the Michigan economy. So how would you like to be a tier two automotive supplier located here in Michigan? Not a pretty thought, right? Not so fast – even such a company can apply the principles I've been discussing recently to grow their business. Empire Electronics, a tier two supplier headquartered in Troy, Michigan has increased sales 360 percent in the last four years. In less than 10 years, Empire has risen to become a world-class, Tier-Two supplier of wiring harnesses, sockets, connectors, molded products and printed circuit boards to the automotive industry. How did they do it?

Innovation Empire adopted a strategy that blends innovation, aggressive cost control, exceptional quality, and strong service, while becoming more valuable and agile on behalf of their customers. Rather than being just a component supplier they added a full-service design department which focuses on performance, innovation, application and cost reductions. The design department focus is to think out of the box, especially when it comes to saving customers time and money. They also offer finite element analysis related to the products they produce to ensure design integrity and high quality.

Offshoring After losing a major contract due to non-competitive labor costs, Empire decided to look offshore. Initially, the company considered establishing a production facility in Mexico and as far away as India, where many other harness suppliers were locating. After a visit to Mexico and India, however, Steve Doman, chairman and CEO was not satisfied with the competitive environment of both countries. After investigating numerous options, Doman chose Honduras. A facility was built and manufacturing began in a 30,000-sq.-ft. assembly plant in 1997. Within one year of startup, all Empire wiring harness production was relocated to the Honduran plant. Over the next 5 years, the plant continued to expand and currently is at 220,000 sq feet and employs about 1400 workers. As an automotive supplier with a transportable manufacturing model capable of producing top-quality components anywhere in the world, Empire Electronics currently is exploring opportunities in China, while focusing on the details that drive flawless quality.

Here's what Empire says about its business model. "We're integrating vertically - designing and making components that we once sourced elsewhere. For Empire, design is a strategic advantage that allows us to move beyond commodity supply of wire harnesses and connectors. We believe that as we keep stretching, we enhance not only our competitiveness, but also our customers' ability to compete. With this customer focus, we will emerge more often as a "must- have" supplier."

Remember the key items we have been discussing in recent articles – innovation, outsourcing, offshoring. This approach has been phenomenally successful for Empire and it can be for you and your company. Call [Innovative Thermal Solutions](http://www.innovativethermal.com) at (517) 424-7107 to discuss how to grow your business by placing more focus on design and innovation.