



Defending Supplier Pricing & Margins

A program for Tier I-III suppliers



KOTLER MARKETING GROUP

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Kotler Marketing Group

- Founded in 1985 and based in Washington, DC
- Philip Kotler, Kotler Marketing Principal Associate, literally “wrote the book” on marketing
- We’ve worked with leading automotive industry associations to bring our training to their members.



The imperative for suppliers

- Energy, freight, labor, and raw material prices remain extremely elevated.
- Suppliers must raise prices in order to defend their margins and profitability.
 - But automotive purchasing is reluctant to accept price increases & is working to roll-back price increases they were forced to accept over the past 12-18 months
- The *“Defending Price in the Automotive Industry”* program teaches suppliers how to successfully raise, and secure, price increases.

About the program

- “*Defending Price in the Automotive Industry*” is a sales training program designed for Tier I-III suppliers in the auto and commercial vehicle industries.
- Goal is to help suppliers sell the value of their parts and services, defend their price, and improve their margins.
- Since its inception, over 900 suppliers have attended, including:
 - 93 of the Top 100 suppliers in North America
 - 91 of the Top 100 in Europe
 - 7 of the Top 10 Japanese Suppliers
- Training has been delivered in in North America, Europe, South America, South Africa, Australia, South Korea, and China.



Now available
in a virtual
delivery format

Strengthening Negotiations
with Purchasing

SALES TRAINING FOR SUPPLIERS OF:

- Chassis components
- Braking & suspension products and systems
- Safety systems and components
- Body controls
- Paints and coatings
- Interior components
- Engine components
- Steering components
- Raw materials and chemicals
- Services
- Process manufacturing and testing equipment
- Electrical/electronic components and systems

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About the program (cont.)

- Industry-specific examples and case studies
- Deep dive into purchasing strategies and tactics
- Interactive – with lots of exercises and group discussions



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Our proposal to CLEPA

- Schedule initial pilot program (April 23-24)
- CLEPA members qualify for discounted rates
- CLEPA shares in the revenues
- Kotler Marketing Group handles the registration process
- CLEPA promotes the training to members

What suppliers have said about the program

*"This seminar provides a systematic approach. The software tool, exercises, and tips are down-to-earth and ready to use!" - **Dominique Burgeff, Sales Mgr., Saint-Gobain***

*"Absolutely the BEST training I've had in my career. The trainer was FANTASTIC...incredibly knowledgeable and interesting. Everything we learned was applicable to us as a supplier and our dealings with our respective customers (Ford/GM/Stellantis, etc)!" – **Account Director, Faurecia***

*"Solid industry examples. Digs deeper than most 'Value-based Selling' training. Gets into the nuts and bolts of how to really do it." - **Louis J. Bogart, VP Sales & Marketing, Borg Warner Torq Transfer Systems***

*"I have been through other programs in the past to understand how to defend pricing. This seminar delivered insight that was eye opening. Thank you!" - **Olivier Callegari, Global Customer Manager, Bose***

*"An in-depth workshop that has gained importance in how business is conducted between suppliers and buyers in automotive industry. Excellent!" - **Mark Trapp, Valeo Detection Systems, Director Sales & Business Development***

*"Buyers are increasingly under pressure to cut costs. It's critical that our sales force be able to effectively demonstrate why our products have lowest total-cost-of-ownership (TCO). The Defending Price program showed us how to do this."– **Paul Williams, EVP Sales, Continental***



Success Stories

Supplier success stories



Situation: Ford demanding lower price on BASF's advanced fuel systems.

BASF Points of Difference:

- BASF's Three-Way Catalyst (TWC) technology provides important benefits to OEMs:
 - Materials cost - less use of precious metals
 - Improved performance - higher conversions of CO, HC and Nox

Approach:

- BASF account team had recently been trained in the *Defending Price* workshop
- They applied the methodology to quantify the value of its TWC technology
- Presented to Ford (Purchasing plus key stakeholders in Engineering)

Results:

- Not only did they win the business, but BASF was able to justify a price premium of over \$3.5 million over the next highest bidder.
- They attribute the result directly to the training program and methodology.

Supplier Success Stories



Situation: Ulbrich is a value-added supplier of stainless steel and special metals. The significant increase in steel, labor, and energy costs was eroding profitability.

Ulbrich's Points of Difference:

- Ulbrich has competitive advantages in two (2) primary areas:
 - Superior technical expertise
 - Shorter supply chain.

Approach:

- Trained in the Defending Price methodology, Ulbrich successfully implemented six (6) price increases between 2021-2022

Results:

- Ulbrich added millions to its bottom-line.
- They attribute the result directly to our training and methodology.

Supplier success stories



Situation: Cable supplier Leggett & Platt, was bidding on an OEM opportunity against a low-cost Chinese supplier. Competitor bid \$0.80 for Y1; \$0.76 in Y2.

L&P Points of Difference:

- L&P felt they had competitive advantages in two primary areas:
 - Higher levels of quality
 - Shorter supply chain.

Approach:

- L&P sales team recently trained in the Defending Price methodology, and used the approach to calculate their benefit value.
- Based on the analysis they decided to bid at \$0.85 per unit – a 6.5% premium to the competition in Y1 and a 12% premium in Y2.

Results:

- L&P was awarded the business.
- They attribute the result directly to our training and methodology.

Supplier success stories

DELPHI
Electronics & Safety

- **Situation:** Delphi's electrical components business was bidding on a program opportunity at GM.
- **Solution:** The sales team performed an in-depth competitive analysis in preparation for the RFQ process. The team actively managed the discussion to shift Purchasing's focus away from price. Delphi's value proposition to GM focused on the following areas:

***Efficient design** - leveraged cross-vehicle designs to optimize full vehicle wiring system*

***Weight savings** - Material substitution and design optimization reduce the vehicle weight (customer engineering validated savings)*

***Unmatched target warranty commitment** - Engineering capability and familiarity with customer designs allowed the supplier to offer a higher level of warranty protection.*

Results: Delphi won a major vehicle redesign at a significant (over \$5 million) premium over and above its current contract with GM. They attribute the business result directly to the "Defending Price" training program and methodology.

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