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## Automotive suppliers look to aerospace for new revenue

By Mark Lewis

Even the overflow room was crowded Thursday at a Troy workshop sponsored by **Oakland County's Emerging Sectors** program on how automotive suppliers can diversify their customer bases to include the aerospace industry.

The mood of many attendees at the event was hopeful.

Having watched automotive sales plummet in recent months, the approximately 400 people who attended, most of them salespeople, were eager for good news.

Co-sponsors of the event, held at the **Michigan State University Management Education Center** in Troy, included Oakland County and **Crain's Detroit Business**.

For auto suppliers, the \$209 billion aerospace industry, which is anticipating growth of 8-10 percent over the next 10 years, is a potential life preserver.

"We're looking for opportunity in every avenue," said Jim Lang, a sales representative with Trenton Forging, which posts revenue of about \$24 million annually supplying tier-two automotive suppliers.

Since last July, automotive sales at **Trenton Forgings**, which account for about half of total business, have declined almost 50 percent.

The problem for the Trenton company — and many others who attended Thursday — is that transitioning to aerospace could require significant infrastructure changes. Trenton Forgings, for example, deals almost exclusively in steel, while the aerospace industry uses primarily high-grade alloys such as aluminum and titanium.

Another major obstacle in transitioning to the aerospace industry is acquiring AS9100 certification, the aerospace equivalent to the ISO certification required of automotive suppliers. The transition process, from start to finish, takes a minimum of six to eight months, said Gavin Brown, co-founder of the **Michigan Aerospace Manufacturers Association**.

"AS9100 is your dance card," he said. "It's something you need to have."

The transition could be considerably easier for companies with some experience in aerospace.

Advertisement

An advertisement for Plunkett &amp; Cooney Attorneys &amp; Counselors at Law. The background is a dark red color with silhouettes of three people. The text "Distinctive." is written in a large, white, serif font. Below it, the text "... delivering diverse legal services to businesses." is written in a smaller, white, serif font. At the bottom, the firm's name "PLUNKETT &amp; COONEY" is written in a white, serif font, with a small red and white logo between the two names. Below the name, the text "ATTORNEYS &amp; COUNSELORS AT LAW" is written in a smaller, white, sans-serif font.

Plymouth-based **NSS Technologies Inc.**, for example, with revenue of \$80 million a year supplying cold-headed fasteners to tier-one and tier-two automotive suppliers, operates under the parentage of **Precision Castparts Corp.** (PCP), a traditional aerospace supplier.

"It could be a big help," said Peter Oliver, a sales rep for NSS Technologies. "I don't think the competition is there."

Brown emphasized that transitioning to aerospace is not a quick fix, and that aerospace is a risk-averse industry that tends to value lead time and supplier stability over savings of a few cents per unit.

Grand Rapids-based MAMA is currently working with about 45 Michigan-based companies that are interested in supplying the aerospace industry. Brown has said that he would like to work with as many as 200 companies by the end of the year.

One potential company is PTM Corp., a Fair Haven-based parts supplier that deals almost exclusively with the automobile industry. Recent declines in sales have forced the manufacturer to cut salaries by 20 percent and reduce production to a four-day work week.

"Automotive was so good to us for us so long," said Kris Jacobs, a salesperson with PTM. "No one ever thought this would happen."

Regarding a move to aerospace, she said, "It might be a little late."

Annual membership dues for MAMA are \$8,400. Benefits include interaction with industry leaders and access to experts and emerging technologies.

MAMA will be making presentations the third Wednesday of each month at Michigan Economic Development Corp. diversification summits. Locations are pending. See [www.michman.org](http://www.michman.org) for updates.

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