

TRADE SHOW TECHNIQUE



Networking on trade show floor at 2008 Opportunity Exchange

TEMA is currently planning the 20th annual Opportunity Exchange (OE), scheduled for November 9 – 10 at the Duke Energy Center in Cincinnati, OH. As most readers know, this event is a unique and free minority business trade show that welcomes MBEs from across the country to network directly with TEMA's Tier I suppliers who participate as exhibitors. OE allows MBEs to connect directly with more than 200 prospective customers and it supports Tier I suppliers' effort to meet Toyota's 5% Tier II minority purchasing target. To date, this singular event has generated more than \$130 million worth of contracts for MBEs who attend.

So how are MBEs landing these contracts? What are they doing that other MBEs should do to optimize time invested in OE? To answer these questions, TEMA interviewed three MBEs who won contracts from connections they made at last year's event. What follows is what works, so we encourage MBEs to incorporate these tactics into their own plans for this year's trade show. (For more information or to register, please visit www.toyotaopportunityexchange.com.)

Global Environmental Products, Ltd. (www.gepltd.com) is a low-cost supplier of industrial absorbents and spill management products doing business in 15 countries and on four continents. Company President Michael Mamaligas, who has extensive experience in the oil, chemical and spill management industries, explains, "Our products are used anywhere there is machinery or a manufacturing environment where cleanliness and safety are important."

For OE he follows a three step process: "We review any information provided upfront by Toyota to learn what companies will be there." Then, the day of the event he makes a quick first pass of the entire trade show floor "to identify manufacturers who probably use the kinds of metal cutting fluids and lubricants my products clean up." Following this quick walkthrough, he develops a final target list,

divides it with his sales representative and then works his way through the list, capturing names of key contacts at each prospect company for subsequent follow-up. This process helped Global Environmental Products land a contract last year with Tier I supplier Rightway Fasteners. "The book isn't closed on the 2008 event just yet," added Mamaligas. "We are still in conversation with two or three companies we met there."

InterChez Logistics Systems, Inc. (www.interchez.com) believes in shoe leather...and follow-up. This third party logistics company partners with customers to dissect and reassemble their transportation network in a way that achieves greater efficiencies and identifies opportunities for cost savings. InterChez provides its customers with an online system that shows the location of all product currently in transit across their supply chain. Like Global Environmental Products, InterChez knows they have a product many Tier I suppliers at OE can use. Their straightforward approach is to visit as many OE exhibitors as they can with the objective of maximizing the value of each exchange.

"We know we can't be everything to everybody, so we identify those companies that need what we sell before we ever arrive in Cincinnati."

"Time is limited so we approach each booth on the trade show floor intent on collecting the name and contact information of the person who purchases logistics services," explains Sharlene Chesnes, Chairman of InterChez. Adds President Mark Chesnes, "The real business gets done in the follow-up meetings



Collecting names and contact information at a Tier I booth

you schedule after the trade show. Like the efficient movement of freight, the objective is to minimize time spent at each individual stop." Last year, InterChez managed this process well, making a pair of contacts that led to contracts: the company now counts Tier I suppliers EnovaPremier and Vuteq Engineering Corporation among its customers.

John Jacinto, President of Vistech Manufacturing Solutions, LLC. (www.vistechmfg.com) understands the purpose of Opportunity Exchange is to make connections his company can nurture into long-term business relationships. "That first meeting on the trade show floor is rarely about getting a contract," he says, "it's about introducing ourselves

and starting a conversation. Ultimately, we rely on our cost competitiveness as our foundation to drive sales."

Vistech, which landed a contract with Tier I supplier Amtex at last year's OE, supplies its customers with molded products, simple die cut pieces and thermoformed components. Each year they begin preparations for OE early, identifying their

most promising prospects in advance of the event.

"We know we can't be everything to everybody, so we identify those companies who need what we sell before we ever arrive in Cincinnati," Jacinto explains. On the trade show floor he and his team work from a target list and, in brief conversations at prospects' booths, capture the name and contact information of the person who buys their products. "After the event, we follow-up quickly, schedule appointments and begin the real work of building relationships...demonstrating our potential value as a business partner," Jacinto concludes.

ACCELERATING EXCELLENCE

On Tuesday, August 11, Toyota Motor Engineering & Manufacturing North America, Inc. (TEMA) hosted the graduation ceremony for the Centers of Excellence (COE) program. COE is an NMSDC capacity-building initiative under which Affiliate Councils connect up to 10 of their corporate members with up to 20 high-potential MBEs. **Committed to the concept of mutual benefit, COE uses NMSDC "best practices" for minority supplier development to enhance corporate supplier diversity processes and build capacity for MBEs.**

The corporations and MBEs work together as a group over an 18-month period to share information, learn from one another and improve their collective performance in critical business disciplines such as Supply Chain Management, Supplier Diversity, Risk Management, Problem Solving and Negotiation.

At the graduation ceremony, participants heard presentations from Chris Nielsen, Vice President, Purchasing – Vehicle Parts & Materials at TEMA, and Richard Hughes, Vice President, Global Purchases at P&G. Responding to an advance request from COE organizers, the two executives addressed the following topics:

1. Their perception of the global business environment
2. How TEMA and P&G are managing their supply chains through the current economic environment
3. Broader business steps TEMA and P&G have taken in response to the current economy
4. Advice to help suppliers thrive and achieve competitive advantage under current conditions

The session concluded following a lively question and answer session between attendees, Nielsen and Hughes.



JCI Vice President, Jeffrey Smith, (second from right) receives Superior Award from TEMA executives Chris Nielsen, Vice President, Purchasing, Atsushi Kume, Senior Vice President, Purchasing, and Tetsuo Agata, President & COO (left to right).

Each year at its Annual Business Meeting (ABM) in March, TEMA formally recognizes suppliers who have exceeded the company's expectations in Quality, Value Improvement, Supplier Diversity, Technology and Launch Performance. In his address at the 2008 event, President Tetsuo Agata, said "Toyota values the contribution of our North American suppliers. We are grateful for their continued support during these difficult economic times. Our future success here is directly linked to the success of our suppliers."

Last year TEMA granted a Superior Award in Supplier Diversity to Johnson Controls, Inc. (JCI) (www.jci.com) and three Special Recognition Awards to TK Holdings, Inc. (www.takata.com), SHIROKI North America, Inc. (www.shiroki-na.com) and Yazaki North America (www.yazaki.com). Special Recognition is conferred for significant advancement during the previous year.

"I believe we received this award because of our ability to deliver results and create sustainability in this important business discipline,"

said Reginald Layton, Director of Supplier Diversity at JCI. He explains that JCI is staffed to make minority business development a priority with dedicated supplier diversity managers in each of its Divisions. These managers report up to Layton, who then reports to a board member. "What's more," Layton adds, "there are individual supplier diversity goals for each commodity, and commodity goals are aggregated into Division goals." JCI's practice of collecting and reporting each Division's supplier diversity performance confirms again that what gets measured gets done.



Jeff Carter, Purchasing Assistant General Manager at SHIROKI North America, knows why his company received Special Recognition. "Last year we met TEMA's 5% MBE Tier II Purchasing target after being close during the previous two years." Carter says the difference for SHIROKI in 2008 was their success at finding and developing MBE suppliers of standard commodities such as fasteners, plating, stamping, tubing and freight.



John Scollin, a Purchasing Manager at TK Holdings, credits his company's incorporation of supplier diversity into its standard business

practices for their Special Recognition from TEMA. As part of its work in this area TK Holdings strives to identify and support MBE suppliers with an interesting value proposition. "We mentor key MBE suppliers and introduce them to our customers and direct suppliers," Scollin says, adding "our MBE sourcing philosophy is embedded in our direct and indirect commodity strategies."

"Toyota values the contribution of our North American suppliers."

President Tetsuo Agata

Marianne Gamsjager, Manager of Indirect, Logistics and Diversity at Yazaki North America, attributes her company's Special Recognition to their work "helping develop MBEs in areas that represent large dollar volumes of goods and services in which MBEs have not been represented such as bulk wire, transportation, third party warehouse management and tooling design & manufacturing." Yazaki has developed successful joint ventures with MBE suppliers as well as establishing other kinds of mutually beneficial consultative relationships.



“GETTING

This new section highlights MBEs who, through vision, insight and excellence have established relationships with TEMA or a TEMA Tier I supplier. Our aim is twofold: 1) We want to introduce these MBEs to our Tier I partners as potential Tier II suppliers; and 2) We want to share relationship-building best practices with MBEs. If you have a story to recommend, please email us at supplierdiversity@tema.toyota.com. We can't promise to include every item we receive, but the story we never hear about has no chance of being published.

Carter Brothers, LLC at a Glance

BUSINESS: Security System Integrator

NEW CUSTOMER: Toyota Motor Engineering & Manufacturing North America (TEMA)

KEY FACT: Carter Brothers is one of top 25 Security System Integrators in the U.S.



Carter Brothers LLC (www.carterbrothers.com) developed its relationship with Toyota the same way it developed its own business: patiently and with a focus on building lasting relationships. Founded in 2001 by former Minnesota Vikings All-Pro receiver Cris Carter and his brother, John, this certified MBE is a proven performer in the security and fire safety industry. Chairman and CEO respectively, brothers Cris and John Carter have established an enterprise that ranks among the top 25 companies in the multi-billion dollar business of providing cameras, card-readers, lighting, fencing and other equipment to protect commercial facilities.

Explaining their value proposition, John Carter says, "Some companies provide only one piece of the puzzle, such as the cameras but not the lighting or the fencing but not the new guard shack. We set ourselves apart by giving customers a single point of contact for handling all of their fire and security needs." Customers and business partners who appreciate this streamlined approach include ADT, Frito-Lay, GE, Johnson Controls and Wachovia.

John Carter first met Toyota team members at the 2005 Opportunity Exchange trade show, where he began the networking that nurtures solid business connections. "You have to understand that networking is a part of this business," he says. "It takes time, but these are the things that lead up to a business relationship, including attending events and participating in activities your prospective customer sponsors." For example, Carter Brothers representatives attended Toyota's "Power of Getting Connected" events in Michigan and Mississippi for new construction projects at the Toyota Technical Center in Ann Arbor, Michigan and the new manufacturing plant in Blue Springs, Mississippi.

"We hold these events in areas where we're about to launch new projects so Toyota purchasing managers and prospective MBE suppliers can meet and learn more about one another," says Adrienne Trimble, Manager of Supplier Diversity at TEMA. "This has proven to be an effective approach at facilitating business relationships," she adds. Thanks to a patient yet determined approach – and a favorable review after Toyota's thorough evaluation of their company – Carter Brothers competed for and won a contract to install security equipment at the new Mississippi plant. "We know it's first and 10 with Toyota," says company Chairman Cris Carter. "We plan to win through consistent, excellent execution."

"You have to understand that networking is a part of this business..."



CONNECTED



Devon Industrial Group, LLC at a Glance

BUSINESS: Commercial Construction

NEW CUSTOMER: Toyota Motor Engineering & Manufacturing North America (TEMA)

KEY FACT: Devon Industrial Group has deep experience in the construction of automotive-related facilities



Building automotive-related facilities is different from other types of commercial construction, according to David Burnley, President of Devon Industrial Group (DIG) (www.devonindustrial.com), a Detroit-based MBE construction firm. "The demands are more stringent across the board, whether we're talking about schedules, quality, safety or budget," says the veteran of 34 years in the construction industry. "The real value DIG delivers to our automotive customers," he continues, "is our ability to understand their requirements and to recommend VAVE enhancements to generate cost savings for the owners."

"When the Michigan Minority Business Development Council (MMBDC) first introduced us to DIG, we appreciated their experience building automotive facilities, but that was just one piece of the puzzle," said Jehan Gouse then Manager of Construction, Maintenance and Equipment at TEMA. Toyota's first meeting with DIG occurred several years ago. "Our purpose was not to win a contract, but to begin building a relationship," Dave Burnley recalls. "We got on their radar, indicated our interest and then looked for ways to stay in touch, such as attending Toyota events and the NMSDC-sponsored trade shows." Construction veteran Burnley understood that it takes time to build a business relationship.

After a while, DIG was invited to attend a Toyota POGC meeting in Michigan for the planned construction of the Toyota Technical Center (TTC) safety test building. The meeting led to a capabilities presentation for TEMA purchasing managers. "We had to show them where we had been and what we had done," recalls Robert Washington, DIG's Director of Business Development. In addition to meeting with purchasing managers at TEMA's Erlanger office and with engineering and facilities managers at TTC in Michigan, DIG welcomed a group from TEMA managers to their Detroit headquarters for a facility visit.

"I admire Toyota's thoroughness," Dave Burnley says, recalling the standard pre-bid process his company went through. "I've been around long enough to know this is how the industry works."

Having won the opportunity to participate, DIG went on to win the bid for concrete work on the TTC facility and then, later, for work on Toyota's new plant in Blue Springs, Mississippi. Observes John Munson, Assistant Manager of TEMA's Supplier Diversity Department, "The lesson from DIG's experience is that this is a process and it's in everybody's long-term interest to dot all the i's and cross all the t's."

"Construction veteran Burnley understood that it takes time to build a business relationship."

CONTINUOUS IMPROVEMENT

The Text below is an edited version of remarks delivered by Greg Battle, CEO of Coolant Control (www.coolantcontrol.com) a Toyota Tier II MBE supplier that manufactures and sells industrial lubricants. Coolant Control was named 2008 Small Business of the Year by the Cincinnati Chamber of Commerce.



A Good Crisis is a Terrible Thing to Waste

I learned as a child that if you give yourself an excuse you'll have an excuse. At my school we didn't have a track, a home football field or a home baseball diamond, but we were always at or near the top in the state polls and championships. Now let me apply that early "no excuses" lesson to my experience in business.

I welcome the current economic slump as a "good crisis" because it will make our companies stronger and more productive. This good crisis will drive innovation. Look around: the next P&G, Kroger or Toyota may well be in the room... maybe it's your company. The giants I just mentioned all started small like us, but they kept moving forward, so who's to say we can't end up where they are?

We have choices: We can see this crisis through and reinvent ourselves, becoming better companies in the process or we can give up and close our doors. My firm, Coolant Control, will be here no matter what. Part of our "no excuses" strategy is to expand our market by having key members of our staff become fluent in foreign languages. We now speak Arabic, Cantonese, Mandarin, French, Spanish, Portuguese, English and 1/2 Japanese. As company CEO, I must step up and claim that half language. I assigned myself the task of learning Japanese and after two years I am 50% there. Instead of trying to sell half-barrels to new Japanese customers, I will redouble my efforts and learn the language.

In addition to prompting us to identify new external sales opportunities, this good crisis has caused us to examine all of our internal processes in search of cost savings. The efficiency gains we found

by drilling down into our daily processes enabled us to lower all of our costs. We also improved our ability to handle unexpected challenges by cross-training all of our employees to enhance our entire team's understanding of our business.

"I learned as a child that if you give yourself an excuse you'll have an excuse."

When we find cost savings, we share them with our customers, which helps them reduce their production cost. My attorneys twitch when I say this, but we break contracts every day by lowering the contracted prices. With one very large customer, we lowered prices for five straight months before their buyer realized it, at which point overall prices to that customer were down 35%. Their response? A hearty thank you and a raft of new orders. Simply put, our aim is to make it easy for customers to buy from us. The results we've gotten from examining and improving our processes have boosted morale and innovation in every corner of our company, and we track these results in a living document we call our "Lessons Learned Book."

This crisis is Goliath and we are all David. We are facing unique opportunities masquerading as towering threats, but can win. Remember, it's not what happens to you in life that makes the difference; It's how you respond to what happens to you. A good crisis is a terrible thing to waste, chiefly because it prepares you to meet and master the next one.

Thank you.

Greg Battle
CEO of Coolant Control

HAVE YOU HEARD AN INTERESTING SPEECH ABOUT SUPPLIER DIVERSITY RECENTLY?

We're looking for the kind of address that made you think: "This information deserves a wider audience!" Please share it with us. Just email a copy of the remarks, tell us who spoke and at what event, to: supplierdiversity@tema.toyota.com.



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“EVENTS & ANNOUNCEMENTS”

“CONGRATULATIONS, MBEs!”



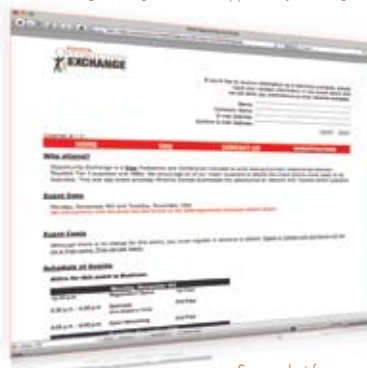
• **River City Furniture** (www.r-c-f.com) was awarded NMSDC Regional Supplier of the Year from the Midwest Region, enabling them to compete for National Supplier of the Year to be awarded in New Orleans, Louisiana during NMSDC Nationals in October.



• **Computech** (www.computechcorp.com) was nominated as a finalist for MMBDC Supplier of the Year.



Stage setting from 2008 Opportunity Exchange



Screen shot from Opportunity Exchange registration website

Toyota's Opportunity Exchange

What: Minority Business Trade show and Conference

When: November 9 – 10, 2009

Where: Duke Energy Center, Cincinnati, OH

Why: Event has generated more than \$130 million worth of MBE/Tier I contracts



TEMA President & COO Tetsuo Agata (center) cuts ribbon to open trade show floor at 2008 Opportunity Exchange.

For more information or to register, please visit:

www.toyotaopportunityexchange.com



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