

The Little Company That Could!

Anything worthwhile takes time, commitment, and perseverance—and that is no less true when applied to a small automotive supplier in West Michigan trying to find the key to unlocking global markets. In October of 2002, the Van Andel Global Trade Center was contacted by Monroe Inc. to talk about Monroe’s global strategy. After working with Monroe throughout parts of 2003, we knew they were on the right track. In February of 2004, we revisited Monroe not knowing how far they had actually come. They had certainly undertaken a worthwhile activity, and gone further than we would have imagined.

Monroe Inc., a company founded by Howard Schuitema in 1971, in West Michigan, currently designs and manufactures precision molded parts and equipment primarily for the automotive industry. A small, family owned, automotive supplier business based in West Michigan, they would certainly not categorize themselves as risk takers. Monroe was familiar with maintaining an inventory adjacent to Mexican plants for “just in time” delivery and providing quality control on site support to foreign manufacturers with frequent plant visits. While they have been exporting finished goods to U.S. customers in Mexico for years, they did not have to identify the market, contact the customers, or even transport product to their end customer, moreover everything was specified by their customer.

In the fall of 2002 a new opportunity arose with a large cluster manufacturer based in Europe, but this opportunity was different. It would require this small, family owned business to venture out on their own to address the customer directly on foreign turf, to identify market potentials in world areas, to deal daily and directly with people from a different culture and place. Additionally, this opportunity required them to create their own value proposition by looking at such things as landed costs, duties, shipping, in-country logistics, lead times, and a host of other international specific issues. Areas that

Monroe was not big enough to handle, was not experienced enough to handle, was not bold enough to handle—or so they thought—at first.

With the guiding hand of Howard Schuitema, the sage of the company, and Mike Schuitema (who by his own admission is more risk averse than his father) they assembled key individuals within Monroe in the form of John Wanhatalo and Roger Taylor to seriously look at their options. As with many opportunities worth taking, this opportunity required Monroe to step out of their comfort zone, manufacture a new product; export it to a new place, with all of the responsibility on their shoulders.

Enter VAGTC

Monroe asked the VAGTC for help when they decided that this was a project worth pursuing. They looked to the VAGTC to answer questions and provide information for things that Monroe, by its own admission, wouldn’t have even thought of. “The VAGTC and their staff provided us with the research, scenario analysis, and network to the appropriate service providers to give us the confidence we needed to quote European business.” said John Wanhatalo.

After working with the VAGTC, Monroe felt confident to engage global markets more effectively and was able to ask the right questions and evaluate the answers. Also they were able to play out different scenarios, such as pricing and service, and knew what to expect going into those evaluations.



From Reactive to Proactive

What started off as a reactive export to a customer needing something very specific has quite quickly become a company with a proactive market entry agenda. They analyze each international market, determine those with the most potential, and plan the most effective entry method. “Having that direct experience in the European market, gave us the confidence and savviness to go after more business than we normally would have.” said Michael Schuitema. Being a family owned business, conducting international business can work for you or against you. They have just accepted the fact that in order to gain business, and to keep business, they had to have a global presence.

In order to be globally competitive and meet the needs of their customers in a timely fashion, they have expanded all areas of their corporate activities including; design engineering and manufacturing engineering, tooling, quality control production planning and all facets of their manufacturing processes. They also have assigned John Wanhatalo and Roger Taylor to Europe where they are ensconced as liaison personnel. Monroe is considering different strategies in different markets to increase market share, including some warehousing and assembly in other countries. The reason that Monroe can say they will be adding jobs in the next year instead of losing them, is that these strategic moves will increase the market share the company possesses on a worldwide level.

What does the future hold?

This success has now snowballed; Monroe has just secured a new contract from Siemens VDO for Volkswagen cluster business. The parts for which will be entirely built in Michigan. Their international strategy includes a mix of exporting, warehousing, assembly, manufacturing and redistribution in Michigan and other parts of the world. Due to the increase in European sales, Monroe expects to increase its domestic workforce over the next year.

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Mike Schuitema, President of Monroe, Inc.

from Western to Central and Eastern Europe, and the new challenges this will bring. They expect their own strategy to continue evolving as the European Union adds several new countries in 2004. With the experience they are gaining in Western Europe, they feel they are more prepared to do more business internationally. Highlighted by a recent visit by Representative Vern Ehlers to observe their manufacturing excellence, Monroe is poised to deal with the changing landscape in global business.

Challenges

When asked what the hardest part of international business was, Mike Schuitema answered “getting started.” In Monroe’s case they had three key individuals that championed the effort. They learned through persistence, but were also prepared with the right information to make sound decisions, and some of it was just being in the right place at the right time.

The details of international business are still a challenge for Monroe, as is the communication between cultures and time zones. However, they come to the game with a principled change in how they approach the world. With the confidence they can compete on the world business stage, the understanding that they have to proactively plan to enter markets, and maybe a little help from their friends at the Van Andel Global Trade Center.

For more information on Van Andel Global Trade Center, a unit of Grand Valley State University, visit www.vagtc.org or call (616) 331-6811.



Roger Taylor is pictured at Siemens VDO-Automotive AG in Babbenhausen, Germany.



Joh Wanhatalo at Visteon UK Ltd. in Basildon, England