

Essay from the bold pastor #273 - The Mega Supplier -

We are about to see a groundbreaking change in Japanese automotive market, which takes 30% of the global automotive market share. As of 2016, Toyota Motor Corporation incorporates active safety systems for their 16 models that they offer; including autonomous driving technologies. The critical component of this system is known as “the sensor module” that consists of optical camera, radar, and laser technologies. Toyota procured this part from Continental; a German company who is one of the large players in automotive component suppliers, while conventionally they could have bought from Denso, one of Toyota’s largest Keiretsu partners. This movement has rocked the industry.

It is a movement that envisions a departure from traditional Keiretsu partnership for automakers, and as a matter of fact, the German supplier has already been aiming for market share expansion through placing their sales office to their clients’ geographic vicinities of operation sites such as, Mazda, Suzuki, Fuji Heavy Industries’ operations. Another German company; Bosch, the largest automotive parts supplier, has also placed their system engineering division in Japan. Also, ZF; another German parts supplier known for their transmissions, has established their presence in Yokohama; busy aiming for their revenue volume scale expansion.

So, why does the German so called “mega suppliers” is invading the market? The answer lies precisely to the change in relationship between the automotive manufacturers and their parts suppliers. Conventionally, the automotive manufacturers “subcontracted” their work to their part suppliers by ordering their parts per their R&D specifications and their drawing requirements and manufacturing. Today, their scope of development field has expanded more than ever before, such as in environmental and autonomous driving technologies. By nature, these technologies are highly electrified and less mechanical, and yet they are standardized by the industry that lead automakers rather to outsource these technological developments. Shinji Kakiuchi, an analyst of Morgan Stanley MUFG says, “Instead of making a part demanded by automotive manufacturers, what parts manufacturer nowadays is required to do is to develop a systematic module through reading their clients’ future needs for their product development.” This does makes sense.

Today is an era of autonomous driving technologies being developed by Google of smart cars, becomes the center piece of attention. It is probable to see the relationship between automakers resting on their laurels, and suppliers waiting for instructions from them to what to do will soon become obsolete. In fact, there are many depictions of their relationship between supplier and being supplied in the Bible.

**“You will be enriched in every way so that you can be generous on every occasion,
and through us your generosity will result in thanksgiving to God.” 2 Corinthians 9:11**

This is a surprising scene when people of a poor rural church of Macedonia provided for a troubled church of Jerusalem, who is the “authority” of the Gospel. At around 55 AD, when the Gospel was spread throughout the countries, Once a suppling headquarter became a branch, and they eventually dominated over the headquarter. Anyone who believes in Christ with utter sincerity will not only gain strength, but also starts envisioning people’s needs, and ultimately becomes a mega supplier.

