

THE HARBOUR REPORT™

THE EVER-CHANGING AUTO INDUSTRY



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While the global automotive industry experienced a record low point in 2009 with sales of only 61.9 million units, 2014 was the fifth consecutive year of sales growth, with vehicle sales reaching 86.5 million. Much has changed since the global crisis of 2009, when billions in government bailout money were spent to rescue General Motors, Chrysler, and the US automotive industry. Since then, the automotive industry landscape has changed drastically, with manufacturers and suppliers having to re-evaluate the way they do business globally. The industry has shown signs of drastic recovery in the wake of the global crisis, but that recovery has been highly uneven. Oliver Wyman and the Harbour Report™ team have had a front row seat in observing the transformational changes that have occurred and that continue to transpire in the industry.

The Harbour Report™ has been the pre-eminent auto industry authority on manufacturing performance since 1989. Since the original publication, the report has evolved and grown from three regional studies to one private report with over 400 sites globally across 25 countries. The Harbour Report™ Automotive is a valuable cooperative benchmarking tool that automakers use to improve labor productivity, quality, and efficiency. Over 2,000 unique data points are collected and independently analyzed by the Harbour Report team as part of our analysis. The Harbour Report team has had the unique opportunity to visit most every factory that builds cars, trucks, stampings, engines, and transmissions around the world – many of them multiple times.

Many of the trends and changes witnessed during the downturn continue to be relevant as the industry recovers from the global crisis. Consolidation has led to manufacturers shifting from single-model plants to producing multiple models and body styles, resulting in logistics challenges and cost pressures for suppliers. Flexibility, quality, environmental responsibility, safety, and performance efficiency are now standard requirements of doing business for global survival and competitiveness.

Launching of new models – with increased part complexity, variants, infotainment, and alternative propulsion systems – continues to challenge manufacturers. 2014 topped the all-time record for the number of product recalls, driven by common parts and component strategies across vehicles, brands, and regions. Manufacturing productivity improvements are often offset due to these continuing industry challenges.

While differences exist across manufacturers, regions, and plants, far more similarities are evident. The auto industry is aggressively searching for cost-saving economies of scale through a focus on “more from less” creative solutions. Oliver Wyman has helped facilitate the sharing of competitive benchmarking among all of the world’s major vehicle manufacturers and through this process has helped the entire industry raise its level of competitiveness.

The current Harbour Report™ publication is only available for participants.