

Product Launch Strategy Drives Efficiency and Cost Savings for Stoneridge



Founded in 1965 and headquartered in Novi, Michigan, Stoneridge, Inc. designs and manufactures highly engineered electronic components, control devices, modules, and systems for the automotive, commercial, motorcycle, agricultural, and off-highway vehicle markets.

As a leading Tier 1 supplier for the worldwide automotive market, Stoneridge solutions power vehicle intelligence systems, increase fuel efficiency, reduce emissions, and improve safety and security for drivers globally. Its technology and partnership-oriented approach to product design and development enables the company to develop next-generation products and excel in the transition from mechanical components to electronic components.

Over the decades Stoneridge has experienced rapid growth augmented by acquisitions, with 2021 revenue totaling \$770.4 million. The company has three business segments, Electronics, PST Electronics, and Control Devices, with 4,600 employees across twenty-five locations and fifteen countries.

In order to develop a go-to-market strategy for a key product within the Driveline Actuation group, Stoneridge brought in a student team from the Tauber Institute for Global Operations at the University of Michigan consisting of **Oluwabunmi Fatodu**, working on a Master of Business Administration degree; and **Sasanka Mouli Neti**, seeking a Master of Science in Engineering degree in Industrial and Operations Engineering.

Starting with a blank slate, the Tauber team worked toward identifying a specific target opportunity within the 8-million-unit Total Available Market (TAM), while building a strong value proposition. “The biggest challenge the Tauber team initially faced was the greenfield nature of the project,” said Neti. “The fact that this is a new product for the company, coupled with the challenges that 2021 posed, meant that the stakeholders were left with limited availability to workshop and brainstorm the value proposition.”

“That’s where the Tauber team swooped in, conducting dozens of interviews with key stakeholders and compiling all the little nuggets of relevant information into a coherent storyline that then helped everyone unanimously decide what’s best for the customers and the company,” he continued. “In a nutshell, the team helped the stakeholders discover and

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To incorporate the voice of the customer into a strong value offering, the Tauber team gathered market intelligence from several online resources, worked with an anthropology consulting firm to highlight the inefficiencies in comparable products currently available on the market, and evaluated the feasibility of an integrated system. The proposed system offered cost savings, weight reduction, and performance improvements over the incumbent product, resulting from synergies between the actuators.



Dr. Ariel Shwayder
Ross School of Business



Dr. Raed Al Kontar
College of Engineering

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“The Tauber team conducted a thorough analysis of both the target market for this product as well as the current competitive landscape,” said Neti. Several analytic techniques were considered by the students to evaluate data points and target a select group of optimal customers.

“The Tauber team also conducted brainstorming sessions with different stakeholders to truly understand what it means to be in the same shoes as the multi-tiered customers this product affects, and how Socially Responsible Investment (SRI) could leverage the gaps as well as synergies in the current marketplace to deliver game-changing innovation.”

The Tauber team identified a forward-looking manufacturing strategy, along with a detailed development timeline after carefully evaluating the capital expenditure, floor space, and labor requirements for different manufacturing facilities that Stoneridge operates. After modeling the budgetary impact of various manufacturing scenarios, the team identified combinations that would be most profitable to Stoneridge once production began.

“Once the Tauber team was able to connect the different dots we obtained through interviews, brainstorming sessions, and factory visits, we quickly understood that the best way to provide a strong value proposition to the relevant customer base was to leverage the synergies between two separate devices that are currently used for this function and integrate them into one piece, not only reducing the cost, and consequently price, but also reducing other system complexities” said Neti.

Overall, the team built a comprehensive playbook for Stoneridge to deliver on these opportunities, adding more than \$76 million in revenue over the next five years. “The fact that the Tauber team started with a minimal definition and worked our way to

a material solution by giving our ideas a shape and form, remains the highlight of the project and the team and sponsors’ hard work over the summer,” said Neti. “It’s extremely satisfying to the Tauber team that the management has decided to officially start chasing this opportunity starting in the third quarter of 2021 and allocated the relevant resources toward it,”

“After due deliberation and approval from all relevant stakeholders, the development, testing, and eventual release of the product into the market is supposed to happen over the next couple of years and bring in north of \$70 million in additional annual revenue initially with the potential to generate much more once the product is tweaked to suit the requirements of other customers across the globe,” he continued.

“Lastly, the Tauber team cannot overstate the rock-solid support we received from our sponsors, Vice President of Sales and PL Management Rajaey Kased and Product Line Manager Scott Skelton, without whose help, this project would not look the way it did at the end of August 2021.”



Student Team:

Bunmi Fatodu – Master of Business Administration

Sasanka Mouli Neti – Master of Science in Engineering, Industrial and Operations Engineering

Project Sponsors:

Rajaey Kased – Vice President, Sales and PL Management

Scott Skelton – Product Line Manager

Faculty Advisors:

Raed Al Kontar – College of Engineering

Ariel Shwayder – Ross School of Business

About Tauber Team Projects

The 2021 Tauber Team Projects resulted in \$989 million in savings according to sponsoring company calculations, an average of \$43 million per project over three years.

Each two to three-person Tauber Team consists of graduate engineering and/or graduate business students. Along with receiving high-level corporate support from the sponsoring company, each team is advised by a College of Engineering and a Ross School of Business faculty member and overseen by a Tauber Institute Co-Director. The projects begin on-site in May and continue for 14 weeks. Students present the results of their projects and compete for over \$40,000 in scholarships at the U-M Tauber Institute’s annual *Spotlight!* Team Project Showcase and Scholarship event, held each September in Ann Arbor, Michigan. *Spotlight!* provides outstanding opportunities for students and corporate partners to establish relationships while exploring innovations in operations and manufacturing.

To learn more about the Tauber Institute for Global Operations, visit tauber.umich.edu or contact us at 734-647-1333.