

MEDIA ADVISORY

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IS THE AUTOMOTIVE COMPONENTS INDUSTRY FACING A LEADERSHIP CRISIS?

Toronto, Ontario-January 23-The Institute for Enterprise Education (IEE) has completed a yearlong study of the automotive components industry in Ontario on behalf of the Automotive Parts Manufacturers' Association (APMA).

Autoshift 2002-Action Strategies for the Automotive Components Industry in the 21st Century, funded by Human Resources Development Canada, is the most comprehensive study for the industry and will provide critical and practical recommendations leading to an action strategy for APMA and its 400 members.

"Two critical issues emerged from this study," says Gerald Fedchun, President, APMA. "The automotive components industry is presently facing a shortage of skilled trades people, and this shortage will become more critical in the near future. And, secondly, APMA member firms' inability to garner the needed human resources will result in the loss of existing and potential contracts to other jurisdictions around the globe. Faced with a number of critical challenges, it is apparent that one of the most significant challenges is the very survival of the majority of APMA member firms. With the significance of this industry to the economy of Ontario and Canada, where one in six jobs in Ontario and one in

seven jobs in Canada are tied in some way to the automotive sector, it was apparent that a study of this magnitude was required.”

“Every member of the automotive components industry needs to ask, ‘Where will I be in five years from now, when 80% of my business no longer exists?’, says Eugene Luczkiw, Director, IEE and the study’s author.

The Executive Summary of this document is included as part of this media advisory. If you would like the complete report of ***Autoshift 2002***, please contact Glenda Tedesco at APMA (phone: 416.620.4220, ext. 221 or email: gtedesco@apma.ca). The complete document can also be downloaded from the APMA web site (www.apma.ca).

APMA is the **VOICE** of the automotive original equipment suppliers in Canada.

Since 1993, the Institute for Enterprise Education (IEE) has been a leading-edge international educational and business centre dedicated towards the research, design and delivery of programs in the areas of business, leadership and people development.

EXECUTIVE SUMMARY

The Institute for Enterprise Education (IEE), on behalf of the Automotive Parts Manufacturers’ Association (APMA), has completed a yearlong study of the automotive components industry in Ontario. *Autoshift 2002 – Action Strategies for the Automotive Components Industry in the 21st Century*, funded by Human Resources Development Canada, is the most comprehensive study completed for the automotive components industry. The study was initiated in response to two critical issues faced by the automotive industry: an impending shortage of skilled trades people; and, the APMA member firms’ inability to garner the needed human resources, putting at risk the very survival of the majority of APMA member firms. This study has resulted in critical and practical recommendations leading to an action strategy for the APMA.

The Autoshift 2002 study provides a framework called the Global Effectiveness Monitor (GEM) that was created by IEE to enable organizations and their industry groups to become highly effective global players to successfully deal with the complexity and disruptive nature of today’s global environment. The study was comprised of an intensive review of recent literature and research related to the automotive sector in Canada. This was the basis for the design of a survey

instrument that was used in the comprehensive one-to-one interviews of leaders of individual APMA member firms. The IEE identified the following key findings:

- Globalization and commoditization of the automotive components industry are critical challenges faced by APMA member firms, putting at risk their profitability and future survival.
- An impending shortage of skilled workers could reach crisis proportions.
- Attracting, developing, nurturing, and retaining the right people is essential for the future success of this industry.
- Innovation must be the strategy for every globally focused firm.
- The automotive components industry is facing a leadership crisis with respect to succession planning.

The following are the most critical recommendations and action strategies resulting from the study:

- The automotive components industry must develop a compelling vision of the future.
- Innovation requires the right people with the right training and effective leadership which enables an organizational culture for innovation to flourish.
- The human resources department in each APMA member firm will need to play a critical role in the ongoing strategies to attract, develop, nurture, and retain people on an ongoing basis.
- The creation of an industry-based centre for excellence that will support the necessary initiatives required for the automotive components industry to prosper and grow in the 21st century.