EFESO
MANAGEMENT CONSULTANTS

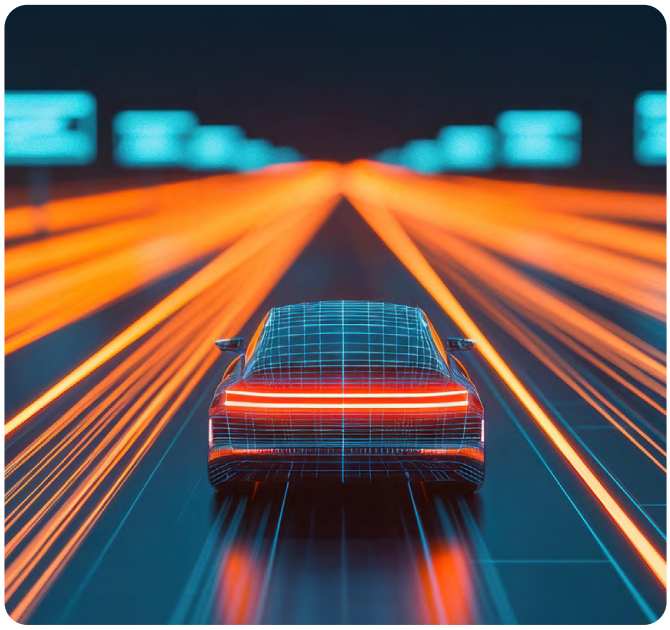
Driving Long-Term Success in the *Automotive Industry*

How Companies use Operational Excellence as a Powerful Engine for Peak Performance, Efficiency and Profitability

EFESO
Management Consultants
Real Results, Together

EFESO Management Consultants is the leading global pure player in operations strategy and performance improvement.

We are committed to delivering real results, across industries. Working in tandem with global brands, mid-sized companies, and Private Equity, we drive success through 1,500+ projects annually in over 75 countries.



This is what sets EFESO apart:

- **40+** Years of experience in the automotive industry
- **500+** Automotive projects worldwide across all dimensions of the value chain
- **Ø 40 %** Efficiency improvement in operational processes
- **Ø 20 %** Savings achieved in CapEx
- **1,000+** Consultants
- **45+** Nationalities in **35** Offices worldwide

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Defend your *Pole Position* with EFESO

Achieving results mile after mile: our services for the automotive industry

Navigating Uncertain Markets with Confidence

Six trends reshaping automotive business models

Florian Roth,
Global Automotive Lead & Managing Director of the DACH-Region
EFESO Management Consultants

The automotive industry is undergoing not one, but several multifaceted transformations – 24/7, across entire value chains, and with no foreseeable return to the stability of multi-year model and planning cycles. Traditional value creation models are losing their effectiveness, while new technologies, changing customer expectations, and global market shifts are redefining the rules of the game. For OEMs and suppliers, this means they must consistently evolve their business models to secure profitability in increasingly fragmented and software-driven markets.

Those who are now prepared to break down existing structures, boldly occupy innovation fields, and rethink partnerships are laying the foundation for sustainable growth. Change is not an option; for many companies in the industry, it has become a central prerequisite for economic survival. Six market trends are shaping this transformation:

Structural stagnation in worldwide vehicle production

Global vehicle production is declining, and even in the medium term, only moderate growth is expected. Demand is primarily driven by China and Southeast Asia, while Europe and North America are only slowly emerging from their periods of weakness. At the same time, market dynamics remain subdued: high vehicle prices, economic burdens for consumers, and tariff-related cost increases are slowing sales.

Portfolio shift between e-mobility and hybrid revival

Growth in battery-electric vehicles is slowing significantly in Europe and North America, not least because government subsidies are expiring. At the same time, hybrid vehicles are experiencing an unexpected comeback. For suppliers, this means they must flexibly develop their product portfolios to meet customer demand for both electrification and conventional powertrains.

Software becomes the heart of the vehicle

Cars are becoming increasingly software-driven. Accordingly, the role of suppliers in the software and electronics sector is gaining importance. This trend demands new skills, significant R&D investments, and closer collaboration with new players, particularly in complex digital systems. Those who want to remain competitive must upgrade their technological and organizational capabilities.

Chinese manufacturers are rapidly catching up

Chinese OEMs and suppliers are gaining significant ground both domestically and globally. This is considerably increasing competitive pressure on Western manufacturers. Simultaneously, fierce local competition in China is leading to declining margins and forcing companies to focus on specific regions. Success here requires a sharp strategy and a strong local presence.

Geopolitics causes permanent disruption

Tariffs, subsidies, and regulatory changes are upending global supply chains. In particular, US tariffs on vehicle imports are driving up costs and disrupting previously integrated supply networks. Companies must realign their supply chain strategies to better mitigate geopolitical risks.

Supply chains and labor markets are eroding

Volatile raw material availability, persistent semiconductor shortages, and labor shortages remain key operational risks. Many procurement organizations in the automotive industry must therefore evolve into collaborative, data-driven platforms that increase transparency and minimize risks. At the same time, continuous investment in employee development and supply chain innovation is essential for long-term success.

Cockpit Talk

We see that product differentiation in the market is becoming increasingly difficult, coupled with competitive pressure in many segments. Consequently, cost management is becoming critical for all companies.

Florian Roth,
Global Automotive Lead & Managing Director of the DACH-Region
EFESO Management Consultants

In the “Cockpit Talk” of the industry magazine “Automobilwoche”, Florian Roth and Dr. Kenneth Sievers, Partner at EFESO, discuss new growth parameters for the automotive sector and examine aspects such as cost leadership and supply chain stability in greater detail.

COCKPIT TALK - AUTOMOBILWOCHE
with Florian Roth and Dr. Kenneth Sievers

Watch the video

Operations as *the Key* to Profitable *Transformation*

Enhance operational excellence and unlock efficiency potential with EFESO

With EFESO, automotive companies professionalize their operations. This ensures that transformation becomes a growth driver, not a risk – and that profitability remains secure even in volatile markets.

Ultimately, the operations segments offer the most effective levers for responding appropriately to the aforementioned trends and making business models fit for future markets, from resilient supply chains to digital factories.

On the following pages, learn how automotive companies can increase their operational performance and secure their profitability with us. Whether it's about smart factory concepts, adaptive production and logistics structures, integrated operating models, or digital solutions that create measurable added value: we find the best solution for every need in the industry.

Volkswagen AG

EFESO has been supporting Volkswagen in the implementation of the Future Pact since 2017. EFESO is active both as a consultant to our German plants and in the development and support of an award program tailored to the component to improve our operational excellence.

The cooperation with EFESO is perceived as productive at all levels - from the shop floor to top management. Those responsible from various locations particularly appreciate the constructive, practical and in-depth expertise of the EFESO consultants in the individual business areas (...).

Thomas Schmall, Member of the Board of Management Volkswagen AG, Technology, CEO Volkswagen Group Components

ZF North & South Americas

EFESO supported me with the strategic planning "Next Generation Mobility 2030" for the Americas region. Their approach, commitment, and outside-in thinking contributed to our final strategic outlook.

Neeta Salvi, CFO, SVP Finance and Head of Strategy

Mercedes-Benz

As a pilot for other areas of the company, this project was of particular importance. Accordingly, the open, smooth cooperation with all parties involved was essential. EFESO was convincing in this respect, as well as in its high technical level.

The sustainability of the achieved efficiency increase stands and falls with the behavior and value understanding of the executives. Here we succeeded in achieving a real change "in the heads".

Kürgen Kaeber, Manager TOS Training Center, Mercedes-Benz site Wörth

Bentley Motors Limited

Together with EFESO, we have achieved one of the fastest, most successful and innovative factory transformations. The Bentley team has been a joy to work with and committed to shaping the visible change.

Peter Bosch, former Member of the Board, Manufacturing

Read more testimonials

Designing *Future-Proof* Supply Chains

Focus on the “value” in the “value chain”

20 - 60 %
Increased sales through more accurate forecasts

80 %
Reduction of material and variant-driven complexity through portfolio management

Companies actively addressing the aforementioned trends today need more than traditional supply chain solutions: they require robust, adaptable structures that create transparency, enable flexibility, and manage complexity. At the same time, new, complex challenges and risks emerge at an accelerating pace, making adaptation difficult. Future viability therefore demands an integrated approach to managing the entire end-to-end supply chain.

The following challenges highlight the key areas of action for a future-oriented and market-driven design of value chains:

Traditional levers are no longer sufficient

"Rounds of negotiation" and one-dimensional cost reductions are no longer effective; it is necessary to mobilize value systemically and across functions (technology × procurement × operations × logistics)

Transparency is not enough

Many companies still lack comprehensive visibility into inventory drivers, supply chain risks, lead times, and supplier constraints. What is needed is to achieve fact-based decision-making.

Operating models are not designed for volatility

S&OP, risk management, and supplier management often remain siloed. They need to evolve into scenario-oriented management systems, that ideally also include portfolio and commercial aspects.

Digital investments are fragmented

Effective tools already exist (planning, supply chain control towers, SRM), but they often fail to reach their full potential due to data quality issues, process gaps, and a lack of acceptance. The gaps in decision-making and implementation capabilities need to be closed.

Cash and working capital are tied up

Excess inventory and suboptimal conditions persist because the causes lie in design decisions, parameters, master data and competing incentive systems - not in "inventory projects".

We Deliver *Measurable EBIT and Cash Effects*

Together, we will align your supply chains for the future, using these starting points, among others:

	Objective	Levers	Results
Rapid value diagnostic	Create a CFO-grade value case and prioritized roadmap fast	• Quantify value pools across cost, working capital, service, risk • Identify root causes in planning parameters, sourcing, network, plant execution • Prioritize initiatives by impact × feasibility × time to value	Value case, initiative backlog, implementation plan, governance setup
Network & footprint strategy	Redesign the supply chain for e-mobility shift, regionalization, and cost	• Production and distribution footprint optimization • Make/buy, supplier ecosystem design, nearshoring scenarios • Total landed cost modeling including CO_2 and risk	Target network, investment case, phased transition roadmap
Inventory & working capital	Release cash while improving availability by fixing drivers, not symptoms	• Parameter reset (safety stocks, reorder points, MOQ, lot sizes, lead times) • Obsolescence and slow mover attack; segmentation & service differentiation • End-to-end root cause: forecast accuracy, planning cadence, master data • Plant execution: schedule adherence, shortages, line-side logistics	Inventory reduction, service stability, governance routines, controls and sustainable cash release
Procurement & cost transformation	Sustainable savings across direct + indirect - without supply disruption	• Category strategy reboot (should-cost, clean-sheet, spec/value engineering) • Supplier negotiations + competitive bidding with risk-based awarding • SRM and supplier performance system (OTD, quality, cost, innovation) • Contracting, terms, and payment optimization (cash impact)	Negotiated savings, pipeline, supplier governance, capability uplift

Supply Chain Control Tower: command center in turbulent times

A Tier 1 supplier has identified transparency across its global value chain as a top priority. A new technology is being developed to consolidate all SCM information, enabling more proactive risk management. With EFESO, the company is establishing a Supply Chain Control Tower within its SCM organization. From initial data collection and analysis to first deployment, the entire process takes less than six months.

Read Case Study

BOMAG Fayat Group

We engaged EFESO to transform our purchasing organization in the face of geopolitical and supply chain disruptions. This collaboration has improved our digital landscape, significantly increased operational excellence, and reduced manual effort tremendously.

This has resulted in a up to 50% increase in process efficiency and complete real-time data visibility, providing us with a robust "Fit-for-Future" setup.

Matthias Bender, Head of Advanced Purchasing

Strengthening *Competitiveness* in Procurement

Professionalizing procurement and unlocking reserves for profitability

4 bn EUR+
Savings realized in purchasing projects

50+ ROC
(Return on Consulting) generated

With material costs accounting for over 50% of total costs, procurement is a key success factor in mastering global trends and market disruptions. Material costs can prove to be the most effective lever for increasing the profitability of a product or company.

Especially in the automotive industry, where high-quality components, innovative materials, and complex manufacturing processes determine market success, a professionally structured procurement department enables a direct and continuous increase in margins. Every optimization of unit costs, every gain in process reliability, and every early integration of new technologies has an immediate impact on the bottom line. Ideally, procurement evolves from a mere cost-cutter to a reliable asset within the company that measurably increases profitability.

Case Study

ESG strategy with quantifiable results in procurement

An automotive manufacturer wants to make his procurement management more sustainable and KPI based. However, focusing solely on the purchasing side is insufficient; the manufacturer needs a company-wide ESG strategy.

Together with EFESO, the enterprise is developing an integrated and pragmatic solution. This optimizes procurement with regard to sustainability and makes progress measurable.

Read Case Study

Optimize procurement

These dimensions are essential to strengthen procurement excellence and thus the competitiveness of the company:

Cost efficiency remains the major issue

Persistent commodity price volatility, increased energy costs, and inflation-driven wage pressure are forcing procurement organizations to consistently manage the total cost of ownership. Strategies such as zero-based budgeting and global tenders are increasingly coming into focus.

Digitalization delivers operational results

What was often still in pilot status in 2025 will become operational reality in 2026: AI-based forecasting, automated negotiation support, and e-procurement platforms will become mandatory rather than optional. Data quality and system integration will therefore gain in importance.

Procurement acts as a strategic partner

The role of procurement continues to evolve: from a reactive supplier to an active value driver along the entire value chain. In many companies, the divison is now integrated into R&D processes and strategic corporate decisions.

Collaborations drive innovation

Close cooperation with strategically important suppliers remains a constant success factor, especially in the development of new technologies, material alternatives, or process innovations. Early supplier integration and digital SRM tools are becoming increasingly important.

Talent and skills development are given priority

Digital competence, strategic thinking, and technical understanding are becoming crucial differentiators. The shortage of qualified procurement professionals is hitting many companies hard, making targeted training programs and new recruiting approaches essential.

We Professionalize *Procurement Organizations*

In the following areas, among others, we activate profitability reserves and ensure customer- and cost-oriented development of people and processes:

	Objective	Levers	Results
End-to-end transformation	Make complexity in the procurement organization and along the supply chain manageable through transparency	• Definition of a Target Operating Model (TOM) • Definition of the size, structure, and governance of the future organization • Transformation support with change management	A cross-functionally networked, strategically acting procurement department that fulfills operational and tactical tasks with fewer resources
Digitalization & AI	Reduce complexity and achieve more effective value creation along the supply chain	• Defining a target vision for digitalization and AI, aligned with cybersecurity and data security standards • Data-driven negotiation success through analysis-based preparation and AI-supported insights	Highly automated processes, efficiency through optimized division of labor, focus on value creation and innovation
Material cost optimization	Focus on rapid cost savings and/or improved product cost structure	• Category- or product-oriented spend analysis • Material cost benchmarking, supplier research • AI-based analysis of the entire purchasing portfolio • Competitive sourcing and supplier negotiations	End-to-end material cost optimization, increased profitability
Taskforce management	Secure, stabilize, and sustainably improve supplier performance end-to-end	• Early identification of supplier risks (preventive) • Systematic improvement of supplier performance (proactive) • Stabilization of critical supplier situations (reactive)	Data-driven analyses, pragmatic improvement approaches, task force governance models

Technology meets negotiation excellence

A Tier 1 automotive supplier aims to achieve significant savings in procurement. Together with the EFESO team, the company combines data analysis, AI-powered playbooks, and professional negotiation expertise in a “Fast-Track Saving Booster Program”. This delivers rapid, scalable added value for the procurement organization.

Read Case Study

Miba Friction Group

Over many years of collaboration, we have come to know and appreciate EFESO. One of EFESO´s strengths lies in its process expertise, which comes from broad consulting know-how. EFESO consultants are well trained and uncomplicated. Decisive for success is the savvy combination of process consulting and expert IT knowledge.

F. Peter Mitterbauer, Managing Director Sales & Marketing

Optimizing *Processes and Products* in R&D

Realize competitive advantages with AI support

10–20 %
Product cost reduction

20–40 %
Reducing SOP delays

In the highly competitive automotive market, the ability to develop and launch compelling products and services faster and more cost-effectively than the competition is a critical success factor. A future-proof R&D organization thus makes a significant contribution to achieving sustainable competitive advantages. This is where value is created that determines long-term profitability, competitive differentiation, and resilience.

With EFESO, R&D decision-makers in the automotive industry effectively and efficiently align the value creation of their discipline with the corporate strategy and professionalize their R&D organization as a future-proof value driver. Together, we identify hidden potential in product and service development and unlock it with the appropriate measures.

Efficiency in R&D

Smart digitalization and AI as performance boosters

Many R&D teams in the automotive industry already benefit from highly integrated development environments. At the same time, their processes are sometimes no longer competitive or future-proof. For example, when integrated, direct data exchange is not possible because of redundant and unstructured data in different systems.

Partner with EFESO to align the infrastructure and capabilities of your R&D organization with performance and results.Together, we will implement state-of-the-art digitalization of your development processes and establish AI as an efficiency driver.

Apply AI

Optimize R&D

These aspects are particularly relevant in order to increase the performance of R&D organizations:

AI is changing the pace of innovation

The pressure to shorten development cycles and bring new features to market faster is forcing R&D departments to introduce AI-supported development processes. Generative AI shortens simulation and testing phases, while automated variant creation and virtual testing reduce time-to-market.

Software-centric architecture requires new organizational logics

The shift towards centralized vehicle architectures and over-the-air (OTA) platforms brings with it profound structural adjustments. R&D organizations must more tightly integrate traditional hardware development with agile software teams.

AI-based development pipelines are revolutionizing product creation

Model-based development and automated code generation are fundamentally changing the way R&D is done. AI-powered analysis tools reduce error rates early on, lower testing costs, and improve the accuracy of predicting development risks. This enables higher levels of development maturity with the same resource input.

Sustainability becomes the focus of early development phases

Regulatory requirements and ESG expectations are making sustainability a driver of change in R&D. Companies should quantify factors such as CO_2 footprint, recycled content, and energy consumption as early as the concept phase. AI-based material analyses, life cycle assessments, and optimization models are well-suited for this purpose.

New competencies and roles have to be integrated

The integration of AI, highly automated development tools, and new software architectures is creating new skill requirements. Data engineers, MLOps specialists, and system architects are gaining in importance, while traditional roles need to evolve.

We are Aligning R&D Organizations *for the Future*

Product development is a prime example in R&D for the use of AI to generate tangible business value. To achieve "Product Development Excellence," companies should prioritize these areas:

	Objective	AI levers	Results
PRIO 1 **Architecture & systems engineering**	Reduce integration risks, address ECR overload, and resolve architectural instability	• Architectural consistency check • Interface conflict detection • Degradation warning system	Up to 50% reduction in integration problems; reduction in the number of subsequent changes **Time-to-impact: 9 - 18 months**
PRIO 2 **Concept & variant management**	Master product variety explosion and reduce high prototype costs	• Multi-Objective optimization • Variant cluster optimization • Digital Twin	10 - 20 % variant reduction, 20 - 40 % less prototypes **Time-to-impact: 12 - 24 months**
PRIO 3 **Project & risk management**	Prevent SOP delays and delayed escalations	• Predictive risk scoring • Bottleneck forecast • Early warning system for scheduling	20 - 40 % reduction of SOP delays **Time-to-impact: 6 - 12 months**

Top speed in innovation, braking power on costs

An automotive manufacturer is expanding its sports car portfolio with a vehicle featuring three model variants. Since several development projects for further models are already underway, the project is facing extremely high time and cost pressures. Together with EFESO, the OEM is conducting an in-depth cost validation and identifying significant cost reduction potential.

Read Case Study

DENSO AUTOMOTIVE Deutschland GmbH

Investment in people and their capabilities is one of our cores at DENSO. Among others, one important field with growing importance is to have excellent knowledge in cost engineering capabilities. For this reason, we teamed up with one of the market leaders in this area: EFESO.

As a part of our journey, we had a sequence of dedicated expert trainings with focus on cost disclosure discussion and management. Within the course all critical aspects, from strategy towards hands-on instructions, were clearly conveyed.

Andreas Asenhuber, Senior Sales Manager & Head of Business Development VWG

Establishing Cost & Value Engineering as a *Holistic Approach*

Minimizing risks and maximizing value throughout the product lifecycle

15–30 %
Reductions in product costs realized

20 %
Savings achieved in CapEx

Cost reductions in companies are often implemented reactively, rather than being established as a binding routine within the organization. However, existing target operating models are already reaching their limits in many parts of the automotive industry. They no longer meet current and future requirements.

This increases the risk across all industries of being unable to respond to new market demands and conditions with adequate cost management. Moreover, it is more effective to prevent unnecessary costs from arising in the first place than to reduce them retrospectively.

In their collaboration with EFESO, automotive decision-makers benefit from the consulting team's deep understanding of technological market trends: be it battery technologies, new mobility concepts, or autonomous driving. This technological expertise is combined with a precise analysis of cost structures across all value chain stages. As a result, companies receive well-founded best-practice insights and relevant external market knowledge that rigorously challenge existing approaches. This allows companies to systematically unlock potential savings in best-cost sourcing, best-cost manufacturing, and best-cost design.

Based on this, companies can reduce development, tooling, and investment costs, as well as product costs and purchase prices. At the same time, this creates stronger arguments for achieving the optimal price point in the market. EFESO supports this process at every stage – from the early concept phase to market launch.

Optimize cost management

Cost & Value Engineering projects can refer to the following challenges:

Margin pressure is increasing noticeably

Technological disruptions, a shifting value creation logic, and volatile material prices are increasingly putting pressure on cost positions. Companies must actively address these structural changes to regain certainty in decision-making and action — and to sustainably stabilize their profitability.

A slowed pace of innovation jeopardizes customer relationships

Automotive customers expect more personalized solutions and faster product cycles, but many development processes cannot meet these demands. Unclear customer needs, lengthy approval processes, and a lack of end-to-end transparency hinder rapid market launches. The key is to systematically strengthen customer centricity and significantly improve time-to-market capability.

Complexity increases significantly

Growing technological demands and ever more diverse product portfolios are overloading existing structures. Know-how is often spread across teams and locations, preventing the effective pooling of valuable expertise. New collaboration models are needed to strategically combine knowledge and make the organization more resilient to dynamic market demands.

Sustainability and compliance requirements prevent flexibility

Differing reporting obligations, environmental standards, and transparency requirements often lead to uncertainties in processes and responsibilities. To gain certainty in decision-making and implementation, teams must be empowered to systematically identify, interpret, and operationally implement complex legal requirements.

Implementation gaps weaken performance

Unaligned goals, siloed departments, and limited cross-functional management often lead to delays and inefficiencies. Decisions are slowed, priorities remain unclear, and responsibilities become blurred. To counteract this, companies should refine their objectives, dismantle silo structures, and create governance structures that foster results-oriented, cross-functional work.

We Realize *Best-In-Class Cost Management*

With a holistic Cost & Value Engineering approach, we activate profitability reserves across all business functions:

	Objective	Levers	Results
Cost engineering	Focusing on advanced business-case simulations and optimized total cost positioning	• Cost optimization based on analysis of: parts/modules; CapEx; tools/jigs; design & development; embedded software • Fact-based supplier negotiation • Evaluate the interrelationships between investments and direct costs	Maximum product profitability through cost transparency
Design-to-Cost (DtC)	Developing the product concept with full functionality and adherence to target costs	• Complexity management (modularization, standardization, etc.) • Product cost comparison • Generation of technical ideas	Product design is optimized for cost efficiency
Design-to-Value (DtV)	Maximize customer value and achieve the optimal balance between cost, quality, and manufacturability	• Optimization of properties/functions • Specification and function benchmarks	Product design is consistently focused on the market
CVE organization & capability development	Establish sustainable, cross-functional cost management for continuous cost improvement	• Cost management, cost optimization tasks • Cost management blueprint • Definition of CVE tasks and organizational concept • Integration of CVE activities into cost-relevant processes	CVE is established as a function
Cost management	Safeguarding product profitability	• Project initialization • Cost planning • Cost splitting • Target setting (Out of Market) • Continuous cost management • Implementation support • Cost tracking to design freeze	Comprehensive overview and summary of the CE function

Closing the cost gap with precision

An automotive manufacturer faces increasing cost pressures. The OEM identifies a profit gap at the brand level and sets cost reduction targets for three plants. The project team analyzed the status quo of one plant and identified more than 100 concrete measures for closing the cost gap across key cost categories within the efficiency program.

Read Case Study

MAPSA S. Coop, part of MONDRAGON Corporation

EFESO was able to improve our machining cycle time by 13-20 % in our entire production. The combination of their state-of-the-art video analysis with their exceptional technical expertise proved to be highly effective.

Jose Joaquín Ruíz San Pedro, Managing Director

Balancing *Transformation Pressure* with Product Excellence

Designing PEP structures in a contemporary way

15–25 %
Product profitability increase

10–20 %
Product costs reduction

For decades, the business model of OEMs and suppliers in the automotive sector has been based on product excellence. This means the ability to generate relevant innovations at a rapid pace. It also means transforming these innovations efficiently and cost-effectively into high-quality, profitable, and globally competitive products.

This strong position is acutely jeopardized by the framework conditions outlined in the chapter "Navigating uncertain markets with confidence." In this situation, relying on short-term defensive measures and outdated strategies offers no prospect of success. The challenge lies in decisively moving forward and using the pressure for transformation as an opportunity to ignite new growth momentum.

Together with EFESO, automotive companies achieve product excellence: from the initial idea through series production to end-of-life. They increase performance, profitability, and innovative strength, and implement initiatives to reduce product costs and increase revenue. Furthermore, EFESO projects ensure that costly mistakes are avoided, global footprints, production systems, and management models are designed for the future, and competitiveness is sustainably enhanced.

Project example

Product profitability excellence: holistic performance program

Product profitability is based on the ratio of selling price to unit costs. It can be optimized throughout the entire product lifecycle through targeted cost optimization and strategic pricing. Our infographic illustrates how an automotive company, in collaboration with EFESO, accelerated the development of a new product while simultaneously boosting profitability.

Increase profitability

Realize product excellence

Depending on the customer situation, EFESO develops individual end-to-end approaches. Key areas of focus may include:

Profitability gaps are widening

Volatile markets are putting pressure on product margins and simultaneously increasing the complexity of end-to-end cost control. In addition, international competition at the product level is intensifying noticeably: drastically rising production costs and aggressive pricing strategies dominate the global market environment.

Competitors threaten capacities for innovation

New players in the automotive competitive landscape are operating significantly faster in the market and are constantly shortening their innovation cycles. This creates constant pressure to adapt, pushing many companies to the limits of what is feasible.

Inefficient processes destabilize profitability

Nearshoring is gaining importance as a strategic direction, which can fundamentally challenge a company's existing global footprint. In practice, this often reveals inefficient factory structures. At the same time, customer-specific production lines make it difficult to implement a balanced, product-based line production system.

Software complexity and quality risks create chaos

The "Software-Defined Vehicle" approach requires the rapid development of software development and resilience capabilities. Simultaneously, the technological shift towards electromobility significantly accelerates development processes. The necessary reduction in time-to-market leads to considerable additional effort in quality assurance.

Shift in value creation in international competition

The shift of significant parts of the value chain towards batteries and electronics considerably increases dependence on Asian suppliers. Simultaneously, limited parts availability and global disruptions create critical situations along supply chains. The result is a constantly precarious supply security.

We Realize *Product Excellence*

To once again become a global pacesetter for product excellence, several levers need to be pulled:

	Objective	Levers	Results
Product development	Promote modular and regulatory-compliant innovations	• Modular platform design, harmonized engineering, CO_2-compliant portfolio alignment • Digital tools to reduce complexity, accelerate decision-making, and improve cross-functional collaboration	Reduced complexity, secured compliance
Product manufacturing	Stabilize production and make it future-proof	• Combining Lean and digitalization to improve transparency, reduce waste, and shorten start-up times • Redesigning factory layouts • Stabilizing yields in gigafactories and complex plants	Faster production ramp-ups, predictable production volumes, greater cost transparency
Product machining	Increase throughput without CapEx	• Optimization of machine parameters with AI-supported video analysis and process intelligence • Increasing overall equipment effectiveness (OEE) and yield through automation	Increased efficiency, maximization of plant utilization and improvement of production stability
Product profitability	Maximize margin and CO_2 efficiency	• Integration of end-to-end cost, customs, and CO_2 modeling in R&D, procurement, and production • Application of Design-to-Value and life cycle cost analyses	Optimization of margins, cost control, sustainability

A future mission for organizational transformation

A German automotive supplier aims to position itself in the highly competitive electric drive market and is adapting its organizational structures and processes accordingly. The team successfully steered the project through more than 10,000 measures, combining various work packages such as CapEx and footprint optimization with target cost management.

Read Case Study

Industry Expertise: Your EFESO *Automotive-Team*

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Industry Best Practices: *EFESO Automotive Case Studies*

Sharp pivot – clear results

A global player in the automotive industry is responding to market erosion and margin pressure with a performance program. Within three years, this program aims to empower a business unit to increase margins. The team developed eight workstreams, covering all key value drivers within the business unit, and orchestrated these through a Performance Office (PerfO).

Read Case Study

A premier league for factories

A market-leading OEM wanted to mobilize and accelerate its entire plant network in terms of cost and quality. This included improving the transfer of know-how between plants. With EFESO, the company established a completely new, football-inspired practice of competing for top spot in a league table. This allowed the project team to revitalize rigid plant structures and work routines.

Read Case Study

Standards for OPEX standards in an international factory network

Around 20 global plants of an automotive supplier operated largely independently of one another. To unlock the value creation potential of OPEX, the company first had to create the necessary conditions for its implementation. EFESO facilitated rapid knowledge acquisition and structured, internationally effective operational processes through OPEX marketplaces and interactive learning formats.

Read Case Study

Transformation without speed limit

A globally established automotive supplier is preparing its factories in 20 countries worldwide for current and future market changes with a new production system. EFESO's BUILD, BOOST, RE:THINK principle addresses the crucial elements for successful industrial transformation.

Read Case Study

Real Results, Together

EFESO Management Consultants is a global leader in operations strategy and performance improvement. We work closely with clients across a broad range of industries to deliver real results tailored to their unique needs.

Our end-to-end services integrate industrial AI, digital solutions, sustainability, and people development, transactions and turnaround, R&D and product profitability, cost and value engineering manufacturing, procurement, and supply chain. We drive transformation through 1,500+ projects annually in over 75 countries.

Powered by deep industry knowledge and a commitment to lasting impact, EFESO works closely with global brands, mid-sized companies, and private equity to build resilience and future-ready operations.

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