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| STRATEGIC CONSULTING





Case Studies – 2017 Project Summary

Projects	Project Types			Client Types			
	Strategy	Product Mgt.	M & A	Auto Supplier	Private Equity	Invest. Bank	Hedge Fund
CASE STUDIES							
Powertrain Electrification							
Electric Water Pumps							
IAC Automotive Interiors							
Automotive Semiconductors							

Focus is on strategy, product management, and M&A type projects. Our primary clients are automotive suppliers & investment type firms.



Automotive Supplier – Powertrain Electrification

🛡️ **Situation:**

- Client is has a strong position in light and commercial vehicle powertrain systems. Client is looking to develop an electrification strategy. Specific questions to answer:
 - What are the key new technologies and vehicle architectures?
 - What is the global market size and the forecast for global growth out to 2030?
 - Who are the market leaders and what are their competitive advantages?

🛡️ **Approach:**

- Identified 20 key new technologies associated with all levels of vehicle electrification ranging from micro hybrids to battery electric vehicles
- Develop global forecast for the market out to 2030
- Identify internal product synergies with current portfolio
- Recommend future new product portfolio and strategy for the client

🛡️ **Results:**

- Despite electrification trend, the ICE will continue to grow to more than 100 million by 2030
- Increasing regulations will drive growth in hybrid and electric vehicles. However, architecture used is sensitive to market factors and vehicle type, which drives the type of product adopted by consumers
- Client identifies several new market opportunities aligned with core competencies as organization shifts strategy toward future propulsion systems



Korean Automotive Supplier – Electric Water Pumps

🛡️ **Situation:**

- Client is evaluating the global electric water pump market. Specific questions to answer:
 - What are the key market drivers?
 - What is the global market size and the forecast for global growth?
 - Who are the market leaders and what are their competitive advantages?

🛡️ **Approach:**

- Segment the market based on key market drivers, such as OEM strategies, to optimize the internal combustion engine and increasing levels of electrification
- Develop global forecast for the market
- Finalize global market share and competitor positioning
- Recommend strategies for the client

🛡️ **Results:**

- Shift towards electrification is driving significant global growth for electric water pumps
- New entrants like Bosch and Continental have significant advantages
- Limited strategic options for the client to enter the market at this stage of market development



Hedge Fund – IAC Automotive Interiors

🛡️ **Situation:**

- A west-coast client completing due diligence to acquire the debt of IAC. Client needs include:
 - Overview of global trends in automotive interior space
 - Competitive positioning for all major global and regional players
 - Longer-term strategic optionality for IAC sale
 - Identification of potential consolidators in this market segment

🛡️ **Approach:**

- Identify key trends along with segmentation of market participants across global markets
- Provide competitor benchmarks to help client understand achievable EBITDA levels in segment
- Develop three strategic buyer groups for IAC along with list of potential acquisition candidates

🛡️ **Results:**

- Considering the sale of the soft-trim business as hard-trim has significant challenges
- Automotive interiors is a highly competitive segment of the market with low entry barriers and limited value-added product opportunities
- Market conditions are ripe for consolidation in the global interiors market



Hedge Fund – Automotive Semiconductor Market

🛡️ **Situation:**

- Client seeks to develop an investment thesis to understand how to invest in the global automotive semiconductor market and answer specifically:
 - Identify growth segments of the market and identify future growth opportunities
 - Develop market forecast for the next 15 years for key segments such as ADAS
 - Identify key segment players and winning strategies

🛡️ **Approach:**

- Segment the market into seven core areas (powertrain, chassis, infotainment, etc.)
- Develop content per vehicle for several vehicle segments, such as luxury
- Develop a forecast for key growth segments, such as BEV, hybrids and specifically ADAS, along with overall growth rates for the semiconductor segment
- Profile key players and identify source of advantage including Nvidia, Intel and Qualcomm

🛡️ **Results:**

- Hybrid vehicles will require semiconductor dollar content that is almost twice the standard vehicle (\$350 to \$700 per vehicle)
- ADAS/Autonomous market for semiconductors will grow to approximately \$65 billion by 2030
- Nvidia, Intel and Qualcomm each have market leading positions in key segments



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