

The Big Automakers: Making Connections

Toyota supplier made the most of matchmaking programs and industry trade shows

For nearly two decades, Toyota Motor Engineering and Manufacturing North America Inc. has sponsored a free trade show and conference that helps pair its Tier 1 suppliers with smaller companies to encourage collaboration and to help minority-owned businesses achieve economies of scale. Called Opportunity Exchange, the two-day networking and matchmaking event held in Cincinnati has resulted in \$75 million in contracts over the past two years.

Taking advantage of Opportunity Exchange are business owners such as Keith White, president and CEO of Liggon Trucking, an Evansville, Indiana-based shipping and hauling company, Liggon Transport, and Liggon Logistics. Liggon Trucking began as a regional dump-truck provider in 2008. In 2011, White was given the chance to network with a Toyota Tier 1 supplier, Millennium Steel Service L.L.C. (No. 14 on the **BE INDUSTRIAL/SERVICE COMPANIES** list with \$253.5 million in revenues), a Princeton, Indiana-based steel processing services provider.

"We had been working with Millennium to expand, but it was at Opportunity Exchange where we were able to sit down and solidify a plan and strategy," says White. That meeting enabled Liggon Trucking to write new contracts for flatbed hauling with Millennium, resulting in White adding nine employees, six transport trucks, and \$1.2 million in new revenue. Liggon has split now into two divisions: Liggon Trucking remains the dump-truck side of the business, while Liggon Transport is the newer over-the-road or OTR side of the business.

Since January 2012, Liggon has delivered steel coil for Millennium Steel to the



Toyota Motor Manufacturing plant in Princeton, Indiana. The deal allows Millennium Steel to keep costs down because it can seek more competitive pricing from multiple vendors. "Liggon helps us diversify our trucking base as far as delivery is concerned," says General Manager Mihir Paranjape of Millennium Steel.

Toyota set a goal in 2006 to make 10% of its annual purchase for parts, goods, and services with minority firms. John Munson, manager of supplier diversity at Toyota Motor Engineering & Manufacturing North America, says a good way to get involved with Toyota's Opportunity Exchange program is to attend educational seminars during the two-day event. "It provides you an added advantage so that when you have an opportunity to speak with one of Toyota's Tier 1 suppliers, you've done your homework and you're there to help them with their pain points," he says.

Joset B. Wright, president of the National Minority Supplier Development Council, says minority suppliers can better position themselves to win business by being the best prepared supplier at trade shows and other events. Wright says a supplier should leave a matchmaker event with the following: a list of contacts or potential supplier partners for follow-up; information about short- and long-term contracting opportunities; and a strategy for aligning your business offerings to better compete for those opportunities. —Jeffrey McKinney

A 7-POINT MATCHMAKING GUIDE

1. Make sure you are NMSDC-certified as a minority supplier.
2. Get to know Tier 1 suppliers that provide the same service lines.
3. Tell Tier 1 suppliers how you can solve their problems and offer a solution.
4. Ask for top mentors to be matched up with your company.
5. Have a contract commitment to do business. The automotive business on the parts side is capital intensive and you must be able to survive competition and economic fluctuations.
6. Share success stories with other minority business enterprises and be willing to pursue new alliances with them.
7. Don't take on contracts at any price or try to make a non-profitable contract profitable.

SOURCE: JOSET B. WRIGHT OF THE NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL