

# FEDERAL-MOGUL MOTORPARTS

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# THE EUROPEAN AUTOMOTIVE INDUSTRY

## Industry Segmentation

### OEM

(Original Equipment Manufacturers)

- The car manufacturers
- Own the car brands, design and technology
- Do car assembly in own factories
- Purchase components from certified suppliers (often referred to as Tier 1 suppliers) – New international norm since 2017/18: IATF 16949 which replaces ISO/TS: 16949
- Sell their products through the OES network.
- Focus is on new car development and manufacturing

### OES

(Original Equipment Suppliers)

- The sales and service centers of the car manufacturers
- Usually independent, privately owned companies
- Distribute the OEM branded products through a network of independent garages
- OES Distributors provide training and support to the OEM / OES approved garages
- OES Distributors implement the brand guidelines subscribed by the OEM
- OES garages usually sell new cars of 1 brand
- Focus is on new car sales and maintenance of the OEM branded cars

### IAM

(Independent After Market)

- IAM distributors are fully independent
- Distribute aftermarket brands and products through a network of retailers and independent garages
- Purchase parts from Aftermarket suppliers
- They may have a network of independent retailers and garages under a common name and look  
Example: AutoDistribution
- Several brands for the same type of product.
- No sale of new cars
- Focus is on parts sales (retail) and service of older cars of all brands

# THE EUROPEAN AUTOMOTIVE INDUSTRY

## IAM versus OES Customer

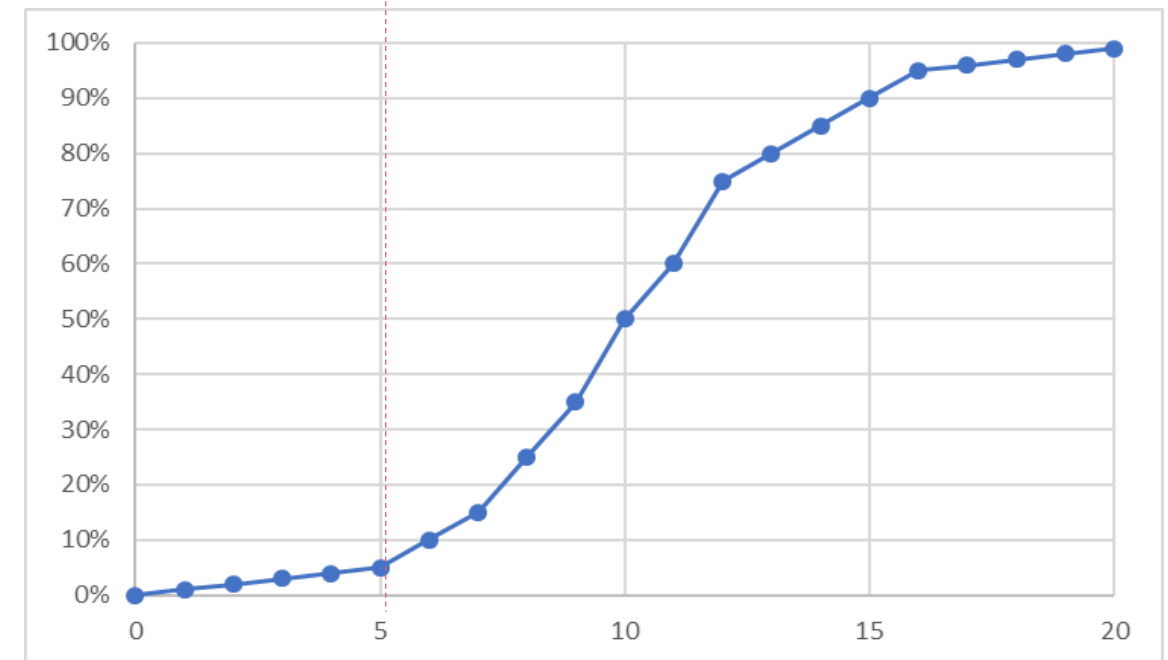
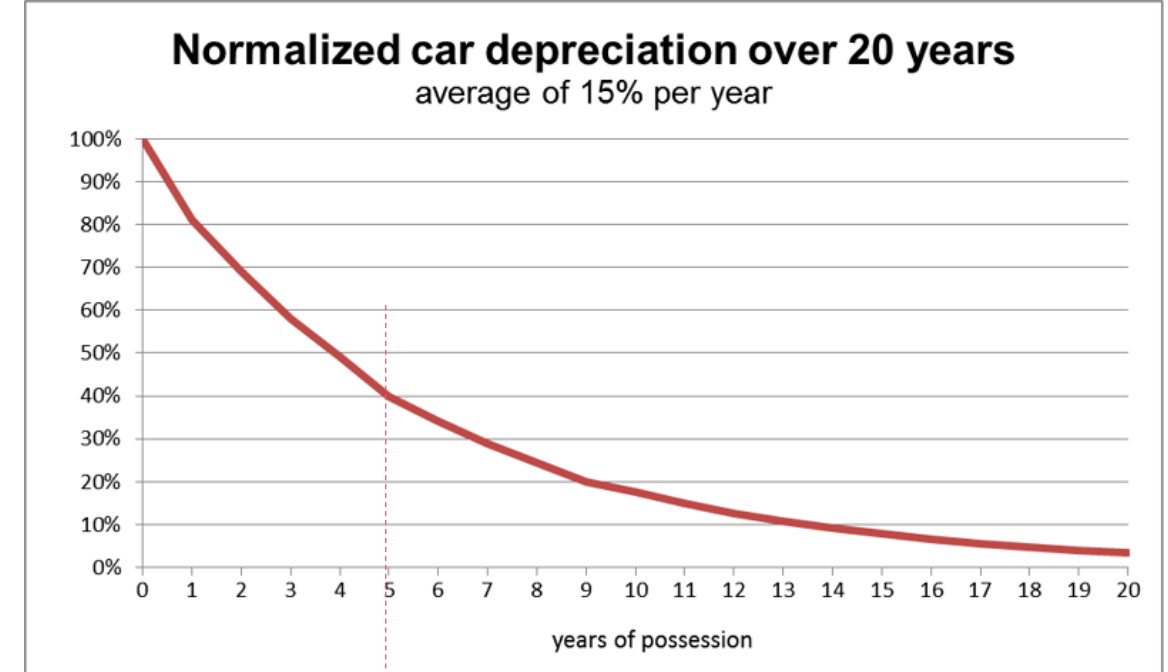
With the exception of wipers, the sale of Aftermarket service & repair parts for new cars and cars that are still in their warranty period is insignificant.

The main reasons are:

- It's the customers' perception that their warranty will be voided if they don't go to an OES garage
- The residual value of the car is still high so people are still willing to spend more money for OES replacement parts and service
- IAM garages are usually not trained and don't have access to the parts of a brand new car model or technology

2nd hand car owners and 'Do It Yourselfers' usually go to the IAM network.

It is often the case that the OEM doesn't provide replacement parts for vehicles beyond 10 after the last production date of the car model. Some IAM suppliers have parts for cars that are up to 30 years old.



# THE EUROPEAN AUTOMOTIVE INDUSTRY

## Industry Trends

### OEM

(Original Equipment Manufacturers)

- Continuous drop in demand for Diesel cars
- Development of electric, hybrid and other 'greener' technologies + focus on more autonomous cars that are connected with other cars and traffic management infrastructure
- Manufacturing for the European market moves to low cost countries in Eastern Europe (e.g. Hungary), North Africa (e.g. Morocco) and Turkey
- Introduction of parts for other car brands under a non-OEM brand to capture some of the IAM business

### OES

(Original Equipment Suppliers)

- Development of connected services. E.g. OES garage contacts the vehicle owner when car maintenance is near, special events for mainly premium car owners to create ownership communities, organization of safety and driving courses...etc.
- Large OES companies acquire smaller ones to increase their sales network
- OES sell service and repair parts for older vehicle models, often from IAM suppliers if the model is too old (+10 years after last production date)

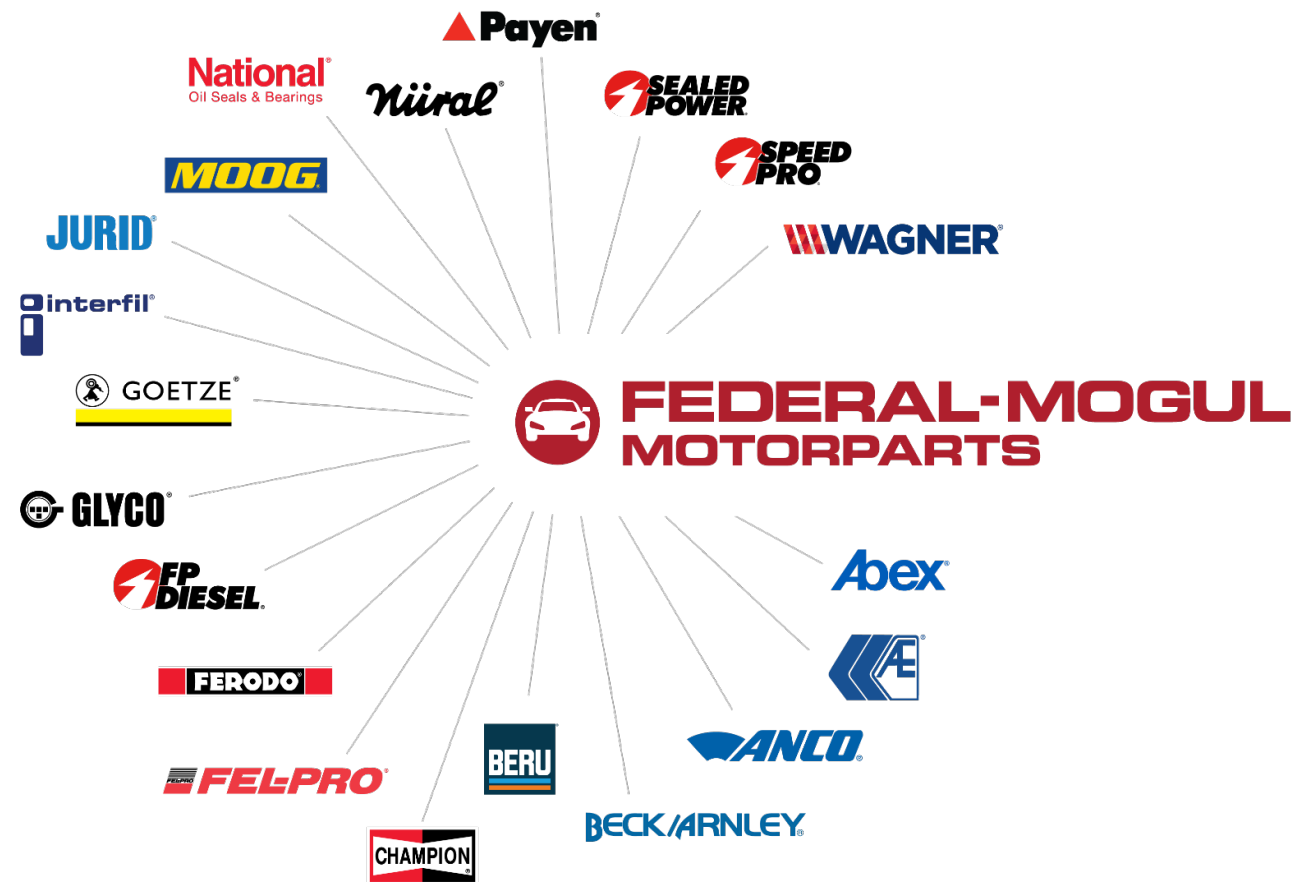
### IAM

(Independent After Market)

- E-business is growing fast, either by IAM companies, Oscaro for example, or via e-commerce platforms like Amazon and Alibaba.
- Large IAM distributors buy companies outside of their home country or enter partnerships with large buying groups
- Large buying groups purchase large IAM distributors to form big international trade groups. Example LKQ
- IAM distributors are developing their private brands to sell parts to the price sensitive customer

# FEDERAL-MOGUL

Who are we?

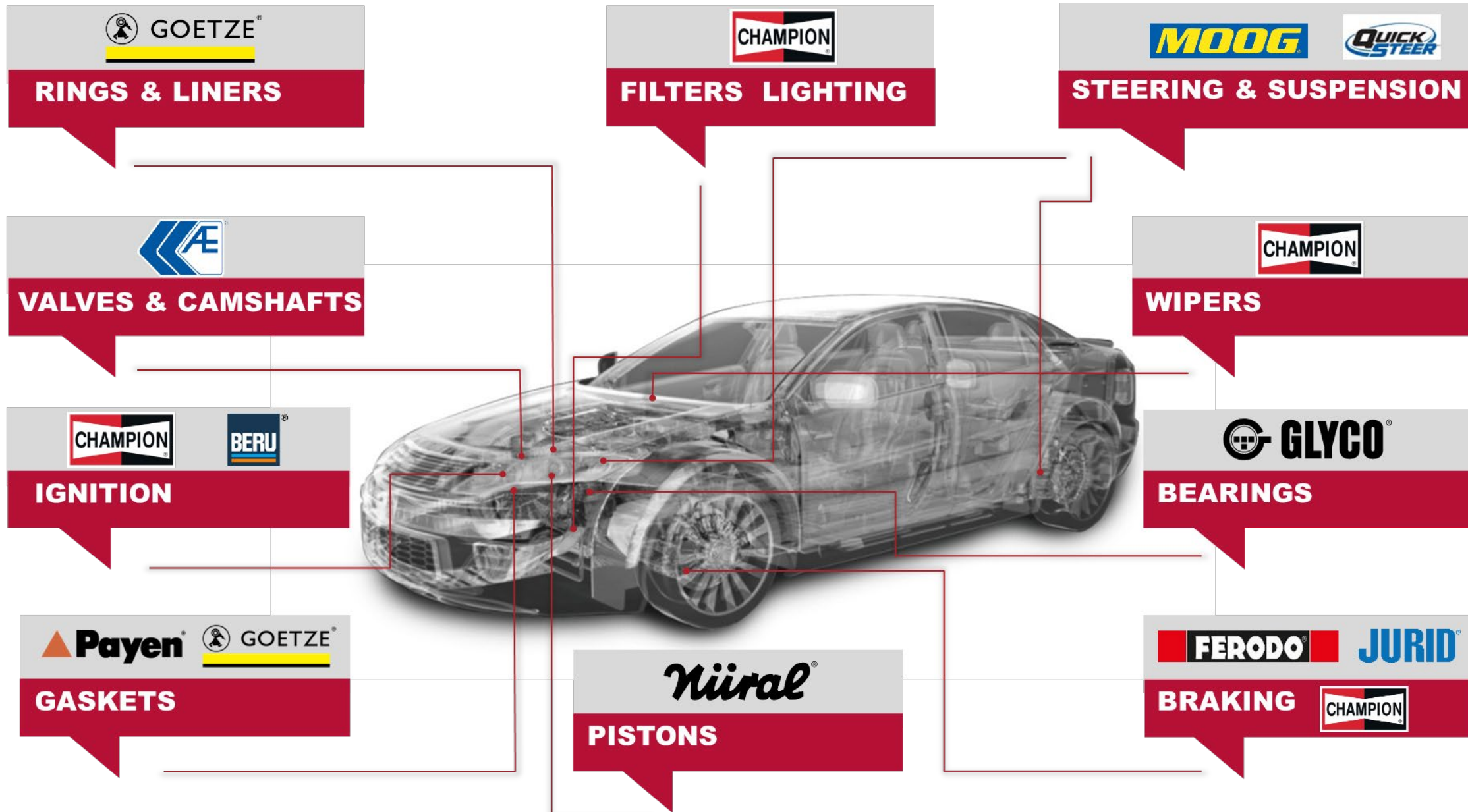


- An American developer, manufacturer and supplier of components for the automotive and any industry that has applications that involve engines, brakes and wipers
- The company is almost 120 years old
- Federal-Mogul develops, produces and delivers products to the OEM, OES and the IAM



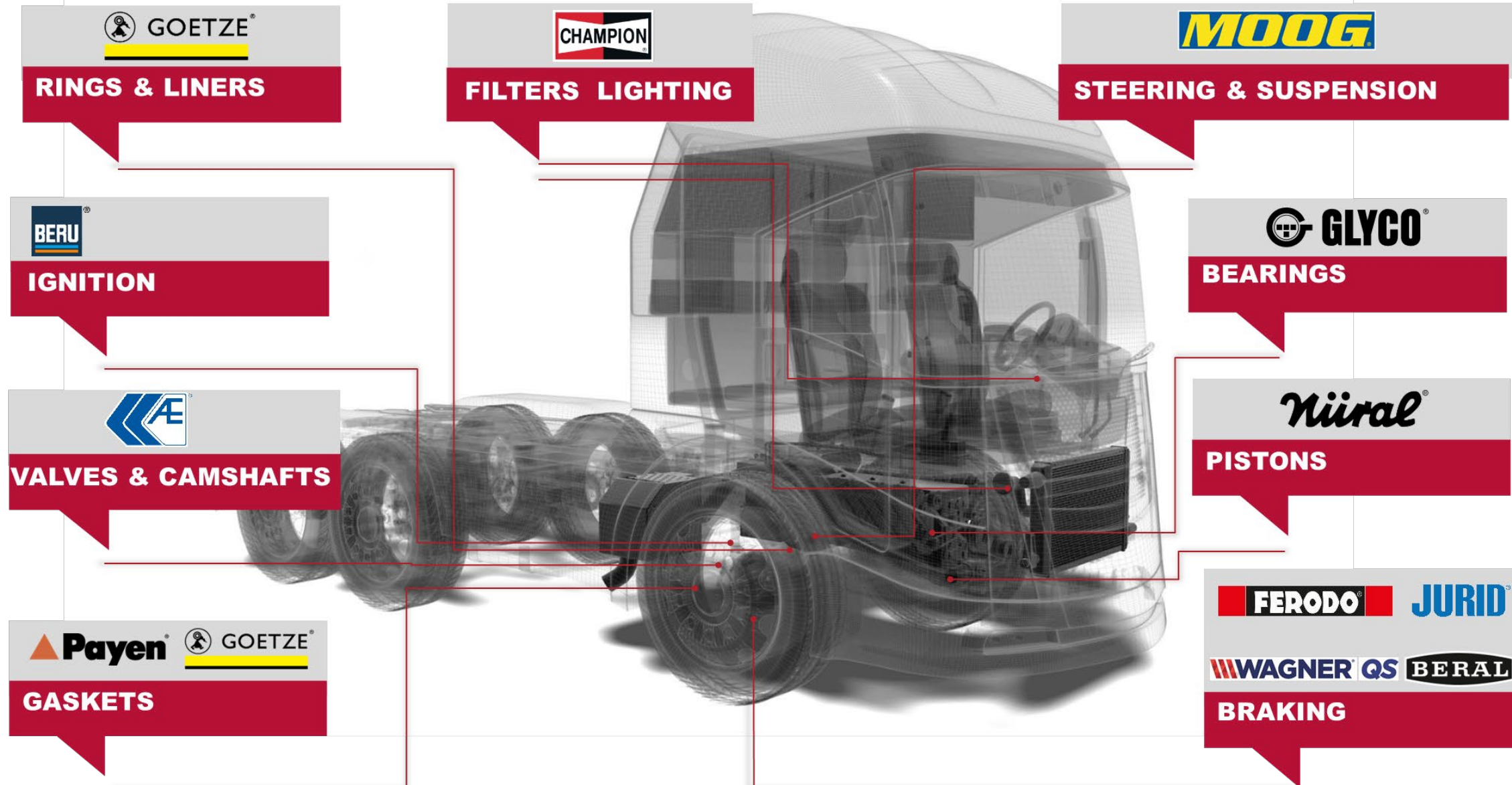
# FEDERAL-MOGUL MOTORPARTS

Our Brands and Products for Passenger Cars and light Commercial Vehicles



# FEDERAL-MOGUL MOTORPARTS

Our Brands and Products for Commercial Vehicles



# FEDERAL-MOGUL

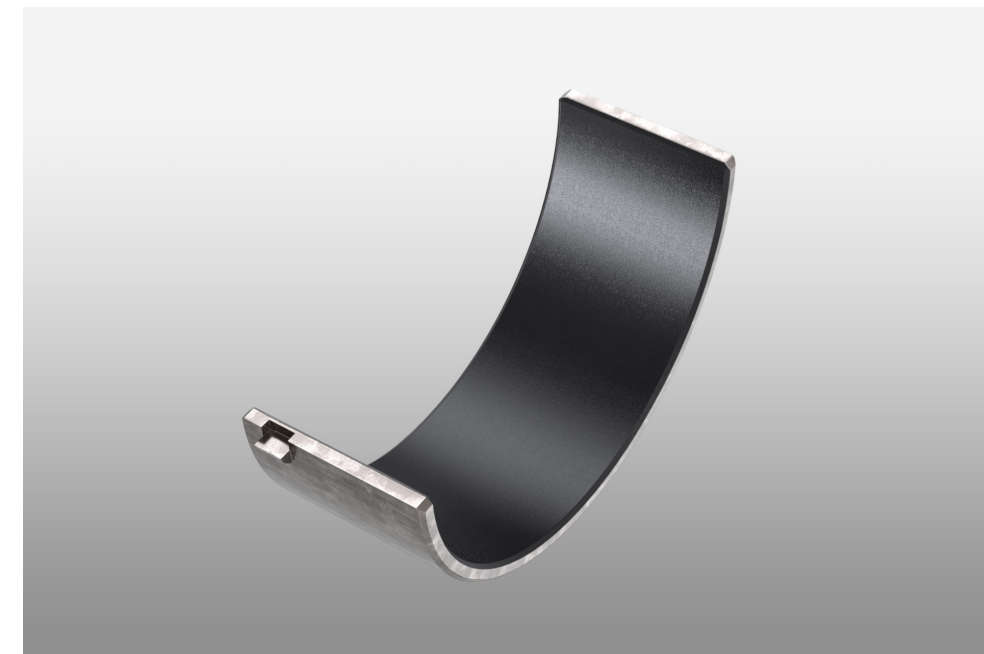
Some “Green” Product Innovations



**0% Copper Brake Pads**



**ECOTOUGH® Pistons**



**IROX2® Bearings**

**Less Fuel Consumption  
Reduced CO<sub>2</sub> Emissions**



# FEDERAL-MOGUL

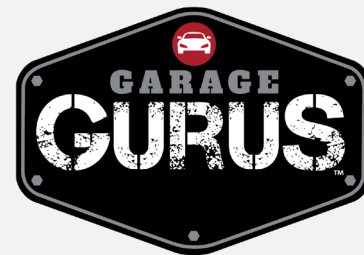
## Jobs for Engineers – What do they do?

### PRODUCT ENGINEERING

- Design & development
- Measuring & testing
- Drawing & product validation

### TECHNICAL TRAINING

- Technical training
- Technical advice & helpdesk
- Support developing e-learning



### WARRANTY / QUALITY

- Analyze parts returned for warranty
- Validate customer claims
- Initiate & manage product & process improvements
- Measuring & testing
- Internal & external process audits

### PRODUCT MANAGEMENT

- Create, develop and manage a product line
- Internal & external “promotion”
- Work cross functional with purchasing, sales, marketing, supply chain, engineering and quality teams

# FEDERAL-MOGUL MOTORPARTS

## European Graduate Program



## JOIN OUR EUROPEAN GRADUATE PROGRAM



## READY TO DEVELOP YOUR POTENTIAL

A world of possibilities awaits you to become part of a professional environment that promotes **PERSONAL SUCCESS AND CAREER GROWTH.**

Federal-Mogul Motorpart's **EUROPEAN GRADUATE PROGRAM** is designed to offer opportunities for cross functional experience and a chance to work with high quality products and globally recognized brands the company supplies to vehicle and transportation manufacturers and the aftermarket.

Located in manufacturing sites, administrative offices and distribution facilities **ACROSS EUROPE**, we offer a range of graduate opportunities that will grow your professional skills and expertise.



# DISCOVER MORE ABOUT US:

<http://www.federalmogul.com>

<http://www.fmcampus.eu/>

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