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Hard Bodies

Tool and die-maker Ogihara became its own best customer when it opened Ogihara America. Scott Koezler explains how the company uses its die-making expertise to manufacture body panels for luxury automobiles in America.

Ogihara Japan is one of the world's largest tool and die-makers, building more than 1,700 die sets every year. The techniques the company developed over the years gives it special insight into the stamping industry. When the opportunity to put that expertise into practice by actually using its own dies, Ogihara America was created. The American facility started by turning out body panels for a new line of Lincoln vehicles, and continues to supply the highest quality stampings in the industry to some of the most prestigious automakers in the world.

As part of the Ogihara Group's 14 plants around the globe, Ogihara America's ~~Alabama~~ *[Michigan]* plant draws on the expertise of its worldwide operations. It is through this global network that the American operation is able to deliver the quality required to compete and succeed as a tier one supplier to the automotive industry.

Hiro Morita, corporate director of the commercial division explains, "The company's original plan in 1987 was to build body panels for the introduction of three new models of Lincoln automobiles." The ~~Alabama~~ *[Michigan]* operation was built to deliver doors, hoods, trunk lids, and fenders for what was at the time Lincoln's newly redesigned Towncar, Continental, and Mark VIII luxury cars.

Integrated assemblies

"This plant fabricates automobile body panels that are ready for assembly. We are considered to be an integrated modular assembly supplier," explains Morita. The body components leave the Ogihara plant as complete assemblies, lacking only the soft components that complete the interior of the unit. The leather and plastic interior trim, and other trim parts are added at the final assembly point as Ogihara's components are brought together to complete the vehicle.

The quality of the product delivered by Ogihara for the Lincoln automobiles helped the company expand in 1995 to produce stamped panels for the DaimlerChrysler Mercedes M-Class bodies.

That expansion continued, and now Ogihara makes panels for every auto manufacturer in the U.S.

The company's volume continues to increase both by expanding its customer base and by increasing the number of components it makes for each customer. As Morita explains, "Our business continues to grow because the OEMs are looking for additional ways to decrease their capital investments by outsourcing the production of a growing number of component parts."

Ogihara is able to produce stampings more economically than the auto manufacturers because of its corporate expertise, not only in the stamping process, but also in the creation of the dies used to stamp the sheets of metal. "We continue to lower our material costs because of the way our dies are made. The die makers at Ogihara know how to design the dies so that they maximize the use of sheet metal. Because of this we are able to use less metal to produce any particular panel, and at the same time continue to reduce the amount of scrap from the process," says Morita.

Not only is Ogihara able to produce individual parts using 20 percent less raw material than its competition, the special techniques devised by the company's die makers enable it to achieve very difficult and unique metal designs. This expertise gives the company's customers additional freedom when designing new vehicles.

Another advantage Ogihara America derives from its sophisticated die designs is decreased overall manufacturing time. Morita explains, "The design of Ogihara's dies require less manipulation of the stampings. That translates to less time spent setting up the machines because the entire process is controlled by computer and doesn't need human intervention, meaning an overall faster manufacturing process."

Continued Growth

Ogihara America expects its growth to continue to come from its internal operations rather than through acquisition of facilities or other companies. The company's sales for 2004 were at the \$300 million level, and Morita projects a continuation of the company's 17 percent annual growth. "Our projections for the next three years call for a sales volume approaching \$350 million."

Ogihara serves every major automobile manufacturer in North America from its plants in ~~Howe~~ *[Howell]*, Mich. and Birmingham, Ala. and expects to see a significant portion of its growth from increased business with its existing customers. However Ogihara's expertise in die making has opened another pathway for expansion, in making body panels for Freightliner trucks. Because these parts are formed from aluminum rather than steel, stamping is more demanding because the metal is much more malleable. Says Morita, "The secret to successfully producing consistently high quality aluminum panels is in the design of the die. Ogihara's corporate expertise in die making is the basis for the company's ability to add this new area to our business."

The push to increase fuel economy is driving truck manufacturers to move from steel to aluminum components in their vehicles. And because of the technical expertise required to create quality aluminum stampings, truck manufacturers are outsourcing an increasing volume of aluminum panel production. "This is the most rapidly expanding portion of our business," says Morita. "We have added production lines in our existing facilities to handle the aluminum parts, and expect that the majority of our growth in the next three years will come from this segment of the business."

Division of Function

Ogihara America is only one division of the Ogihara Group, but it is responsible for 35 percent of the company's revenue. Ogihara's European division is based in England and produces all the

body panels for Jaguar automobiles. The company's facilities in Japan, Thailand, Taiwan, Shanghai, and Monterey, Mexico are all tool-and-die manufacturers. The dies manufactured in these plants are shipped to Ogihara's American and England plants, as well as Ogihara's other customers around the world.

Morita explains, "Our automotive customers continue to work with us because of our quality products, but they also rely on our guidance when designing new models. We are able to work with them beginning at the initial clay model design stage of the process." This interaction at the initial design stage lets Ogihara's clients take advantage of the company's advanced metal forming capabilities and incorporate them into their new models.

Ogihara America's unique mixed culture is central to the company's success in developing its customers and maintaining the high quality of its products. "Ogihara's technologies and techniques come from its Japanese corporate offices and are combined with its American workers' knowledge and enthusiasm for the job to produce a win/win situation," says Morita. Overall Ogihara America employs a staff of 500 in its Howell plant and 300 in its Birmingham facility.

The combination of Ogihara's worldwide presence, its expertise in die making, and its unique culture have made Ogihara America a leader in the production of body panels for luxury cars. As the company expands to aluminum body parts these same traits will continue to serve it and its customers well, and keep Ogihara America rolling.

Note: [] – Correction to original article: S. Peca, Ogihara America Corporation