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# JETRO Chicago Midwest NEWSLETTER

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## Teijin Acquisition of CSP Created a Global Automotive Materials “Dream Team”

When Teijin Limited announced the \$825 million acquisition of Continental Structural Plastics (CSP) in January 2017, it was announcing a combination of materials know-how and automotive manufacturing expertise that would create a global automotive components powerhouse.

Together, CSP and Teijin combine the chemistry, process and supply chain knowledge the automotive industry needs to make advanced composites the material of choice for body panels, battery carriers, pickup boxes and structural applications. Prior to the acquisition of CSP, Teijin had some automotive parts supply experience in low volume applications on super cars.

“But as we started to promote our carbon fiber reinforced thermoplastic Sereebo and other technologies intended for high volume production, we were running into hesitation from our OEM customers,” explained Eric Haiss, CSP executive vice president. “They were not sure we could make the transition from material supplier to parts supplier for a major program.”

Haiss, who was a vice president with Teijin Advanced Composites America before being appointed to the executive team of CSP following the acquisition, said that Teijin



Eric Haiss, Executive Vice President, Continental Structural Plastics (CSP)

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also recognized that carbon and glass fiber applications were both handled by the same



**Continental Structural Plastics**

teams with the OEMs. “At Teijin, we really believed that carbon fiber reinforced plastics were going to replace glass fiber reinforced plastics like CSP was making. We were familiar with CSP because we were talking to the same people at the customers. And CSP was already established as both a material supplier and a parts supplier with these customers.”

In addition to aiming to become a parts supplier, Teijin also had a desire to diversify in overseas markets, especially in North America. At the same time, CSP was looking for a way to expand its global footprint. “These factors made this acquisition attractive to both parties,” said Haiss. “CSP was already very successful in North America. Because of the company’s success with lightweighting, they had significant interest from overseas customers to supply lightweight structural and Class A components, but didn’t necessarily have the manufacturing footprint to meet this demand.”

As any manufacturer knows, establishing overseas operations can be challenging, and put a real strain on both human and financial resources. Through the acquisition, CSP now has access to the resources of Teijin, allowing the supplier’s global growth to continue.

With the backing of Teijin, CSP’s international growth has continued, primarily through the acquisition of Inapal Plásticos in 2018. This acquisition added two manufacturing locations in Portugal, and more importantly, expanded relationships with European-based global OEMs. Today, CSP has 17 locations on three continents, with additional facilities anticipated in North America and China within the next year.

From a cultural perspective, there were not only country cultures to learn, understand and integrate, but also an industry culture. As a Tier One automotive supplier, CSP often needs to make decisions quickly to meet the demands of its automaker customers.

“I was a little concerned about the pace of decisions within Teijin and whether or not it would be fast enough to meet CSP’s needs,” said Haiss. “But Teijin has really done a great job of working with CSP on the important issues, and having grace when urgent decisions are necessary. In the past two years, we see a trend to ‘meet in the middle’ where CSP is working hard to make the business more predictable, and Teijin has enacted policies that give CSP flexibility to meet our customer’s needs.”



The Continental Structural Plastics (CSP) Showroom

The Continental Structural Plastics (CSP) headquarters in Auburn Hills, Michigan.

