



Original Equipment Suppliers Association

NEWS RELEASE

For Immediate Release

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OESA Automotive Supplier Barometer: Supplier Sector Restart Shows Resilience, Yet Pandemic Weighs on Sentiment

SOUTHFIELD, Mich. (August 20, 2020) – According to the **Q3 2020 OESA Automotive Supplier Barometer Index (SBI)™** – a gauge to measure North American automotive supplier executive sentiments – the coronavirus pandemic continues to impact the outlook for the automotive supply base. Results posted a slightly positive reading of 53 for the period, three points above a neutral level of 50. Despite a 38-point rise in the SBI from Q2, the latest survey reflects only a modestly favorable gain in optimism for the 12-month outlook from Q2 2020 to Q3 2020.

A substantial portion of the Q3 SBI uncertainty is attributed to the pandemic's impact on the U.S. economy and poor sales of programs supplied. Responses show a significantly polarized outlook, with 47% of responses indicating an improved outlook from Q2 while 36% of responses indicated their outlook deteriorated further. The outlook for firms with less than \$1 billion in annual revenue improved, while the largest firms' outlook remained essentially unchanged.

Additional detail in the **Q3 2020 OESA Supplier Barometer™**, sponsored by **RSM US LLP**, focused on Talent and Human Resources. The results indicate:

- Skills gaps, as well as gaps in company culture, narrowed while suppliers embrace changes needed to close such gaps further.
- The pandemic has cooled regional voluntary turnover rates throughout North America, however pockets of high turnover remain, particularly in Canada.
- Hourly workers have become the biggest hiring concern in North America, as companies struggle to get hourly employees to return to plants and find replacement workers.
- The pandemic has profoundly impacted how and where people work, with much more flexibility anticipated in future work schedules. Executive leadership and finance/accounting roles have outperformed their peer groups in a work-from-home setting.

"Despite the unprecedented impact of the pandemic, the supplier sector has played a pivotal role in leading the industry and its expansive talent pool through a period of profound volatility, empowering networks of distributed teams and onsite operators to achieve high levels of safety, efficiency and productivity in the face of severe headwinds," said Mike Jackson, executive director, strategy and research, OESA.

"Technology has helped to increase communication and flexibility, accelerating virtual collaboration that will continue to fundamentally alter future organizational and talent paradigms," Jackson continued. "Leading suppliers remain focused on employee development while aligning with a more nimble company culture to foster innovative new approaches and speed outcomes."

The Q3 SBI chart and a full copy of the Supplier Barometer results are available on the OESA website at: <https://www.oesa.org/resource/oesa-automotive-barometer-studies>.

[CLICK HERE](#) to read the RSM US LLP commentary on the Q3 2020 OESA Supplier Barometer™ results.



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About the OESA Automotive Supplier Barometer™:

The OESA Automotive Supplier Barometer™ captures the pulse and analyzes the twelve-month business sentiments of top executives in the supplier industry. It is a quarterly survey on commercial issues, the business environment and strategies that influence the supplier industry. This Barometer is distributed to vehicle manufacturers, financial institutions, governmental officials, and the media to provide an on-going profile of supplier industry trends.

About OESA

The [Original Equipment Suppliers Association](http://www.oesa.org)'s mission is to champion the business interests of automotive original equipment (OE) suppliers. Since 1998, the Association has been addressing issues of common concern and advocating on behalf of the supplier community throughout the supply chain and in Washington, D.C.

OESA is one of four divisions of the Motor & Equipment Manufacturers Association (MEMA). All divisions are represented by MEMA's advocacy and emerging technology expertise. For additional information, visit <http://www.oesa.org>.

About RSM US LLP

RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with nearly 10,000 professionals nationwide. It is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 41,000 people in 116 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed.

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