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# Automotive Suppliers and the Revenue Acquisition Process – Then and Now: 2025 Update

*What's Working? What's Not, and What's Changed?*

**August 2025**

# About the Authors

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# Automotive Suppliers and the Revenue Acquisition Process: Then and Now

## *What's Working? What's Not, and What's Really Changed?*

Comparative Analysis of 2002 and 2025 CAR Studies

Center for Automotive Research (CAR) | UHY Consulting

White Paper – September 2025

## Executive Summary

The comparison shows that the RA process remains at the core of supplier performance but has not become more efficient. Suppliers are now processing more RFQs each year — typically over 800 according to 2025 study respondents, compared with 495 in 2002 — and spending more time on each, with the average rising from 134 hours to 157. More functions are now directly involved, including engineering, finance, cost engineering, and plant management, which has improved budgeting discipline and reduced late-stage surprises but lengthened cycle times overall.

Hit rates have improved since 2002, suggesting that suppliers are winning a higher share of the business they pursue. Yet it is unclear how much of this reflects better quoting practices versus broader market dynamics such as consolidation, which has reduced the number of bidders in certain areas. What is clear is that the higher win rates are being achieved at greater cost, with suppliers committing more organizational resources to each opportunity.

Survey feedback and workshop discussions highlighted several persistent barriers. The most pressing is the loss of "sticky knowledge" as experienced staff retire or move on. RFQ know-how is often undocumented, slowing responses and reducing quality when teams change. Suppliers also pointed to weak system integration—cost data, BOMs, and RFQ history are spread across multiple incompatible platforms, forcing manual work and creating errors. Post-launch reviews, especially in cost engineering, are inconsistently used, leaving lessons uncollected and assumptions untested.

Technology adoption remains uneven. Most suppliers are not yet applying AI to quoting, though many plan pilots within the next 12 months. Fragmented data remains the greater obstacle; without better system integration, AI will not provide meaningful efficiency gains.

CAR research also identifies an asymmetry in system investment: automakers are pulling ahead by modernizing procurement platforms, consolidating data, and automating workflows. Many suppliers remain constrained by legacy IT and limited budgets, widening the gap between OEM and supplier capabilities.

The overall conclusion is that suppliers are working harder and involving more of the organization to compete for business, but efficiency gains have not followed. To close the gap, suppliers need to invest in systems that preserve "sticky knowledge," better integrate data, and apply consistent reviews (process feedback loops) — win or loss — that include cost engineering and capture lessons for future bids. Such systems should also make ROI targets of at least 15% (cost of capital plus margin) easy to see, track how bids perform against them, and show accountability across the team. Automakers, for their part, need to provide greater transparency in sourcing expectations. Addressing these issues jointly is essential if the RA process is to deliver both competitiveness for suppliers and reliability for automakers.

# 1. Introduction

In the National Football League (NFL), there's a well-worn yet profound saying: "**You can't win the Super Bowl in the first game of the season, but you can knock yourself out of the running (with a poor performance)**." That reminder captures a timeless truth: the season's first game doesn't decide the championship — but a misstep early on can derail everything to come.

The Revenue Acquisition (RA) process for automotive suppliers operates under the same principle. You won't achieve long-term success with a single RFQ win — but missing the mark early and systematically erodes your path forward to customer success, repeat business, and profitability. As a result, the RFQ process must be approached as a strategic imperative from the very beginning — anything less, and you're already playing catch-up and/or missing-out.

What makes RA so critical today isn't just the immediate win or loss — it's that this process has evolved into a **core, enterprise-wide function**. For the most successful automotive suppliers, the RFQ management process now touches nearly **all aspects of the organization**:

- **Finance**: project cost modeling, cash flow forecasts, and margin impact analyses.
- **Sales & Marketing**: opportunity pipeline, OEM relationship management, and competitive-positioning.

- **Product Design & Engineering**: input for quoting, manufacturability, and early-stage value engineering.
- **Plant Management**: resource allocation, capacity planning, and scheduling.
- **Purchasing**: materials cost projections and sourcing strategy alignment.
- **Cost Engineering**: (not in all companies, but increasingly important) detailed cost breakdowns, benchmarking, and target cost setting.

Treating RFQs as an isolated business process is no longer sufficient. If any one of these functions fails to align, a single poor RFQ experience can ripple across the enterprise — much like a Week 1 mistake can cost a NFL franchise its Super Bowl opportunity.

In 2002, CAR published a landmark study that revealed inefficiencies, low confidence in achieving revenue goals, and high labor demands. In 2025, CAR/UHY Consulting revisited the study through new surveys, interviews and an industry workshop, motivated by changes in global trade, electrification, tariffs, and the digitalization of sourcing.

## 2. Methodology and Approach

CAR's 2002 study was built on a survey of 61 automotive suppliers, combined with labor statistics and RFQ process modeling. The 2025 update takes a different approach. Instead of a broad respondent pool, the survey represents an estimated **20% of the Automotive News Global Top 100 suppliers in North America**, covering all major bill-of-materials categories. This focused sample was supplemented by structured discussions during the CAR/UHY Workshop on August 27, 2025, and by analysis of broader trade and technology trends influencing sourcing.

While the 2025 sample is narrower than the original study, it was designed to expand on the 2002 baseline by probing not just workload and hit rates, but also whether — and how — the RA process has fundamentally changed. The side-by-side comparison provides valuable insights into both what has remained consistent over two decades and what has shifted under the pressure of globalization, electrification, tariffs, and digitalization.

## 3. The 2002 Baseline: Supplier RFQ Effectiveness

The 2002 CAR study revealed that the Revenue Acquisition process was already a company-wide function, pulling in sales and marketing, finance, engineering, plant management, purchasing, and sometimes cost engineering. Suppliers were dedicating extraordinary resources but were not confident in the outcomes.

On average, companies processed **495 RFQs per year** — almost two every workday. Each RFQ consumed about **134 labor hours**, with sales and marketing, finance, and product engineering carrying the heaviest loads. Despite this effort, **24% of RFQs missed submission deadlines**, leading to billions in lost opportunities. The most common problems were difficulty securing the right personnel, rework from errors, and missed internal deadlines.

Decision-making was dominated by short-term financial criteria. **Revenue size** and **expected operating margin** were rated highest, with customer goodwill and capacity utilization in the middle, and FIFO timing at the bottom. Strategic considerations such as technology alignment or long-term partnership potential were rarely prioritized.

Results underscored the inefficiency of the process. The average **hit rate was only 25% for new business**, compared with 68% for re-quotes and 80% for engineering changes. Confidence was weak: nearly half of respondents had less than 75% confidence in meeting revenue and margin goals, and one-fifth had less than 50% confidence.

The information environment that supports RFQ activity was equally problematic. Most firms had cost, production, and RFQ history databases, but visibility seldom exceeded **40%**. Costing models were off by **~25% on average**, far beyond the desired 3–5% error range. This limited both competitiveness in bidding and trust in results.

The study made clear that the RA process in 2002 was **labor-intensive, error-prone, and constrained by poor information use**. At the same time, it demonstrated significant upside potential. Even a modest **2% improvement in hit rates could increase revenue by 5–10%**, amounting to hundreds of millions of dollars annually for large suppliers. The 2002 baseline highlighted both the depth of the challenge and the scale of the opportunity—setting the foundation for measuring progress more than two decades later.

# 4. The 2025 Survey Results and Comparative Analysis

The 2025 CAR/UHY survey reveals that the Revenue Acquisition process has become substantially more demanding and less efficient compared to 2002. The 2025 survey sample represents roughly **20% of the Automotive News Global Top 100 Suppliers and covers all major bill-of-materials categories**, offering a broad view of how quoting practices have evolved. Suppliers are processing more RFQs, investing more time in each one, and involving more of the organization. Cycle times are longer, and efficiency has declined.

Suppliers now typically manage **800 RFQs annually on average, compared with 495 in 2002**. At the same time, the typical **labor investment per RFQ has grown from about 134 hours to 157 hours**. Complex RFQs often extend as suppliers validate costs, engineering assumptions, and

plant capacity, and as more functions — engineering, cost modeling, finance, plant management, and purchasing — are drawn into the process. Limited efficiencies may have been achieved in Finance and Sales & Marketing, but these are outweighed by added hours in the support functions that define the critical path—Product Design, Manufacturing Engineering, Cost Engineering, and Plant Management (*see* ***Figure 4.1: Hours Invested per RFQ by Function***)

***Figure 4.1: Hours Invested per RFQ by Function***

| **How many *hours* are typically invested per RFQ response by each of the following functions? Enter** *estimate* | ***2002 # Hours*** | ***2025 # Hours*** | ***%-Change*** |
|---|---|---|---|
| Sales & Marketing | *45* | *37* | *-18%* |
| Finance | *31* | *10* | *-68%* |
| Product Design Engineering | *28* | *40* | *41%* |
| Manufacturing Engineering | *9* | *22* | *144%* |
| Purchasing | *9* | *25* | *194%* |
| Plant Operations | *8* | *13* | *71%* |
| Cost Engineering & Other | *5* | *10* | *104%* |
| | | | |
| ***Total Hours*** | ***134*** | ***157*** | ***17%*** |

*Source: CAR analysis*

Persistent problems continue to undermine efficiency. Internal missed deadlines remain the most common issue in RFQ preparation. Customer collaboration and supplier coordination are tied for the second-most significant challenge, reflecting the fact that inefficiencies extend beyond a supplier's own organization into the broader supply chain (*see* ***Figure 4.2: Severity of Bid Development Issues***). Additional concerns include late engineering inputs, inconsistent cost data, and fragmented IT systems that make it difficult to pull information together quickly and accurately. These same issues were reported in 2002, demonstrating that the fundamental challenges of bid preparation remain unresolved.

***Figure 4.2: Severity of Bid Development Issues***

| **Rate the *severity* of the following *bid development issues* *(3=Major Problem, 2=Minor Problem, 1=Minimal Concern)*** | **2002 Rating** | **2025 Rating** | |
|---|---|---|---|
| Missed internal deadlines | 2.4 | 2.6 | *#1* |
| Supplier collaboration | 2.1 | 2.3 | *#2* |
| Customer collaboration | 2.0 | 2.3 | *#2* |
| Staff availability | 2.3 | 2.1 | |
| Pricing errors | 2.0 | 2.1 | |
| Internal collaboration | 2.0 | 1.8 | |
| Access to relevant historical data | 1.7 | 1.8 | |
| Rework errors | 2.1 | 1.5 | |

*Average scores, unweighted. Top 2 ranked issues in 2025 highlighted*

*Source: CAR analysis*

A new challenge highlighted in the 2025 survey is the loss of institutional knowledge. Nearly 90% of respondents reported that staff turnover, retirements, or reassignments are impacting the RFQ process, which in turn directly affects the quality and timeliness of responses. Building quoting expertise takes years of program experience, and many companies are struggling to replace it quickly enough, according to suppliers interviewed. As a result, bid timelines are lengthened, quality is reduced, and consistency is harder to maintain.

Also, post-launch reviews remain inconsistent, particularly in cost engineering. The survey shows that support teams are not always engaged after program launch, meaning important lessons and cost insights are often not captured. Without structured feedback loops, suppliers risk repeating the same mistakes across bids and missing opportunities to improve on assumptions.

Use of advanced IT tools, such as AI, has yet to take hold either. Most respondents said AI is not yet part of their quoting process, though some plan limited deployments within the next 12 months (*see* ***Figure 4.3: AI Adoption***).

***Figure 4.3: AI Adoption***

| ***Has your company adopted AI or machine learning tools in the RFQ process?*** | ***%-Total*** |
|---|---|
| Yes | 0% |
| No | 63% |
| Planning to adopt in the next 12 months | 38% |

*Source: CAR analysis*

For now, RFQs continue to rely on fragmented IT systems that require staff to pull data from multiple sources, slowing preparation and raising the risk of errors. These visibility gaps were first identified in 2002 and remain unresolved in 2025 despite widespread use of digital tools (*see* ***Figure 5.1: RFQ Team Data Visibility by Category in Section 5***). The issue is especially pressing now that automakers are demanding greater transparency from their suppliers. Interest in AI is high, but confidence in its ability to resolve structural problems is low.

Despite these challenges, win rates are improving compared with 2002. New business success has improved from 25% to 49%; re-quoting has risen from 68% to 81%; and engineering changes from 80% to 91%, bringing the overall average from 58% to 74% (*see* ***Figure 4.3: Hit Rate Trends, 2002 vs. 2025***). Confidence levels are somewhat stronger than they were two decades ago, and budgeting discipline has improved as more functions contribute to bid preparation.

***Figure 4.3: Hit Rate Trends, 2002 vs. 2025***

| **What is your company's hit rate (success rate) for each of the following RFQ types? Enter** *estimates* | ***2002 %-Win Rate*** | ***2025 %-Win Rate*** |
|---|---|---|
| New business | *25%* | *49%* |
| Re-quoting current business | *68%* | *81%* |
| ECNs | *80%* | *91%* |
| **Total - Average*** | ***58%*** | ***74%*** |

**Unweighted average*

*Source: CAR analysis*

These improvements, however, have not come with efficiency gains. Instead, they reflect greater resource commitments, i.e., more hours per RFQ, more cross-functional involvement, and more organizational effort devoted to each opportunity. Suppliers are winning more, but only by working harder and at higher cost.

Taken together, the 2002 and 2025 studies underscore continuity more than change overall. The same bid development challenges identified two decades ago remain today. Workloads are heavier, timelines are longer, and new pressures — employee turnover, fragmented IT systems, and visibility gaps — are adding to the burden. While hit rates and budgeting accuracy have improved, they have come at the price of greater effort, not greater efficiency.

Overall, suppliers are managing more RFQs, spending more time on each, and engaging more of the organization. The process is more complex, and while somewhat more successful in securing business, it is less efficient than before.

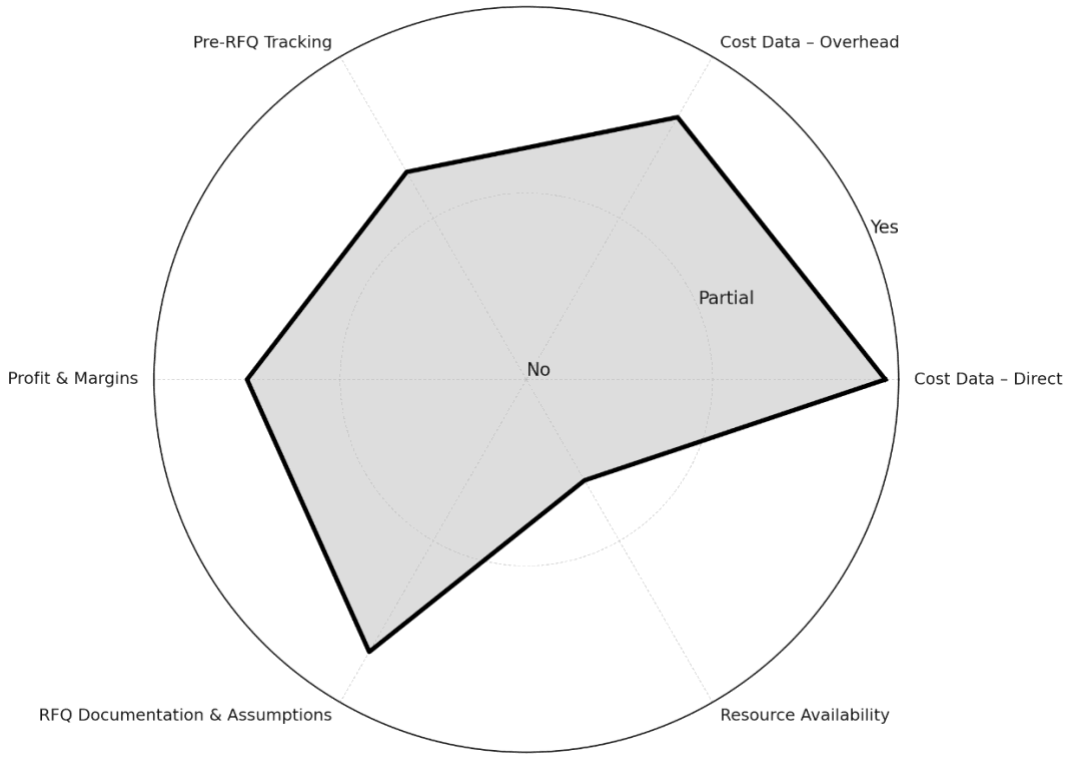
# 5. Visibility Gaps Identified in 2025 Survey

The 2025 survey identified significant **data visibility gaps** that continue to hinder quoting effectiveness. While suppliers are handling more RFQs and involving more of the organization, they still lack consistent access to essential inputs. Respondents pointed to challenges in:

- **Cost data** (direct, overhead, and burden costs, often fragmented across systems)
- **Pre-RFQ and status tracking** (limited documentation, traceability, and audit readiness)
- **Resource availability** (staffing and time commitments uneven across functions)
- **Profitability metrics** (profit margins and commercial assumptions inconsistently captured)
- **Supporting documentation** (RFQ assumptions, tooling, logistics, and lifecycle costs not fully integrated)

These weaknesses mirror those highlighted in 2002 and remain largely unresolved. As shown in ***Figure 5.1***, suppliers report uneven visibility across key categories. Direct cost data is generally accessible, but other areas—such as burden costs, pre-RFQ tracking, resource commitments, and post-RFQ performance feedback—are only partially visible or not visible at all.

***Figure 5.1: RFQ Team Data Visibility by Category****




**Full RFQ Team includes Sales & Marketing, Finance, Product Design & Engineering, Plant Management, Purchasing and Cost Engineering. Full Visibility = 2 Score, Partial = 1 Score, No Visibility = 0 Score*

*Source: CAR analysis, 2025 Study*

The persistence of these gaps underscores the need for integrated data environments and structured knowledge capture. Without them, suppliers face repeated errors, slower cycle times, and credibility risks in their bids.

# 6. Strategic Insights from August 27, 2025 Stakeholder Workshop

The workshop was convened to provide suppliers in the study with an opportunity to learn about RFQ system development underway at OEMs, to establish constructive dialog on trust and visibility in sourcing, and to share preliminary CAR research findings. As a result of the workshop discussions, the growing **asymmetry** between automaker and supplier investment in RFQ systems became clear.

Survey feedback and workshop discussions highlighted that the loss of **"sticky knowledge"** is increasingly constraining RFQ performance. Quoting expertise often resides with a small group of experienced staff. When they retire or change roles, essential knowledge is lost, leading to slower responses and inconsistent bid quality. Systems that can capture and transfer this knowledge are seen as critical to stabilizing the process.

Participants also pointed to poor visibility and limited integration across systems. Cost data, BOMs, RFQ history, and capacity inputs are scattered across platforms that do not communicate with each other. This forces teams to manually gather and reconcile information, which results in late submissions and prolonged cycle times.

Another shared finding was the inconsistent use of post-launch reviews, particularly in cost engineering. Lessons from awarded programs are not systematically captured or carried into future RFQs. Without structured reviews, cost assumptions go untested and inefficiencies are repeated.

AI is not yet in regular use for quoting. Some suppliers plan pilots in the next year, but fragmented systems remain the larger obstacle. Without integrated data, AI cannot provide meaningful gains in speed or accuracy.

Interview findings confirmed that automakers are investing more aggressively in RFQ systems than suppliers (in some cases). OEMs are consolidating data, automating workflows, and building advanced analytics, while many suppliers remain limited by legacy IT and processes. This asymmetry will pressure suppliers to respond with greater speed, more detail, and consistent costing assumptions – further widening the gap unless investments are accelerated.

Overall, the survey, interview, and workshop findings point to several priorities: build systems that preserve sticky knowledge, integrate data platforms to reduce manual work and errors, institutionalize post-launch reviews to strengthen future bids, and foster more transparency between OEMs and suppliers. Without progress on these fronts, suppliers will continue to face late submissions, prolonged cycle times, and a growing disadvantage relative to their customers.

# 7. Conclusion

**Comparing the 2002 and 2025 studies makes clear that the Revenue Acquisition process remains central to supplier competitiveness but has not become more efficient.** Suppliers are managing more RFQs, spending more time on each, and involving more of the organization, yet the same structural problems identified two decades ago — missed deadlines, weak collaboration, and fragmented systems — continue to limit performance.

Cycle times are longer, quoting requires broader cross-functional effort, and bid quality drops when institutional knowledge is lost. Win rates and budgeting performance have improved since 2002, but efficiency has not kept pace with the added investment of time and resources.

Progress requires action from both automakers and suppliers. Automakers are advancing with modern RFQ systems, while suppliers lag in digital tools and data integration. This imbalance shifts leverage to OEMs and adds pressure to suppliers already facing longer cycles and higher costs. Greater transparency for all parties, clearer communication, and simpler RFQs are needed to make the process more efficient.

Suppliers must also strengthen their own systems. Capturing "sticky knowledge," centralizing data, and conducting consistent post-launch reviews —including cost engineering and lessons from both wins and losses — reduce manual work and validate assumptions. Most importantly, greater consistency and visibility in bids improve credibility with customers.

ROI targets of at least 15% (cost of capital plus margin) should be visible to all RFQ team members. Visibility and accountability must be built into IT systems and processes, enabling suppliers to track bid results and reinforce performance. With these foundations in place, automation and analytics can then accelerate both speed and accuracy.

AI remains in the early stages. Automakers are further ahead in RFQ applications, but success depends on reliable, visible data built into daily workflows. When applied this way, AI can help suppliers compete more effectively — but it will not close visibility gaps on its own.

The 2002 baseline and 2025 survey both show that the revenue acquisition process remains central to supplier competitiveness. Closing the gaps requires suppliers to invest in both IT systems and RFQ processes, and automakers to increase transparency and align expectations. Without both sides moving together, inefficiencies will persist and the imbalance in capabilities may continue to grow.

The call to action is clear: the RA process must evolve toward fewer RFQs with reduced complexity, greater transparency, and more stable order pipelines. Efficiency gains will be key — accelerating cycle times for automakers while reducing costs across the supply chain. For example, a **15% efficiency improvement** for a supplier handling **700 RFQs** would save **73,500 hours**, worth **$11 million** at a $150/hour labor rate. Furthermore, even small improvements of 1–5% could generate meaningful savings once scaled across the broader supply base. Suppliers must strengthen systems that capture knowledge, integrate data, and formalize reviews, while automakers must provide greater transparency on sourcing requirements and timing, and reconsider the complexity and frequency of RFQs. Aligning on these priorities is the only way both sides can create a quoting process that is faster and more efficient.