



## Meritor Helps Mining Companies Reach Deep into the Earth



Tata Hitachi's E1700 will help global mining companies meet the challenges of extracting minerals from 800 to 1,000 feet (244 to 305 meters) below the surface. Meritor will build axles for the heavy-duty dump trucks in India.

Meritor will build the axle for Tata Hitachi's new E1700 dump truck for deep-surface, open-cast mining in India and for the OEM's global markets.

Deep-mining is very challenging, and many mining companies instead prefer open-pit mining, which involves removing minerals like coal from depths of 150 to 200 feet (45 to 61 meters). While open-pit mining offers lower costs and a higher level of safety, mining companies in certain geographic areas can extract coal from depths of 800 to 1,000 feet (244 to 305 meters). This deep-surface mining technique requires reliable vehicles to

transport materials from far below ground level.

With its work on the E1700, Meritor is demonstrating it can help OEMs that manufacture heavy construction machinery by building drive axles to support the load haulage requirements of mining companies that operate at extreme depths.

"From a vehicle perspective, deep mining trucks are required to carry extremely heavy loads, operate off-highway and climb much steeper grades," explained Kamaljeet Nandkeolyar, director, Off-Highway and Military Business,

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**Thimmaiah NP**  
MANAGING  
DIRECTOR,  
MERITOR, INDIA

### India Gears Up for Growth

With India an emerging hub for global companies, we are selectively expanding our product range and improving operational excellence to meet the needs of domestic and global OEMs in India.

Despite slow GDP growth in India and lower demand for medium- and heavy-duty vehicles last year, Meritor India has improved year-over-year operating margins. Through our focus on new product development and cost optimization initiatives, we are meeting current market need and are well-positioned for future growth.

In the highly competitive Indian market, our focus is to retain market share where we are strong and win new customers. Our improved portfolio includes new axle and brake products for commercial vehicles and military applications. By strengthening early engagement with OEMs during product development, we are bolstering our great reputation. During 32 years here, Meritor has developed significant engineering capability and can apply low-cost approaches to new product initiatives and manufacturing to compete globally.

Given India's population, geography and level of infrastructure, we will continue to increase opportunities through our capability to capitalize on tremendous growth potential that exists far beyond our borders. 



# Scania Win Strengthens Meritor's ADB Positioning

News that Meritor will supply air disc brakes (ADB) for Scania's heavy-duty market validates the Cwmbran, United Kingdom site's Brakethrough strategy and positions the company for further growth in the global air disc brake market.



"Due to our focus on delivering customer value, we were the only one of three suppliers in Europe that could help them achieve all of their goals."

**Tony Williams, DEPUTY CHIEF OF SALES, BRAKES, EUROPE**

The conquest win and other new business currently under negotiation resulted from Meritor's \$58 million investment in people, technology and production efficiency improvements in Cwmbran. The modernization has transformed the site into a global braking center of excellence. Tony Williams, deputy chief of sales, Brakes, Europe, also credits Cwmbran's team of industry experts who are empowered to expand Meritor's ADB business.

"Winning Scania is the first tangible new business award delivered from our Brakethrough initiative," Williams said. "Thanks to the dedication of our team, we now have two major European customers — Volvo and now Scania — which strengthens us for additional OEM business and higher overall market share."

Hywel Woodward, Meritor's project manager for the Scania program, added: "Under the


agreement, we will build our ELSA225H range of air disc brakes for long-haul trucks beginning this year and start manufacturing the ADBs for Scania's buses, coaches and off-highway vehicles in 2016."

The OEM's heavy duty vehicles in Europe, South America, parts of Asia and possibly some Middle Eastern countries will be equipped with the Meritor ADBs.

Scania, which wanted a lighter, one-size-fits-all braking solution, began talking with Meritor about supplying the brakes in 2009 as part of its sourcing strategy and to satisfy future customer needs. Williams said Scania's end customers are often loyal repeat buyers, and the OEM expects Meritor to provide a very

robust field performance.

"Scania wanted to give its very dedicated customer base a product that enhances performance and durability, which reduces maintenance costs for vehicle operators," he added. "Due to our focus on delivering customer value, we were the only one of three suppliers in Europe that could help them achieve all of their goals."

Engineered and developed in Cwmbran, the ELSA product family helps to reduce stopping distances with virtually no brake fade. They are built with friction materials that improve wear rates on pads and rotors, with lower maintenance costs for end customers. 

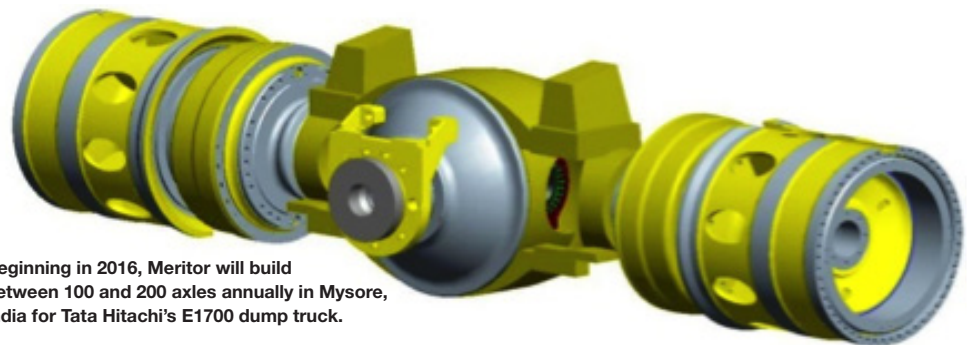
## Mining

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Meritor CVS India. "These trucks must have deep-reduction ratios to provide very high tractive effort and high structural reliability to carry very heavy payloads on a sustained basis over long distances on unprepared or unpaved surfaces. They are also expected to work for long hours with minimum maintenance and down time."

The E1700 truck, with a payload capacity of 100 tons and gross vehicle weight of 163 tons, will be built in India for domestic and global markets where Tata Hitachi can offer modern products to mining companies at competitive prices.

Instead of importing axles at higher costs,




**Beginning in 2016, Meritor will build between 100 and 200 axles annually in Mysore, India for Tata Hitachi's E1700 dump truck.**

longer lead times and logistical difficulties, Tata Hitachi concluded a contract manufacturing agreement with Meritor for the 100-ton axle with 28-inch ring gear.

Designed by Tata Hitachi, the axle will be manufactured with Meritor's established processes and Meritor's approved local suppliers to ensure high quality and

competitive product cost.

"Meritor was awarded the contract because we offered a high-quality product at a competitive price, shorter delivery and local customer support," Nandkeolyar said. "The customer also avoided higher freight costs and import duty." 



DRIVE OPERATIONAL EXCELLENCE

# PLM to Standardize Processes and Improve Customer Value

Product lifecycle management (PLM) can shorten product development time from years to months, improve quality and reduce errors and costs.

Meritor will implement a global PLM system this year to better manage business processes and support parallel work across business functions.

PLM is a network management system that centralizes intellectual property, such as engineering data, and automates workflow and team activities throughout a product's lifecycle — from concept and design to manufacture, service and disposal. Meritor selected Windchill from PTC, a technology solutions company in the Boston research corridor, as its PLM software solution.


“It will drive a single, standard global process to improve collaboration, efficiency and productivity for everyone.”

**Mark Farella**, DIRECTOR, IS BUSINESS SOLUTIONS

“This PLM tool will deliver enterprise-wide benefits globally to engineering, operations and purchasing functions and to every business unit driving our product programs,” said Mark Farella, director, IS Business Solutions. “It will drive a single, standard global process to improve collaboration, efficiency and productivity for everyone.”

Meritor will use the tool to manage business activities for new product introductions, win new customer business and meet and exceed customer expectations throughout the product development process. Key benefits include:

- Reduced cycle times and improved productivity
- Decreased parts proliferation with fewer part numbers
- Optimized design processes on new products to avoid late revisions and reduce quality containment costs
- New product costs closer to original targets

The company expects full deployment by Q4 2014. Widespread, online training is planned for this year. 

# European Trade Show in France Pays Off for Meritor

Meritor's European aftermarket team brought in new orders worth more than \$1.3 million at the recent Solutrans trade show in Lyon, France.

“We had a strong presence, and the aftermarket team was very dynamic and delivered results with impressive efficiency,” said Carlos Martín de Vidales, director, Global Marketing, Aftermarket & Trailer.

During five days, Meritor joined more than 800 other companies exhibiting their products at the 12th biannual show. With a theme of innovation and internationalization, the show focused primarily on the commercial vehicle aftermarket in France and other European countries.

Meritor's aftermarket sales team organized a continuous series of meetings with 85 customers from

France, Germany, Italy, Spain, Scandinavia, North Africa and the Middle East at the company's booth.

“Large fleets recognize how Meritor's aftermarket products offer great opportunities,” said Luca Govean, director, Business Development, Aftermarket Europe. “One of the largest fleets in Europe — the Charles André Group with 16,000 vehicles and 85 repair shops — visited our booth to review how we can offer Europe-wide product coverage through our distributor partners.”

About 35,000 visitors from the transport, equipment manufacturing and dealer sectors attended the show. Attendees included truck drivers, logistics personnel, engineers, department heads, foremen, management and marketing and purchasing professionals. 



Meritor was well-represented at the recent Solutrans trade show in Lyons, France. Above, a Meritor-branded race truck featured prominently at MAN's booth. Left, Luca Govean, director, Business Development, Aftermarket Europe, tried out the Meritor simulator in the MAN booth.



INVEST IN A HIGH PERFORMING TEAM

# Profile: Roberto Lui, Regional Director, HR, South America

## What are your responsibilities as regional HR director in South America?

I support our commercial truck, drivelines and aftermarket business by leading the strategic direction for all human resources functions and activities in South America. My goal is to align HR activities with the business and create a strategic partnership.

## What did you do before coming to Meritor?

I held senior HR executive roles at large multinational automotive corporations in the region. I was a regional director for an automotive supply company and HR manager for another supplier in the central office and at the plants. I began my career in the 1990s as an HR intern at a major automotive OEM.

## Your job must be stressful at times. How do you manage your stress?

I have learned, through personal leadership training, to transform stress into something positive. Stress usually pushes you to action, so I take this energy and channel it constructively. By being innovative and talking with people from inside or outside the company, you can gain new perspectives and find different ways to deal with problems.

## You recently received a nomination award for Best HR Professional in 2013–Automotive Industry sector. How does this make you feel?

It's a deep honor to represent Meritor's leadership and the South American HR team. This nomination award demonstrates how we



**Roberto Lui, regional director, HR, South America, receives the nomination award as the Best HR professional of 2013–Automotive industry sector, from Daniela Diniz, chief editor, VOCÊ SA business magazine. The nomination award recognizes HR executives who stood out over the past year, with a consistent profile/track record in their HR career.**

are moving in the right direction on HR drivers such as engagement and diversity and the M2016 goal of “Invest in a High Performing Team.” For me, the award reinforces a professional and personal mission as an HR leader who encourages people and organizations to adopt human capital as a key pillar of a successful and sustainable business strategy.

## What challenges do you face as an HR director for a global company?

A global company requires its HR function to

develop common global solutions, guidelines, policies and processes. From an HR management perspective, it's also important to understand regional business and market conditions — including labor, social and cultural settings — to act and move quickly when responding to local competitive factors.

## What's the most rewarding part your job?

Successfully facing and addressing HR- and business-related challenges with a well-balanced approach and leading the organization toward meeting the needs of all stakeholders is very satisfying. It's also rewarding to know that HR can work to forge common and satisfactory solutions to business situations.

## Would you recommend HR as a career?

Yes. But a true career match depends on someone's ability and willingness to deal with human complexities in corporate organizational and business environments.

## Do you have a favorite book?

*The Power of Myth* by Joseph Campbell is my favorite book. Learning about the similarities between different cultures and people over the course of human history was an amazing journey.

## What do you do for fun when you're not working?

I like to read business and non-business books and spend time with my family. I used to play guitar. 🎸

## Brazil Highlights Sustainability

Following the Brazilian government's launch of “Conscious Consumer Day” in 2009, Meritor decided to set aside a month as the “Month of Sustainable Consumption” to educate and engage employees about the environment. The Osasco and Resende facilities recently informed employees of the company's sustainability initiatives, posted information about the rational use of water and conscious consumption of food and held a recycling workshop. The two plants also created this e-newsletter graphic and logo to support the campaign.

