

Detroit Manufacturing Systems looks to diversify after Forvia exit

By Kurt Nagl



Credit: DMS

Detroit Manufacturing Systems Operates a 500,000-square-foot plant on Detroit's west side.
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Detroit Manufacturing Systems is working to win new electric vehicle charging contracts and defense business following automotive supplier Forvia's exit from the venture.

It marks the next chapter for the Detroit-based contract manufacturer, founded in 2012 as a JV between Andra Rush and the French auto parts supplier, which has a base in Auburn Hills.



Bruce Smith

Rush sold her majority share in 2018 to Chairman and CEO Bruce Smith, who last June quietly bought out Forvia's stake, creating independence for DMS, a certified, minority-owned company.

"That was the first step in the next evolution of who we are," Scott Cieslak, EVP, sales, purchasing and strategy, told Crain's.

The next step is diversifying the company, whose biggest business is supplying instrument panels for Ford Motor Co. F-150 and F-150 Lightning pickup trucks. It also has work upcoming with Volvo's Mack Trucks.

It notched a big win on the diversification front by landing a contract to supply EV wireless battery charging systems for Pennsylvania-based startup InductEV, the company announced Jan. 9. It is also working toward new business in the defense space, Cieslak said.

Under the EV charging agreement, DMS will manufacture power coils designed for the undercarriage of commercial vehicles as well as the ground pads to charge them. The power coils are juiced up through inductive charging when resting over the ground pads, just like a smartphone charging wirelessly. It's the same premise as the wireless charging road adjacent to Michigan Central Station in Detroit.

It marks DMS's first foray into charging. The deal is for 1,000 units in the first year, representing about \$1 million in annual revenue with the expectation of a 20% increase each year. It presents big opportunity for both sides.



Scott Cieslak

“As they were starting to land more and more business, they needed someone to partner with and scale up,” Cieslak said. “We’re helping them become the bigger company that they can be, and that’s good for us too.”

InductEV is moving its manufacturing from a small prototype shop to DMS, which has the ability to help industrialize the product. At the same time, DMS is used to high-volume, traditional automotive parts, so the new contract can help it spread its wings and build on its \$1.3 billion-a-year top line.

“Having a relationship with (InductEV) gives us an inroad to helping some of these other suppliers out there,” Cieslak said.

In addition to InductEV, the contract manufacturer [signed a deal](#) in 2022 with Detroit-based EV charging startup Plug Zen LLC and has had discussions with Dunamis Charge Inc., another Detroit-based EV charging startup.

DMS started production of InductEV chargers last month at its 500,000-square-foot plant on Detroit's west side, where roughly 1,200 union workers and 300 salaried employees work. The company [sold its other plant](#) in Toledo to Sterling Heights-based Mayco International a year ago.

There will be one line and around a dozen operators dedicated to the new business. Cieslak said quoting activity and demand remains strong for EV charging work, despite EV sales growing more slowly than anticipated – a trend directly impacting the contract manufacturer.

After tooling up for 150,000 F-150 Lightnings, DMS had to pivot when Ford slashed its volume projections for the pickup in half this year. It wasn't the ideal scenario, but Cieslak said the supplier is learning to roll with the speedbumps.

“Every supplier is going to be struggling with placing bets how this transition is going to take place. It's going to be choppy,” he said. “As Ford scales and adjusts over the next couple years, we'll be able to scale and adjust.”

Likewise with EV chargers, there's a risk the business doesn't materialize as envisioned, but DMS is betting that its move deeper into electrification will pay off.

"We look forward to bringing our manufacturing, quality and supply chain expertise to this partnership and creating a successful venture that will help reduce this sector's carbon footprint at a considerable cost savings for all involved," Smith, DMS CEO, said in a news release.

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