



**WARDSAUTO**™

THE BIG STORY / JUNE 2017

# CAKE BAKERS & BRAND CARETAKERS





**Lincoln's  
Andy  
Georgescu  
speaks at  
WardsAuto  
Interiors  
Conference  
in May  
2013.**



Really  
No Right  
or Wrong  
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Balances  
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## **IT TAKES MANY INGREDIENTS TO BAKE A CAKE.** Leave out the eggs, flour or frosting, and the cake flops.

Likewise, it takes contributions from employees across multiple divisions and disciplines within an automaker to make its vehicles and brands successful.

The metaphor about baked goods comes from a marketing guy – Lincoln's Andy Georgescu – who takes his role as "brand caretaker" seriously. Four years ago, he referred to himself as such during his presentation at the

WardsAuto Interiors Conference in Dearborn, MI.

At the time, Georgescu was Lincoln's U.S. product marketing manager, and he lightheartedly provoked his fellow panelists, designers Eric Clough from Cadillac and Ben Jimenez from Toyota's Caltex Design Research, by suggesting people in marketing are the true brand caretakers, because, unlike anyone else, they



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The Automotive Division of the Society of Plastics Engineers (SPE®) is announcing a "Call for Nominations" for its 47th-annual **Automotive Innovation Awards Gala**, the oldest and largest recognition event in the automotive and plastics industries. This year's Awards Gala will be held **Wednesday, November 8, 2017** at the Burton Manor in Livonia, Mich. Winning part nominations (*due by September, 13, 2017*) in 9 different categories, and the teams that developed them, will be honored with a **Most Innovative Use of Plastics** award. A **Grand Award** will be presented to the winning team from all category award winners. An application that has been in continuous use for 15 years or more, and has made a significant and lasting contribution to the application of plastics in automotive vehicles, (*nominations due by May 31, 2017*) will be honored with a **Hall of Fame** award.

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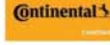
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## WHO ARE THE MOST IMPORTANT BRAND CARETAKERS IN THE AUTO INDUSTRY?

That's a bit like asking parents which child is their favorite.

have a keen understanding of the customer and those who potentially can be brought into the fold.

Of course, Clough and Jimenez could state definitively why designers are the most important brand caretakers, because they have the unique ability to create a visual first impression, capture lightning in a bottle and establish an immediate emotional bond merely by putting pencil to paper.

So who are the most important brand caretakers in the auto industry? That's a bit like asking parents which child is their favorite.

We posed the question to dozens of engineers, designers and executives from across the industry and came away with fascinating stories about pivotal moments in the evolution of automotive brands, all of them hinging on dogged intervention by brand caretakers at various levels of an organization.

There's Bob Lutz, an irrepresible car guy who led the charge for the Dodge Viper, pushed GM products forward on many fronts,

**Bob Lutz, then Chrysler Corp. president, with Dodge Viper GTS before running of Indianapolis 500 in May 1996.**





**While at BMW in early 1970s, Lutz led revival of motorcycle division. He had left for Ford of Europe when BMW delivered this R100 RS as a gift.**

had to convince an anxious Chevy Corvette team the Saturn Sky roadster was no threat and, while at BMW many years earlier, turned a sleepy, underachieving motorcycle operation into a 2-wheel powerhouse.

And there's Subaru, the Japanese brand that had a good run in the

U.S. through the 1970s and early 1980s but then was foundering badly for many years.

It all changed when Japanese executives Takeshi Tachimori, Ikuo Mori and Yasuyuki Yoshinaga set out more than a decade ago to recraft the brand and its products to better suit American tastes. The cars would be bigger and more stylish, efficient and functional, starting with the Impreza in 2007, Forester in 2008 and Outback in 2009.

If not for the tireless support from Japan, "nothing we could do in the U.S. would work," says Thomas Doll, president and chief operating officer of Subaru of America and a 35-year veteran of the automaker.

During its darkest days, from 1998 to 2006, "Subaru of America missed the greatest car market in history" as U.S. sales topped 17.4 million units, an exasperated Doll tells *WardsAuto*.

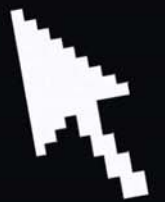
"And we're not growing. We're staying at 180,000 cars a year and having to incentivize the bejeebes out of the cars just to get the level of sales we were

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**Subaru's Tom Doll presents Outback at 2014 New York auto show.**

getting,” he says. The average Subaru U.S. showroom was moving fewer than 350 vehicles a year.

The new strategy took root, and Subaru in the U.S. gained momentum by having all-wheel drive on every vehicle at a time when AWD cars were skyrocketing in popularity. It didn't hurt that rally-racing fans lusted after the WRX and STI.

Today, Subaru has enjoyed 66 consecutive months of sales increases; the redesigned Impreza has earned a Wards 10 Best Interiors trophy; a new (Impreza-

based) Crosstrek CUV arrives this year; and the 3-row Ascent CUV goes on sale in summer 2018. U.S. sales in 2016 topped 615,000 units and this year are expected to surpass 650,000.

Doubling down and committing more resources to the U.S. during the recession “was something that took some stones, and they did it,” Doll says of the Japanese executives. “They are really the the true caretakers of the brand. Now, fortunately we're reaping the benefits of that. Our job now is to try to sustain it.”



## Really No Right or Wrong Answer

Identifying an automaker's most prominent brand caretaker is a philosophical question that can make for heated conversation during happy hour, but there really is no right or wrong answer.

Automakers excel in different ways, so powertrain engineers at BMW, manufacturing managers at Toyota and electric-propulsion specialists at Tesla may feel a disproportionate burden as brand caretakers. The same is true for stylists working on the next-generation Ford Mustang or Corvette or developers of the next human-machine interface at Mercedes-Benz or driver-assistance system at Volvo.

Anyone at an automaker who

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**ANYONE AT AN AUTOMAKER WHO EMBODIES A BRAND'S HEART AND SOUL IS ONE OF ITS CARETAKERS.**

These are the devout protagonists who frown at the notion of compromise, refuse to cut corners, put the organization before themselves and may be known as a pain in the ass.

embodies a brand's heart and soul is one of its caretakers. These are the devout protagonists who frown at the notion of compromise, refuse to cut corners, put the organization before themselves and may be known as a pain in the ass. They are passionate, unyielding in the pursuit of excellence and often win internal arguments.

By contrast, Volkswagen's engineers who figured out a way to game vehicle-emissions systems only for the purpose of passing government testing procedures are the opposite of brand caretakers.

But the Volkswagen Group does have a well-known champion, and singing his praises is none other than Lutz, who spent half a century fighting (and often winning) battles on behalf of several automotive brands around the world.

"Ferdinand Piëch probably understands (his company's) brands better than any other CEO in the industry," Lutz, who retired in 2010 from General Motors as vice chairman-product development,



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**Lutz considers retired VW Group Chairman Ferdinand Piëch “a genius” brand caretaker.**

tells *WardsAuto* in an interview.

“He has shown an uncanny ability to do the right thing, especially for Audi. Audi was a joke when VW bought it, and he knew exactly what to do to make Audi what it is today. His batting average is probably higher than any other brand caretaker.”

The 85-year-old Lutz also praises the 80-year-old Piëch, who retired

as VW Group chairman in 2015, for retaining the British appeal of Bentley and the Italian allure of Lamborghini when he led the acquisition of those brands. Lutz was especially impressed when Bentley launched the Continental in 2003 – the first new vehicle under VW ownership.

“It was a totally English experience because he understood that Bentley owners don’t want a German car,” Lutz says. “He was a genius. Like many guys passionate about brands, he had a very keen understanding of what is brand appropriate and what isn’t.”

A serious misstep for Piëch, however, was introducing the conservatively styled Phaeton luxury sedan in 2002 as a VW flagship, seemingly competing with the Audi A8.

“The Phaeton was a celebrated flop,” Lutz says. “But Piëch overall did fine for VW as a brand and the group as a whole.”

Lutz says each automaker’s CEO should be its brands’ most ardent caretaker, but he admits that expectation often is unrealistic because many of them come



up through the finance side of a company and can be somewhat removed from the product.

Take Alan Mulally, for instance. He led Ford through eight tumultuous years and by most accounts was a masterful leader before retiring in 2014. But his background was in the airline industry, coming from Boeing, so his knowledge of cars understandably was limited.

Occasionally, top executives, such as FCA's Ralph Gilles, come up through the automotive design ranks, and that can put the design staff on edge. Infiniti President Roland Krueger graduated years ago from industrial design school in Munich and now manages Nissan's luxury brand and its entire global business.

"It's a little tricky because he was a designer, so his relationship is naturally close" with the product, which challenges designers to do their very best, says Infiniti Executive Design Director Alfonso Albaisa.

And there's more. Francois Bancon, Infiniti's vice president-product strategy, also started out



**Infiniti Executive Design Director Alfonso Albaisa.**



**Infiniti President Roland Krueger.**

as a designer and bears the role of brand caretaker.

"Most of the people that we have responsible for our brand were designers," Albaisa says. "So our company is a little unusual, and maybe that's why our cars are like they are and that we have a significant presence of design in the brand."



### Brand 'Storytellers' Vs. 'Designers'

Design consultant Devin Liddell says strong brands require strong leaders, and he sees the need to replace the “caretaker” mantle with titles that are more specific and more accurate.

“This is not to suggest that marketing, advertising, etc. is no longer important. It definitely is,” says Liddell, principal brand strategist with Seattle-based Teague, a consultancy whose design work includes the UPS truck and every Boeing commercial airplane ever produced.

“But I’d argue that marketing is really a brand’s ‘storytellers,’ and that engineers, exterior stylists and interiors specialists are a brand’s ‘designers.’”

If an automaker has various departments constantly jockeying for ownership of the brand, “then the irony is that it’s likely not a very strong brand,” Liddell says.

“In strong brands, there is abso-



**Consultant Devin Liddell sees marketing department as brand “storytellers.”**

lute clarity about what a brand stands for and how those beliefs should be expressed across any discipline, and that clarity comes from the top,” he says, calling attention to Steve Jobs, Mary Barra and Elon Musk, among others.

An automaker, such as General Motors, owning multiple brands



## THE BIG STORY

“Some stakeholders may touch the brand more, others may influence the brand more, but everyone has the opportunity to make some sort of impact.”

BRIAN BOLAIN

must clearly differentiate them.

“A house of brands makes that clarity all the more important,” Liddell says. “But if we’re hoping that the kind of clarity that drives strong brands can emerge from a single silo, and then successfully spread to other silos, I think that’s wishful thinking.”

Brian Bolain, Lexus’ general manager-marketing, challenges all employees to assume the role of brand caretaker.

“Some stakeholders may touch

the brand more, others may influence the brand more, but everyone has the opportunity to make some sort of impact,” Bolain tells *WardsAuto*.

“To me, that reinforces the need to have a brand that is really well defined and understood – a brand that is thought out in a manner that enables stakeholders to find something to grab onto.”

That mission can take many forms at Toyota’s luxury brand: engineers striving for exhila-



**Eric Brown from BMW Group Designworks speaks at WardsAuto Interiors Conference in May.**

rating performance in a new vehicle; *Takumi* masters obsessing over levels of craftsmanship; marketers finding stories to tell about innovative technology onboard; and dealers emphasizing *Omotenashi* (hospitality in Japanese) that enables high levels of customer service and satisfaction.

The consensus among many respondents to our question about the most important brand caretakers was fairly universal: It takes a village, but it often starts with the individual.

Asked after his recent speech at the WardsAuto Interiors Conference in Detroit who carries the brand-caretaker mantle at BMW, Eric Brown says, tongue in cheek: “Mostly interaction designers, I would say.”

As interaction design director at BMW Group Designworks in California, Brown sees well beyond the automaker’s traditional strengths in the areas of powertrain and chassis control to the futuristic i3 electric vehicle and i8 performance hybrid.

Design, technology, marketing and the BMW Connected Drive mobility services played a crucial role in launching those vehicles a few years ago and helped reshape the “user experience” for other mainstream vehicles in the Bavarian stable.

“So I think in the past, maybe it was the design team that owned the brand,” Brown says. “But as we move into these new experiences involving technology and connectivity, this is widening quite a bit. Now, you need a team to own the brand.”

Lutz could not agree more.



**R90S led resurgence of BMW motorcycles when launched in 1973 under Lutz leadership.**

While he was executive vice president for car sales and marketing at BMW in the early 1970s, the colorful product advocate approached the automaker's CEO and inquired as to the corporate structure for motorcycle development and production.

At that point, BMW had been selling motorcycles for 50 years, but the division was not profitable, sales reached only about 10,000 units annually and the automaker was considering selling the motorcycle division, Lutz was told. Designers and engineers worked on motorcycles on the side when they weren't developing cars, and

no one was in charge.

Lutz offered to pull together an internal team of bike enthusiasts and pump some life into the business. The CEO agreed, so long as the work did not interfere with car duties for any of the workers, Lutz included.

As the team came together, he found employees who "felt like an oppressed, forgotten minority." He scheduled two meetings, which proved seminal.

"It took us two 4-hour meetings, and we had an amazing consensus on what we needed to do for the next product," Lutz recalls. "We had sketched up some bikes,



## WHEN IT COMES TO BRAND CHARACTER AND WHAT WORKS AND WHAT'S BRAND-APPROPRIATE...

“It goes beyond product. It goes to how you advertise, what media you advertise in.”

and then the team went away, got investments, completed design sketches, and the manufacturing guy did his estimates. Then we presented it to top management and said, ‘Here’s our next-generation bikes. We’ll need this many million deutschemarks,’ which was a small sum by car standards.”

In 1973, the R90S, a 900 cc sportbike, went on sale for DM11,000, “which was precisely DM2,000 more than a base BMW 3-Series, and the variable margin was larger than a 3-Series, too,” he says. The R90S “was an instantaneous hit,” and planned production sold out in the first few weeks.

“We all were enthusiastic, and we all understood the brand and what had to be done,” Lutz says. “That single act of a net-

work team with a strong champion at the top, which was me, performed a miracle and saved BMW’s bike business.”

In the late 1980s, Lutz had a tougher time selling the Dodge Viper, a track-ready bare-knuckled brawler of a car, within Chrysler because the “marketing guys” wanted an automatic transmission, power top, anti-lock brakes, air conditioning and other niceties to make it more salable.

Lutz and his team stood their ground. “We said to marketing, ‘You’re not going to have any of that stuff. It’s the way we engineered it, no frills,’” he recalls saying.

He’s had enough run-ins with marketing departments over the years to make him leery.

“I can say this honestly because my own MBA is in marketing,” Lutz says. “Marketing people often are relatively clueless when it comes to brand character and what works and what’s brand-appropriate. It goes beyond product. It goes to how you advertise, what media you advertise in.”





**Lincoln  
President  
Kumar  
Galhotra  
unveils  
Continental  
at Auto  
Shanghai in  
2015.**



## Checks and Balances Within OEMs

Lincoln's Georgescu has a different opinion about marketing. He sees automakers, including Lincoln, structured in departments that act as a series of checks and balances on each other. "Everyone exists to provide important input in the process...that results in working for the betterment of the customer," he says.

In the four years since Georgescu spoke at the WardsAuto Interiors Conference, Lincoln has significantly grown its sales (but continues to

lag other luxury brands), expanded its product portfolio, gained a foothold in China and created the Black Label suite of premium trim and specialized services.

And as of this model year, every Lincoln sold in the U.S. comes with pain-free maintenance: When a customer needs service, a Lincoln representative from the dealership will bring a Lincoln loaner, take the customer's vehicle in for service, then return the fixed car to the customer and



## THE BIG STORY

**FCA's Tim Kuniskis, pictured with Dodge Challenger SRT Demon, sees brands as living organisms.**



swap for the loaner.

The program has been “wildly successful,” says Lincoln President Kumar Galhotra. “We’ve done tens of thousands of these trips already. We did 5,000 just last month,” he says. “People who receive the service – 95% of them would recommend it to their friends and families. It’s a warm and human way to engage with the customer.”

That’s good marketing, Georgescu says, by taking an inconvenient chore off a customer’s to-do list.

“The role of the marketer is critical to the success of the

brand,” he says. “The role of the customer, I think, plays a disproportionately large role in how we succeed and define ourselves. We bring in that customer insight. I continue to believe brands succeed in part by listening actively to their customers.”

Tim Kuniskis, head of passenger cars for Dodge, SRT, Chrysler and Fiat at FCA North America, sees brands as living organisms that cannot be owned or managed.

The industrious Dodge brothers, for instance, have been core to the brand’s sporty, muscle-car marketing in recent years



## THE BIG STORY

**Dodge Brothers: John (left) and Horace.**



because the scrappy attitude that launched vehicle production in 1914 remains intact today.

Asked if he stands in for the Dodge brothers today, Kuniskis says no. “You can never replace the Dodge brothers. I get the honor to look after this brand, but it’s not me,” he says. “It’s (CEO) Sergio (Marchionne); it’s our board; it’s the engineers; it’s the designers; it’s everybody that understands that brand is the most important thing.”

Hundreds of automotive brands have come and gone over the past century, including the recently departed Mercury, Pontiac, Oldsmobile, Saturn and Plymouth.

They fail for lots of reasons, and sometimes the hardest-working, most dedicated brand caretakers can do nothing about it.

“Truth is, you can have passionate people who are just wrong,” Georgescu says. “Or they can be right, but the company lacks capital or products. It takes a lot of things going right for an auto-maker to succeed. It takes fewer things going wrong for it to fail.”

So who’s the most important brand caretaker at your company?

The answer always should be: “Me.” **WA**



*This story was written by Senior Editor Tom Murphy with contributions from James M. Amend, Bob*

*Gritzinger and David E. Zoia. Murphy has worked at WardsAuto for 20 years, covering technology and leading selection each year of the Wards 10 Best Engines, 10 Best Interiors and 10 Best User Experiences.*