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DaimlerChrysler car guy aims to meld design with cost discipline

Firm bets future on style acumen and product sense

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AUBURN HILLS -- On an overcast morning in May, **Wolfgang** Bernhard slipped into the cockpit of the new Dodge Viper SRT-10, due on the market this fall, and rumbled onto a test oval behind Chrysler headquarters.

The growl of the giant V-10 engine evolved into a roar as Bernhard pushed past 70 miles per hour to 100, 120, 160, then slammed on the brakes and started all over again. When he jumped from the driver's seat, Bernhard huddled with Stephan Zweidler, a Chrysler engineer waiting on the sidelines.

"There's a chirping sound ...," Bernhard began.

Many executives might not have detected the performance nuance, Zweidler said later. That Bernhard did is evidence of a fanatic attention to detail and a passion for product that put the 41-year-old on a fast track at Mercedes-Benz before he arrived at Chrysler in November 2000.

Bernhard has primarily been known as Chrysler's bad cop. As chief operating officer, his aggressive cost-cutting helped the DaimlerChrysler AG unit post an adjusted operating profit in the first quarter, a year ahead of schedule.

But Bernhard, an engineer by training, is also redefining what it means to be a "car guy" at Chrysler, where long-term survival depends on new car and truck offerings that people will covet enough to buy.

That's no minor role at the company where Bob Lutz, now at General Motors Corp., was a driving force behind vehicles that made Chrysler the most profitable automaker of the 1990s.

Chrysler has high hopes for two of Bernhard's babies -- the Crossfire roadster and the company's new performance vehicles group, which is responsible for the Viper.

It is too early to say whether Bernhard has Lutz's fabled "gut feel" for what consumers want. But he represents a new breed of Chrysler executive -- a No. 2 who combines engineering expertise with a feel for design and a disciplined approach to cost control. The question is whether the nascent renaissance he has helped craft will end the boom-and-bust cycle that has been a Chrysler hallmark.

The cachet of having a bona fide "car guy" on staff is immeasurable for any automaker.

"What did GM's stock price go up to the day Lutz was hired?" asked Jim Sanfilippo, vice president of Automotive Marketing Consultants Inc. in Warren. "Bernhard is not a car guru yet, but he will be. It will

take a cycle of products under his guidance, which is coming."

Chief Executive Dieter Zetsche, engineering chief Richard Schaum, head designer Trevor Creed and marketing honcho James Schroer also play vital roles in developing Chrysler's future product portfolio.

But Bernhard is the details guy, intensely focused on every aspect of manufacturing, quality improvement, cost reduction and product development.

"In terms of getting the (product) execution right, that's where I work with my people," Bernhard said. "They're happy that they have somebody to work with that understands what the trade offs are."

Bernhard sharpened his operations acumen and his product sense at Mercedes, where he orchestrated the production launch of the S-Class sedan and led the growth of AMG, the luxury carmaker's performance division.

By all accounts, Bernhard pushed the Chrysler Crossfire, with 39 percent Mercedes content, through the product development process in near-record time by leveraging his Mercedes connections.

Speed is a Bernhard trademark. So is intensity. Even sitting still, he shifts and fidgets with restless energy. He explains the intricacies of turbo chargers so completely even techno-phobes can understand. He is equally deft with the complexities of cost reduction.

That can be an exasperating mix for designers and engineers challenged with finding ways to meet both budget and styling criteria.

"There's far more discipline than there was," said Schaum, a 30-year Chrysler veteran. "That's good for us. People want strong leadership and clear direction."

And they are heartened knowing they can voice their concerns and expect a reaction.

"When you talk to **Wolfgang**," Creed said, "you better know the facts, and you better be right, because he sure as hell is going to take action on it."

Chrysler hopes to increase annual vehicle sales by 1 million units in the next five to 10 years. Critics complain that too many of the 11 new Chrysler, Jeep and Dodge models set to launch in at least the next two years -- which include the heavy-duty Dodge Ram pickup and the Chrysler Pacifica crossover -- are updates or niche vehicles that will do little to shore up Chrysler's bottom line. Bernhard bristles at the dismissal.

"There's going to be plenty to ensure the future of our company," he said. "I can assure you this is and will always be a very strong part of Chrysler. (When) we can combine that with the quality that we need, we'll be a very strong company. And we'll get there. We will get there."