


[« Back to Article View](#)

[Databases selected:](#) Multiple databases...

## THE WALL STREET JOURNAL.

### After Cost Cuts, Chrysler's Bernhard Turns to Selling Cars

Sholnn Freeman. **Wall Street Journal.** (Eastern edition). New York, N.Y.: Nov 4,

Author(s): Sholnn Freeman

Publication title: Wall Street Journal. (Eastern edition). New York, N.Y.: Nov 4, 2003. pg. B.1

Source Type: Newspaper

ISSN/ISBN: 00999660

ProQuest document ID: 436984141

Text Word Count 888

Article URL: [http://gateway.proquest.com/openurl?ctx\\_ver=z39.88-2003&res\\_id=xri:pqd&rft\\_val\\_fmt=ori:fmt:kev:mtx:journal&genre=article&rft\\_id=xri:pqd:did=000000436984141&svc\\_dat=xri:pqil:fmt=txt&req\\_dat=xri:pqil:pq\\_clntid=9269](http://gateway.proquest.com/openurl?ctx_ver=z39.88-2003&res_id=xri:pqd&rft_val_fmt=ori:fmt:kev:mtx:journal&genre=article&rft_id=xri:pqd:did=000000436984141&svc_dat=xri:pqil:fmt=txt&req_dat=xri:pqil:pq_clntid=9269)

#### Abstract (Article Summary)

If Chrysler can succeed, Mr. [WOLFGANG Bernhard] would be a candidate for a bigger role at DaimlerChrysler, possibly running the auto maker's Mercedes brand. Current Mercedes-Benz boss Jurgen Hubbert spotted Mr. Bernhard when the younger manager worked as a consultant on cost-cutting at Mercedes in the early 1990s. Impressed, Mr. Hubbert put Mr. Bernhard's career on the fast track. Later, Mr. Bernhard took over as head of Mercedes AMG's high-performance vehicle unit.

Mr. Bernhard says he's watching every little detail of the new Chrysler vehicles. At a stop on the Viper truck ride, Mr. Bernhard flips around in his seat to denounce bad stitching. "We're not going to do just black stitches," he says, fingering the silver thread on black leather. "If these are not well done, then you see it."

Mr. [Neil De Koker] says Mr. Bernhard will someday be known for his efforts to standardize parts between different Chrysler vehicle platforms and even between Chrysler and Mercedes-Benz products. Mr. [Dieter Zetsche] has recently said Chrysler is on track to shave another \$1 billion from operations this year. "We got stuff done that we couldn't even dream of," Mr. Bernhard says.

#### Full Text (888 words)

*Copyright (c) 2003, Dow Jones & Company, Inc.*

Austin, Texas -- CAN WOLFGANG Bernhard make Chrysler run like a race car instead of the beater it looks like now?

Chrysler Chief Operating Officer Wolfgang Bernhard is young, charismatic and completely car crazy. On a recent ride, he attacked the sleepy hill-country roads of Central Texas in Chrysler's latest over-the-top concoction: a sports-car-tuned Ram pickup that, among other things, serves as a carrying case for Chrysler's powerful 10-cylinder, 500-horsepower Viper engine.

The 43-year-old Mr. Bernhard, who holds master's degrees in engineering and economics, a doctorate in political science and a Columbia University M.B.A., says he personally made sure that the beast, the Dodge SRT-10, kept a racing heart. "At some point in time I said the exhaust is too quiet. We have to have an engine that screams a little more," he says.

But the real test for Mr. Bernhard is whether the new product blitz he has been leading during the past three years will deliver some hits, which have been lacking of late in DaimlerChrysler AG's stuttering turnaround of Chrysler.

In a year of vanishing profits and sliding market share, Chrysler is entering a make-or-break period. Following a

successful run as the company's chief cost-cutting cop, Mr. Bernhard is taking an increasingly out-front role as Chrysler tries to sell consumers and investors on nine crucial new models coming out in 2004.

If Chrysler can succeed, Mr. Bernhard would be a candidate for a bigger role at DaimlerChrysler, possibly running the auto maker's Mercedes brand. Current Mercedes-Benz boss Jurgen Hubbert spotted Mr. Bernhard when the younger manager worked as a consultant on cost-cutting at Mercedes in the early 1990s. Impressed, Mr. Hubbert put Mr. Bernhard's career on the fast track. Later, Mr. Bernhard took over as head of Mercedes AMG's high-performance vehicle unit.

But before he'll get an expanded role, Mr. Bernhard has to deliver on his share of the Chrysler repair job, simultaneously achieving deep cost reductions while assuring that the company's new models catch the eyes of consumers.

Mr. Bernhard says he's watching every little detail of the new Chrysler vehicles. At a stop on the Viper truck ride, Mr. Bernhard flips around in his seat to denounce bad stitching. "We're not going to do just black stitches," he says, fingering the silver thread on black leather. "If these are not well done, then you see it."

Mr. Bernhard moved to Chrysler in November 2000, after the company's previous big earnings stumble, as No. 2 to Chrysler CEO Dieter Zetsche. Mr. Zetsche is outwardly reserved and somewhat soft-spoken, and he has won over many with a style more akin to a coach than a king. Mr. Bernhard, meanwhile, is intense and quite comfortable with the showy, hot rod side of the industry. He made a splash last January when he donned black leather and piloted a 500-horsepower motorcycle called Tomahawk onto a stage at the Detroit Auto Show.

Mr. Bernhard wants to prove that he is that rare auto executive who not only appreciates cool cars but can also effectively manage the business side under harsh conditions. "If they are going to implement tough things," says David Cole, chairman of the Center for Automotive Research in Ann Arbor, "they're going to implement them through Wolfgang."

Mr. Bernhard has demanded 15% cost reductions from suppliers, a crucial element of the \$8.1 billion restructuring of the company in the past three years.

"It's been a very tough three-year period," says Neil De Koker, president of the Original Equipment Suppliers Association, whose members have borne the brunt of the cost-cutting. Mr. Bernhard "is very much a hands-on, roll-up-your-sleeves kind of individual. But at the same time he's remained very demanding."

Mr. De Koker says Mr. Bernhard will someday be known for his efforts to standardize parts between different Chrysler vehicle platforms and even between Chrysler and Mercedes-Benz products. Mr. Zetsche has recently said Chrysler is on track to shave another \$1 billion from operations this year. "We got stuff done that we couldn't even dream of," Mr. Bernhard says.

But for Chrysler to thrive, it must recapture its former flair for eye-catching cars and trucks. Early on, American consumers turned a cold shoulder to the Pacifica sports wagon, the first major product born from the 1998 merger. Today, the Pacifica carries a \$3,000 cash rebate or 0%, five-year financing, and Chrysler has idled the plant that assembles the vehicle for two weeks.

The Pacifica's disappointing performance has again called into question whether the marriage of Chrysler and Daimler can produce better results than the two companies generated on their own.

But Mr. Bernhard says the world is just beginning to see the promise of the merger. "We are right now at the turn of the tide," he says. "We basically had to live off everything that was planned. All the new product that is coming through is going to change the fate of the company."

He adds that his department is being pushed to do a huge amount of work and likened Chrysler's product offensive to the finale of a fireworks display, with new designs set for the auto shows in Detroit, Chicago, New York and elsewhere. "The people who are piling on and poking us with sticks could at the end of the day be so wrong," says Trevor Creed, Chrysler's design chief.

Copyright © 2003 ProQuest Information and Learning Company. All rights reserved. [Terms and Conditions](#)

[Text-only interface](#)

