



Whenever Sergio Marchionne talks about his latest calling — fixing auto companies written off as basket cases — he doesn't sound anything like most auto types. For a start, he's a lawyer and an accountant rather than a car engineer, and instead of getting bogged down in long discussions about the merits of one particular type of engine or gearbox, he likes to talk about Apple.

Since he took over as chief executive of Italy's Fiat in 2004, the chain-smoking Canadian Italian has used Apple as a model, focusing on the way Steve Jobs transformed it from an also-ran computer company into a global icon of cool. He encourages Fiat managers to take a close look at Apple's branding prowess and even asks them to benchmark their activities against the company. His biggest success at Fiat is the 500 — a tiny, very cool 21st century version of a 52-year-old Italian icon once driven by movie stars such as Marcello Mastroianni and Sophia Loren — which Marchionne calls "our iPod."

All this has a touch of Italian hyperbole, but the point is a serious one as Marchionne, 57, tackles his next big challenge: Chrysler. For at Chrysler, he's moving, just as he did at Fiat, to restructure the organization, overhaul production, revamp the lineup, motivate a beaten-down workforce and deal with prickly shareholders — this time including the U.S. Government.

If Marchionne is to succeed, he needs above all to reposition Chrysler from maker of clunky, overpowered gas-guzzlers to purveyor of must-own, energy-efficient vehicles. "The challenge for Fiat Chrysler is to move away from popular products and into 'pop' products, full of cool environmental technology and on the right side of history," says Carlo Alberto Carnevale, a professor of strategic management at Bocconi University's business school in Milan and a close watcher of Fiat. "In that sense, it's the same bet as Steve Jobs'. That's why Marchionne uses that metaphor."

The jazz-loving Marchionne, who left Italy as a teenager to move to Canada and for a while lived just across the river from Detroit, is not a micromanager. He declined to be interviewed, but in a first-person account of the Fiat turnaround published in *Harvard Business Review*, he talked about how he had abandoned the "Great Man model of leadership" that long characterized the Italian firm. Fiat's Great Man was the late Gianni Agnelli, grandson of founder Giovanni, whose family was nothing short of Italian industrial royalty and still controls the firm.

Marchionne has no such regal aspirations. He doesn't even own a soccer team. He's not a flashy dresser, sporting casual, open-necked shirts and spending his free time quietly with family by Lake Geneva. He's at the firm to manage Fiat, not rule it. "My job as CEO is not to make decisions about the business but to set stretch objectives and help our managers work out how to reach them," he wrote. It worked at Marchionne's previous job, as head of a Swiss inspection and verification company called SGS.

Marchionne's most interesting challenge is that Chrysler's new owners, postbankruptcy, are his employees — the United Auto Workers, which holds a 55% stake through its retiree trust fund. His other bosses include the U.S. and Canadian governments, which hold 8% and 2%, respectively. Fiat will start with a 20% stake, which could reach 35% if Chrysler succeeds. "Politics and unions are Marchionne's biggest risks," says Carnevale. "Having politicians on the board of directors will require very complex management."

So what's his strategy? Marchionne is likely to hew closely to the playbook he used to revive Fiat. On June 10, the day Fiat sealed the deal, he announced a thorough organizational revamp. From now on, each of the four individual brands — Chrysler, Jeep, Dodge and Mopar (which makes parts) — will be distinct business units responsible for profit and loss. He also reached deep into the ranks, bypassing the engineers and putting a younger, energetic generation of managers with marketing experience in charge of the brands. "That's a mirror image of what he did at Fiat," says a longtime Fiat executive. Next up: installing Fiat production platforms at Chrysler plants and using Fiat's sales network to sell Jeeps and other Chrysler models around the world.

If Marchionne gets mirror results, he'll make two governments and a union very happy. Fiat's auto unit, after 17 consecutive quarters of losses, finally turned a profit in 2005. The time to market for its cars has dropped from four years to 18 months.

In his first memo to Chrysler employees, Marchionne talked about that record. "Five years ago, I stepped into a very similar situation at Fiat. It was perceived by many as a failing, lethargic automaker that produced low-quality cars and was stymied by endless bureaucracies," he wrote. Giving his version of the turnaround — hard work, tough choices, heavy investment and a culture "where everyone is expected to lead" — he promised that "we can and will accomplish the same results here." Even if Fiat doesn't become the next Apple, everyone from the President to the survivors on the Jeep shop floor are hoping that he's right.

Chrysler's Sergio Marchionne: The Turnaround Artista - Dimensione Cultura

Scritto da Administrator

Martedì 03 Gennaio 2012 21:12 - Ultimo aggiornamento Sabato 04 Febbraio 2012 16:47

With reporting by Joe Szczesny from Time magazine