

INTERIM [4] AUTOMOTIVE



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consulting & management for international manufacturing industries

Performance Footprints

Dietmar von Polenz



Success stories and references:

- *Global management experience on 4 continents*
- *Leadership expertise through entire value chain*
- 1. Business plan for a car assembly plant in India and build-up of commercial functions
- 2. Greenfield car assembly plant in Egypt
- 3. Worldwide transmission strategy cars and commercial vehicles
- 4. Technology transfer and industrialization of an automatic transmission in USA
- 5. Transformation of a powertrain & suspension manufacturing plant to a system supplier with production in Brazil
- 6. Local content and new assembly power train & chassis in South Africa
- 7. Evaluation of a chassis-supplier's business system in USA for possible takeover
- 8. Project management power train new 4WD-generation
- 9. Creation of a corporate production network for axle differentials with technology transfer, worldwide procurement and high parts communality
- 10. Other Projects

*(Samples of project leaderships in the last 10 years;
Deutsche Fassung erhältlich; version française à demander)*

Dietmar von Polenz - Global Experience

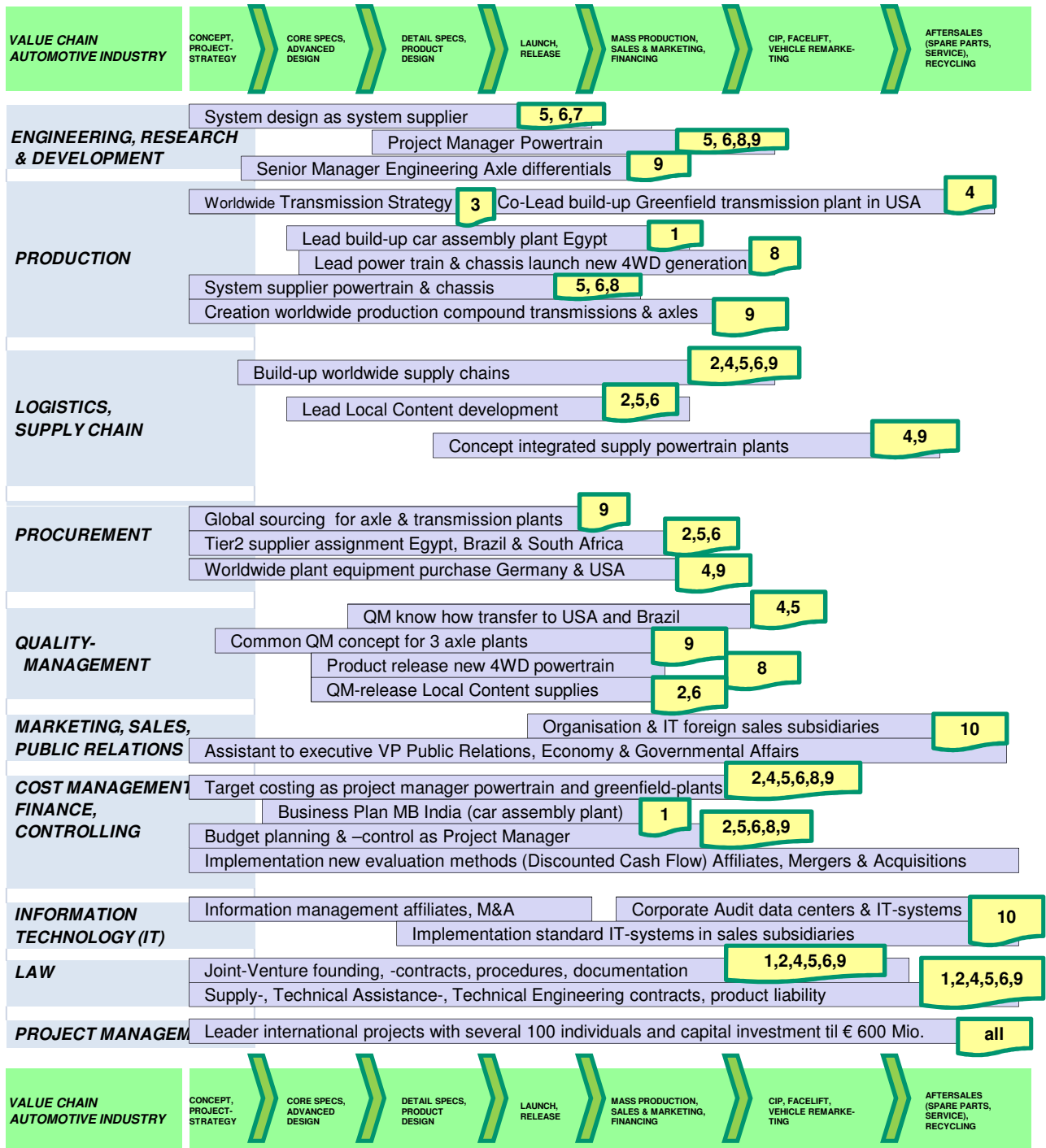


On four continents through entire value chain sole responsibility or major contribution for complete business systems in concept, build-up, restructuring or evaluation!

Details see following pages No.

X

Leadership expertise through the entire value chain



Facts see following pages No. **X**

1

Business plan for a car assembly plant in India and build-up of commercial functions



Key data:

- Joint Venture Mercedes-Benz India Ltd. (51% Daimler AG, today 100%, with Tata-TELCO group) with share capital € 86 Mil.
- Build-up of a ckd car assembly E-class in Pune/India in TELCO-facility with modernisation of press-and paint shop
- Capacity 20.000 cars/year in 2-shift operation
- Entry in closed luxury car market India with local ckd manufacturing
- Development Local Content and supply base, build-up retail-network and aftersales

Personal contribution:

- Creation Business Plan incl. balance sheet, P&L statement, finance plan, Discounted Cash Flow over all project steps from 3/1994 to 3/96
- Commercial responsibility for contracts and rules of engagement, reconciliation assumptions and business plan with Joint Venture partner TELCO
- Build-up and operation of local commercial functions in Pune in the first 2 months after founding of company 1995
- Acceleration of production launch by 1 month to use tax benefits before 3/95

References:

Glaser, Dr. Niess, Follmann

VALUE CHAIN
AUTOMOTIVE INDUSTRY

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PROJECT-
STRATEGY

CORE SPECS,
ADVANCED
DESIGN

DETAIL SPECS,
PRODUCT
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LAUNCH,
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CIP, FACELIFT,
VEHICLE REMARKE-
TING

AFTERSALES
(SPARE PARTS,
SERVICE)
RECYCLING

2

Greenfield car assembly plant in Egypt



Key data:

- Passenger car assembly plant „Egyptian German Automotive Co.“ in 6th of October City west of Cairo
- Joint Venture Contract 4/1996, Start of ckd-production 10/1997
- 26% share of Daimler AG
- Normal capacity 2.500 Mercedes-Benz E-class / year in 1-shift operation
- Sales volume quadrupling by local production
- 42% Local Content
- Capital investment € 13 mil. for Body shop, paint shop and assembly + facilities € 11 mil.
- Capital return EGA after only 2 years by dividends with additional Daimler profit by inhouse supplies

Personal contribution:

- Sole responsibility for entire project since contract signature until full production in 7/1998
- Negotiations with Egyptian majority shareholders and foundation of the public company
- Teaming and lead of numerous project teams and suppliers
- Organization of supply chain and release of local supply products
- Handover in time and budget to line management
- Coordination support of truck & bus license assembly MCV Ghabbour

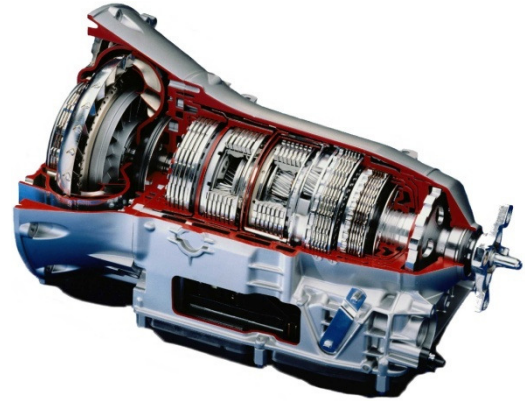
References:

Follmann, Dr. Niess



3

Worldwide transmission strategy cars and commercial vehicles



Key data:

- Board project „Worldwide Transmission Scenario“: Study of all inhouse and purchased transmissions in the DaimlerChrysler corporation from smart to heavy duty truck
- Classification according to key data as input torque, gross vehicle & combined weight, costs, technology,..
- Strategic restructuring of transmission business of 4,2 mil. units/year in 8 plants staffed with 18.000 workers at € 4,6 bill. Internal revenue and € 0,8 bill. purchase volume
- Results: Reduction by 50% to strategic products with higher scale effects, creation of centers of competence, redesign manufacturing landscape, joint procurement, long term product development roadmap avoiding parallel work by technology transfer

Personal contribution:

- Project lead and execution as No. 2 in a 5-head core team from 4/1999 to 12/2000
- Elaboration of analysis concepts, presentations and board decision papers
- Lead all operative negotiations and alignments with Chrysler, truck business unit and Mercedes-Benz car group incl. post merger integration
- Implementation of core project „Cloning of MB Automatic-transmission NAG1 in a greenfield plant ITP2 by Chrysler in Kokomo/Indiana“ as project manager Mercedes-Benz (cf. page 4)

References:

Dr. Dostal, Stauch, Harlow, Brandstetter, Engling



4

Technology transfer and industrialisation of an automatic transmission in USA



Key data:

- Greenfield Indiana Transmission Plant No.2 in Kokomo and extension of Toledo Machining Plant, Kokomo Casting Plant + MB plants Hedelfingen, Mettingen, Berlin and Gaggenau
- ITP2-capacity 800.000 Automatic transmissions and torque converters for Chrysler300C +Grand Cherokee
- Capital investment US\$ 550 mil. in USA and € 25 mil. in Germany
- Savings of own product development by Chrysler and of time to market
- Benchmark cost level, savings €20/unit by scale effects and joint procurement
- Trusted same processes and equipment in Germany and USA
- Integrated supply, transfer pricing and manufacturing concept
- „Best Chrysler-plant“ by Harbor Report & Chrysler-management assessment

Personal contribution:

- Responsible co-development of overall strategy (cf. No. 3)
- Leadership of entire Mercedes-Benz project for transmissions and torque converters and lead of project teams from 7/2000 to 3/2004
- Organisation of Planning support, technology transfer, training and supply chains from Stuttgart, Berlin and Gaggenau to Kokomo/Indiana and Toledo/Ohio
- Tracking cost target achievement for products and supply chain from Europe
- Support of Chrysler in USA

References:

Stauch, Dr. Dostal, Harlow, Engling, Dr. Niess, Dr. Michels, Neuer, Brandstetter, Weber



5

Transformation of a powertrain & suspension manufacturing plant to a system supplier with production in Brazil



Key data:

- Extension of smart model portfolio by a light Sport Utility Vehicle based on C-class with manufacturing in Brazil
- Vehicle product development with system suppliers
- Adaptation A-class assembly plant Juiz de Fora in Brazil and local content supplies
- First tier1-role of MB-plant Untertuerkheim as „system supplier power train and chassis“ with coordination of product development and tier2 suppliers
- Capital investment for power train and chassis of € 42 mil. planned
- Project stopped by restructuring smart GmbH in 2004 just before ordering of tools and plant equipment

Personal contribution:

- Project leader powertrain & chassis (engine, transmission, axles, suspension) in product development project smart formore (SUV) from 2002 to 3/04
- Build-up of project organisation of system drivetrain development and supply with car system developer Magna Steyr, smart, MB do Brazil and tier2 suppliers
- Project lead planning assembly line drivetrain Juiz de Fora in operation responsibility Untertuerkheim plant including supply chain local and from Europe (BOT)
- Selection of local content suppliers in Brazil
- Use of plans and network to transfer M-B CLC to Juiz de Fora in 2006

References:

Stauch, Kasper, Brandstetter, Pauler, Neuer



6

Local content and new assembly powertrain & chassis in South Africa



Key data:

- Doubling the capacity of East London assembly plant to 75.000 cars/year for Southern Africa and USA under customs preference AGOA with new C-class W204
- Raise of local content according AGOA-criteria and worldwide single source of suspension struts from South Africa for all C-class plants
- Planning and build-up of new lines for body shop, coating & paint shop and car assembly
- Transfer of new welding, coating and assembly technologies to South Africa
- New supply chain concepts with supplier park

Personal contribution:

- Project leader powertrain and Chassis W204 South Africa for Mercedes-Benz Cars (budget € 11 million)
- Integration of planning power train and suspension assembly, supply chain and procurement in Europe and South Africa
- Tracking industrialisation of „forging of struts and press-in elastomer bushings“ single source worldwide
- Integration of supply chain planning with car assembly plants Sindelfingen, Bremen and East London and tier 1

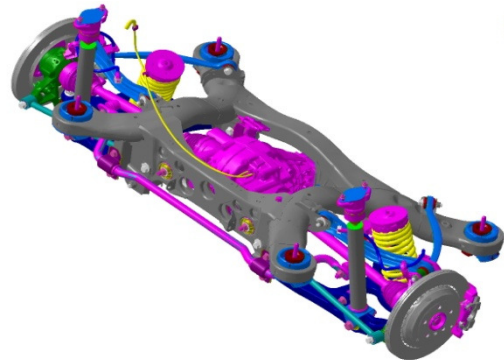
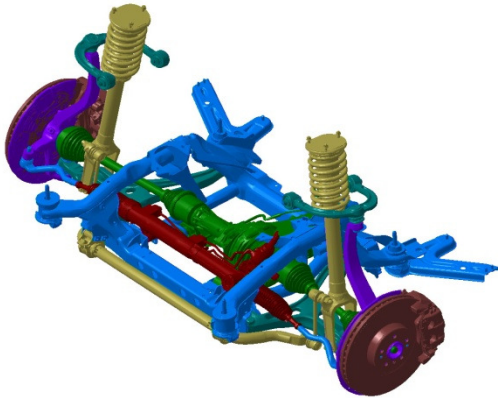
References:

Follmann, Kasper, Neuer, Brandstetter



7

Evaluation of a chassis-supplier's business system in USA for possible takeover



Key data:

- Complete Evaluation of the NAFTA business system of the „system supplier chassis“ under consideration of contractual relations including tier2 and tier 3 suppliers for Tuscaloosa plant (ML and R-class) in USA
- Value analysis of chassis-parts and manufacturing processes to identify cost savings potentials and alternatives
- Time schedule, funding, risk evaluation and organisation concept for a take over of tier1-responsibility and facilities
- Results: Continuation of business system with improved conditions and stretched cost targets according benchmarks to avoid take-over risks

Personal contribution:

- Confidential investigation and analysis together with a team head procurement planning supported by internal experts and 3 consultants part time in USA and Europe for 6 months in 2005
- Generating of improvement proposals and road map for implementation
- Presentation and discussion of results to car division and car program management, procurement, corporate audit
- Monitoring & tracking follow-up target costing process with system supplier

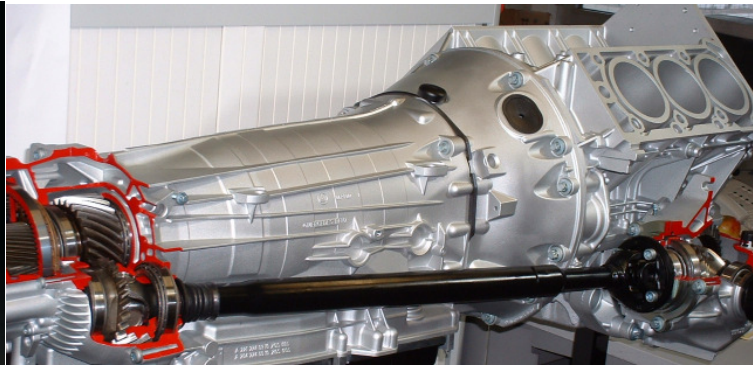
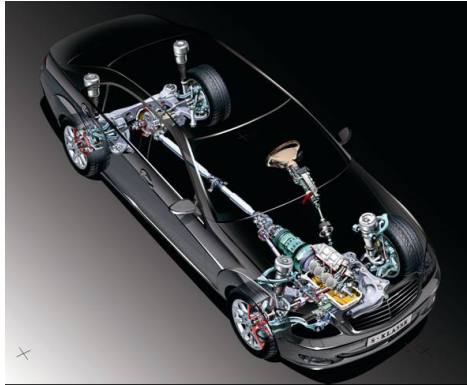
References:

Stauch, Kasper, Brandstetter, Glaser



8

Project management power train and chassis new 4WD car generation



Key data:

- Product development and market launch of third generation 4matic all wheel drive car powertrain with integrated transfer case NAG2i
- SOP in 8/2006 in MB S-class; more vehicles & vans followed
- Total budget € 45 million
- Savings of package, weight, fuel and costs compared with previous generation from MagnaSteyr; unique car body with 2x2 cars
- Development of a small SUV „GLK“ based on C-class 4matic with manufacturing SOP in Bremen 2008

Personal contribution:

- Project leader Compact Allwheel Powertrain & Chassis from 12/05 to 12/06 for market launch of first target vehicle S-class
- Successful launch in time, budget and under target cost
- Project manager powertrain and chassis M-B GLK program
- Leader project coordination of product development, production, supply chain, target costing for transfer case, side shafts, engine adaptation, front axle and chassis

Literature:

Supplement „The new 4matic in S-class by Mercedes-Benz“ to Automobiltechnische Zeitschrift ATZ/MTZ, Wiesbaden September 2006

References:

Stauch, Kasper, Engling, Wieland, Brandstetter, Spahn, Werner

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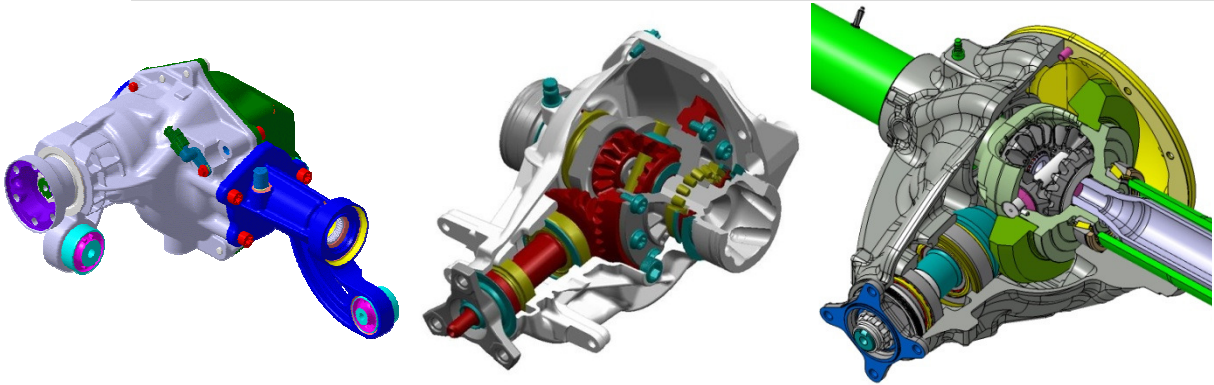
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RECYCLING

9

Creation of a worldwide network for axle differentials with technology transfer, worldwide procurement and high parts communality



Key data:

- Transfer of Mercedes-Benz car technology „Fuel Economy Axle Differentials“ by Chrysler and Daimler Trucks
- Product development of additional sizes, front and rigid beam axle differentials with up to 60% parts communality per ring gear diameter
- Scale- and cost reduction effects by parts communality and joint global sourcing for up to 4,7 mil. axles per year
- Greenfield Marysville Axle Plant in Michigan and extension of plants Mettingen and Kassel with common process matrix
- Capital investment of ca. US\$ 700 mil., thereof US\$ 500 mil. in USA
- Reduced continuation after separation of Daimler and Chrysler

Personal contribution:

- Concept creation, elaboration and reconciliation of product- and project strategy as responsible MB Cars manager in 3-head leading team since ab 3/2006 until approval by DaimlerChrysler Board of Management
- Senior Manager leading the product development of the entire project (MB Cars, Chrysler LLC, Daimler Trucks) with 3 teams in USA and Germany and in double responsibility cross-functional project leader MB Cars 12/06 to 12/08

References:

Stauch, Kasper, Harlow, Brandstetter, Wieland, Spahn, Werner

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Personal contribution to smaller projects:

- **Brazil:** Consulting project team A-class with business plan (1996)
- Set up powertrain & chassis project for transfer of CLC Sportcoupé to Juiz de Fora in 2006
- **China:** Cross-check business plan of Freightliner truck assembly project (1996),
Supplier day Common V6 engine and Common Axle (2006)
- **France, USA, Belgium, Netherlands:** IT Manager standardisation software and data centers of wholesale companies and car retail dealers (1987-91)
- **Iran:** Manager planning for the modernisation of plants and products and account manager manufacturing planning for the
- *Iran (continued)*
engine-, bus- and truck-license manufacturers;
- first concept for new project commercial vehicles axle plant VAMCO (1995/96, 1998/99)
- **Japan:** Manager planning build-up data center and IT systems of new MB Japan sales company (1989)
- **Philippines:** Feasibility study van ckd production (1996)
- **Russia:** Feasibility study of the conversion of Air Force Base Taganrog in a ckd car assembly plant (1996; result: no viable economics)

„...if you could make it there, you will make it everywhere...!“

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