
Time is of the Essence

Dear Reader,

“We’ve used to say that you stand to lose if you’re part of the action too early,” said a Daimler manager who prefers not to be named. “Now our view is that you run the risk of being a mere bystander if you wait too long.” The above quote apparently signifies the sea change announced recently by Daimler Head Dr. Dieter Zetsche – and this change is perhaps coming faster and will be more radical than many market observers have expected. This is suggested, for instance, by the fact Daimler has founded a sub-brand for its fleet of electric vehicles. And not just a revamped version of an existing model? We’ll soon get a look. The kick-off is at the Paris Motor Show at the beginning of October where the corporation will present an electric-powered SUV that is based on the GLC model and that has a driving range of around 500 km.

The decision in favour of a sub-brand with a unique design and a new image fits in with the apparently failed incentives program introduced by the German government to spur sales. As we at ATZelektronik have emphasised again and again over the past eight years, what is missing are convincing products and authentic marketing based on leadership. Instead, the automobile industry, with the exception of BMW, has focused on what can be managed using the means that are already available, i.e. converting existing vehicles and producing them at existing facilities. Assessments of the prospects of the plug-in hybrid are still inflated, a situation that will soon backfire on the traditional automobile manufacturers because it is more of a solution designed to secure compliance with corporate-average-fuel-economy specifications than to provide customers with a viable, fuel-efficient alternative.

The arguments reiterated by the automobile industry have lost their plausibility, thanks to Tesla. It takes someone to

prove it, just like Toyota did with its long disparaged hybrid technology. Frustrated and at the same time motivated, veteran managers in the automobile industry are coming around to admitting that a start-up culture and more progress in shorter amounts of time is necessary. Harald Kröger, the former Head of Electric Vehicle Development at Daimler who recently switched to Bosch, was a member of the board of directors at Tesla when the proposed joint venture was abandoned. In an interview with ATZelektronik, which was published in our anniversary edition in 2015, Kröger was full of praise for the agility, the courage and, particularly, the pragmatism of the Tesla employees. He also went on to say that these factors could not simply be superimposed on the existing Daimler culture. In fact, he suggested, it was an exciting daily challenge to find a balance between the cultures.

While matters of intercultural exchange remain exciting, far more exciting is the transformation within existing cultures. Time is of the essence. And the Zeitgeist is right. It’s not going to work without a start-up mentality. I don’t know about you, but I can’t remember more exciting times in the automobile industry.



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