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Thank you for that kind introduction, Heather.

I would like to start by acknowledging Senator Debbie Stabenow, and to publicly say how much all of us at Chrysler appreciate the unwavering support she provided us during a time in 2009 when our very existence was being questioned.

I met with the Senator on Monday at the Detroit Auto Show, where together with Transportation Secretary Lahood we held an impromptu joint interview on the Paul W. Smith radio program.

We had a chance to reminisce about those dark days in 2008 and 2009, and the long road we have traveled since then to get here, in a much better place than where we started, and in a much better place than most people thought we would be.

Senator, it is always a pleasure to see you and I thank you for being here this morning to listen to a metal basher who is perennially jet lagged and perennially in a black sweater.

And now, good morning to all of you.

I can't help but be impressed by the size of this gathering on a January morning in Detroit.

It is a tribute first of all to the vitality of Inforum and its *AutomotiveNext* group, and their ability to bring together successful Michigan businesswomen and leaders.

Chrysler's Senior Vice President for Human Resources, Nancy Rae, has a history of deep involvement with Inforum and currently serves as a director of the Inforum Center for Leadership.

We are proud of Nancy, her invaluable contribution to Chrysler and her involvement with this truly worthwhile initiative.

In my home, here in Michigan, I have a poster with a quote by Albert Einstein.

It says, *"If you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid."*

For too many years, the automotive industry operated like some kind of men's club, with the commonly understood, yet never uttered view, that somehow women were incapable of keeping up in the automotive environment. They were simply fish that could not climb trees.

It became a self-fulfilling situation, as many of the best and brightest women naturally turned elsewhere for their career opportunities.

It was a classic lose-lose paradigm.

The industry failed to attract all the talent it needed, and women missed out on the opportunity to contribute to a sector that is one of the world's key drivers of economic and technological advancement.

An enterprise that lacks input from both genders is basically looking at the world with only one eye.

Some men, hopefully only a few, might find this strange, but we all know it takes two eyes to provide depth perception and a wider field of vision.

I'm not here today to show you data and statistics about the state of women in managerial and executive roles, or about the progress that has been achieved to date in breaking the glass ceiling and the necessity to unlock even more of the potential of women in the workplace.

I'm sure you've seen these kinds of statistics hundreds of times.

Today I want to talk to you about a couple of concepts that transcend the issue of women in the workplace, concepts that make it a non-issue.

Today I want to talk to you about leadership and commitment.

They are notions that transcend demographic definition.

They are the enablers to transform our aspirations into reality.

They are the attributes that matter if we want to change what we don't like of the present and do our part to create a more just, a more equitable society for the future.

Leadership and commitment are what saved Chrysler, the same Chrysler that one analyst described back in 2009 as the auto company that was *"Most Likely to Be Liquidated for Three Sticks of Gum and a Roll of Pennies."*

This morning I am going to take the unusual route of telling you about Chrysler through the eyes of a journalist, Dan Neil, a Pulitzer winning writer for the Wall Street Journal.

He wrote a piece back in 2010 evaluating what was then our newest product introduction, the Jeep Grand Cherokee.

I think it is the very first time that reference is made to the literary trend of New Criticism in an automotive review. Pretty snotty intellectual stuff, but it is the Wall Street Journal after all. Just bear with me for a few moments.

New Criticism emphasized a close reading of the text, excluding factors such as an author's biographical details, historical circumstances and other so-called extra-textual materials to arrive at an interpretation.

"At that time," Neil writes, "this was a terribly good idea since criticism had reached a point where scholars were earnestly speculating about how Shakespeare's bad breath might have influenced 'Hamlet'. To New Critics, all that mattered was the text. And that brings us to the 2011 Jeep Grand Cherokee."

And then the article begins a series of questions about the extra-textual aspects of our company:

"Do we consider the swamp out of which this vehicle emerges—last year's bankrupting of Chrysler, the auto bailout, the ignominious handoff from Daimler to Cerberus Management and now to Fiat? Can we somehow put out of our minds Chrysler's current kennel of mangy mutts" like some of Chrysler's obsolete models, that if you were to buy "you'd have to be an automotive pervert, a gerontophile?

Is it possible for consumers to look just at the Jeep Grand Cherokee, the text of the thing, and forget the Italian-managed goat rodeo going on in the background? Well, I don't know," is Neil's response, *"but if they do, I think they'll like what they see."*

The piece closes with another question: *"But will people give it a chance? Perhaps. But only if Chrysler LLC can change the conversation, and fast. Repeat after me, Chrysler: 2009 never happened. It's all about the text."*

We took Dan Neil seriously.

We revamped our product lineup with a speed and quality that go beyond any conventional expectation, and sharpened the credibility of all our brands.

Our commitment to improving quality has become nothing less than fanatical.

We adopted a World Class Manufacturing System, pioneered by Fiat, which is helping us make great strides in improving quality, as well as efficiency and safety, in our production facilities.

This system is part of a cultural change that has taken roots at Chrysler, enabling us to tap into the intelligence, experience and creativity of all of our workers.

We are still in the early stages of implementing World Class Manufacturing, but our objective is clear: the continuous and thorough elimination of all forms of waste in the system.

In our assembly plants, we have also been installing metrology centers, advanced tools that can measure and validate the body geometry to the smallest of tolerances, as small as a human hair.

By doing this validation on parts even before production starts, we can resolve fit-and-finish issues before vehicles are built and shipped to consumers. And the verification of tolerances goes on even after production starts, to ensure we rectify processes that may have deviated from standards.

The results are showing up in independent surveys.

We were recently named the most improved automaker and we tied for second place in Strategic Vision's 2012 Total Quality Index, or TQI, which is a measurement of both positive and negative experiences such as reliability, driving excitement and emotional attachment.

As a result of these efforts, we made significant strides in convincing Dan Neil that things have really changed at Chrysler.

In the September 8th 2012 edition of the Wall Street Journal he compiled a complimentary article on the new Dodge Dart.

He wrote:

"So here's a notion: In 2009, when the Fiat-Chrysler CEO merged the two companies amid the global financial crisis, he essentially sewed two of the automotive undead together at the hip and then insisted they get up off the table and dance.

"Dance, slaves!"

Something like that.

The achievement thus far is to have produced something, anything, other than a very ripe, two-headed zombie. Remarkably, Fiat-Chrysler is off the gurney and waltzing all over the place. In August, Chrysler LLC reported sales up 14% (148,472 units) over August 2011, the company's 29th consecutive month of year-over-year sales gains. U.S. market share is up a full point in a year.

The reanimated company has successfully rebooted the 300 sedan; stroked a home run with the Jeep Grand Cherokee; and is even managing to find homes for Fiat 500 compacts and convertibles. Indeed, profits from North America are sheltering Fiat operations during Europe's winter of debt.

The alliance is now sharing platforms, leveraging design assets and enjoying various economies of scale and intellect between Auburn Hills and Turin...”

And then he went on to conclude, unimpressed by Dart’s 6-speed manual transmission, that “Some stitches still show. The Dart isn’t a perfect car, but it’s certainly a lot of car for the money, and it so wildly exceeds the circumstances of its birth it’s practically dickensian. You have to root for it.... Amazing” he wrote. “After everything, Chrysler is still dancing.”

If we did anything in the last 42 months, it is that we changed the conversation.

The Chrysler of today, our Chrysler, is all about the text.

Changing the conversation also required a complete rethinking of our marketing efforts. We needed to break pattern, in a very significant way.

The commercials we aired during the last two Super Bowls broke pattern.

They paid tribute to our industrial roots and culture of action, inspired by the spirit of Detroit, a city devastated by the recession that found the strength to get back on its feet.

“Imported From Detroit” is an idea that resonates even with those who have never been to that area, but who understand the grit and determination that underlie its spirit.

It conveys the pride of Chrysler, a company that went to hell and back and is determined to regain its rightful place. They are the result of leaders asking: Why not break tradition and air a two-minute message, for the first time in the history of the Super Bowl, and rewrite the rules of what a commercial should be with spokesmen like Eminem and Clint Eastwood.

Chrysler’s Super Bowl videos have taken on a life of their own.

You know that they have become part of the national dialogue, when everyone from Karl Rove to Saturday Night Live is talking about them.

The story about how these videos were conceived and developed could be told from different points of view.

I could tell you about the maniacal drive by some of the real heroes behind the scenes.

I could tell you how they convinced Eminem and Clint Eastwood, who had never agreed to appear in any previous commercials other than for public service announcements, to give their faces and voices to the cause.

I could tell you about the rush against time to get one of the star’s consent, which didn’t arrive until 24 hours before filming.

I could also tell you the story about how we chose the soundtrack for the 2012 Super Bowl, when we originally targeted some well-known music, whose authors didn’t want to grant the copyrights. And how, in the end, our team found a young and talented composer named Alyson Ables who happens to play in a symphonic orchestra in Portland and, paradoxically, is a punk music artist.

I could even tell you about my phone conversation with Clint Eastwood, 4 days before the Super Bowl, who told me he preferred to have no cars in the commercial.

I could also talk about the magic puzzle of ideas, contributions and passion of many special people who rallied together to envision and produce those special messages.

But I think there is a more meaningful and deeper story that deserves to be told.

And it's about Chrysler itself.

These videos say something important about the change in culture we have embraced and the kind of company we are becoming.

These messages give voice to the passion and spirit that drive our people to succeed.

The videos drew wide coverage and discussion in the media, multiplying by many times the number of people they ultimately reached. But, beyond the marketing results, the story-behind-the-story says something important about the company we are becoming.

Initiatives like these could only have been produced by people who are able to think and work outside the box, people who do not feel bound by the tedium of convention and predictability.

Behind these videos is a group of individuals capable of free thought.

People free from cliché, free from prejudice and the force of habit, free to express their creativity and to rewrite the rules of what a commercial should be.

The free-thinking approach behind the videos, thinking beyond limits and outside conventions, is the best example of how complex organizations can be molded, how webs of creative collaborations between rigorous industrial functions and market driven roles can collaborate almost seamlessly towards the achievement of broad, ambitious goals.

The secret of Chrysler's success lies in this simple fact.

It is a reality that needs to be nurtured and protected, because it is also the best guarantee for our future.

During the Revolutionary War, Abigail Adams wrote a letter to her son, the future president John Quincy Adams. She said:

"These are times in which a genius would wish to live. It is not in the still calm of life or in the repose of a pacific station that great characters are formed. Great necessities call out great virtues."

Abigail Adams understood that we gain strength from the experience of overcoming adversity.

The hardest, most difficult moments are also the most meaningful in shaping our character.

They change us forever.

Make no mistake, some people are devastated by adversity.

There are others who find deep within themselves a reservoir of strength and courage, more than they ever knew that they had.

These are the survivors.

They choose to stand and fight, and they will never be as before.

Survivors are different people, special people.

My colleagues and I are survivors.

We all gained strength from the experience of overcoming adversity.

The decisions we make today at Chrysler are informed by the experience of near-extinction and a resolve to never again get so perilously close to demise.

We have learned to live a culture of change, of feeling comfortable in the discomfort of uncertainty, of measuring ourselves each day with the yardstick of competition.

Having acquired an appreciation for the new life that has been granted to us, we are willing to seek out change and initiate it, rather than be victims of it.

We, in Chrysler, are living a new life, based on what we've learnt from our survivor experience.

We have dared to dream big.

And we continue to regard the future as a huge opportunity.

Up to now we haven't missed any of the targets we set publicly in front of an incredulous audience on November 4th, 2009.

We have kept, and in many cases exceeded, all of our promises.

All I have told you so far is not intended to impress you, and certainly not to boast. As you know by now, it's not the style of the house, it is not my style.

I am telling you these things to highlight how deep an impact leadership can have on an organization.

As an American politician wisely said in the midst of all the bantering and exaggerations that are uttered in an election year in the U.S.,

Leadership delivers.

Leadership counts.

Leadership matters.

At Fiat and Chrysler, our ability to embrace change and to confidently plan for the future rests on a concept of leadership embodied in a handful of core principles which we value:

- Merit above mere knowledge or rank
- Leadership of change and of people above position
- The search for excellence above mediocrity
- A desire to engage in competition above egocentricity and insularity
- Reliability and accountability above idle promises.

These five simple, cardinal rules govern our lives at Fiat and Chrysler.

About 150 years ago, Dostoevsky, the Russian novelist, wrote: "*Taking a new step, uttering a new word, is what people fear most.*"

Compared to Dostoevsky's time, change now occurs at lightning speed, which only increases the feelings of anxiety.

This is why an important part of being a leader is helping others see the fundamental need for change, and attain the sense of being comfortable in their own skills and abilities to succeed in creating change.

If we want to leave a better company and a better world for future generations, we need leaders who possess the courage, the appetite for challenge and the will to take an active role in shaping our future.

Put simply, in our world, we can't afford to waste any talent based on gender, race or national background.

It is not enough to just *accept* diversity.

We need to *embrace* it and understand it as a true competitive advantage.

At today's Chrysler, we are building a meritocracy in which all of our people feel respected and valued.

It is for this reason that one key leadership responsibility is the creation of a culture of diversity.

Our Global Diversity Council, led by members of senior management, is focused on recruiting and developing diverse talent and fostering an organization-wide appreciation for its benefits.

We have six Employee Resource Groups that provide networking and mentoring opportunities for specific groups including Women, African Americans, Hispanics, Asians, Native Americans and Gays and Lesbians.

In addition, we actively promote diversity among our business partners.

For example, our annual Matchmaker event is designed to generate new business opportunities for minority- and women-owned suppliers by bringing them together with Tier One suppliers.

We have even expanded this concept to a pilot program with Chrysler Group dealers in California, which we matched up with minority-owned suppliers.

Our overall efforts have been recognized by a number of outside organizations including the Human Rights Campaign Foundation and magazines such as DiversityInc, Working Mother, Latina Style and HispanicBusiness.

If you want to see tangible evidence of how women are helping to lead the new Chrysler, I invite you to check out the Dodge Dart GT when you head over to Cobo Hall for the auto show.

The GT, which we showed for the first time this past week, is a special edition version of the new Dart that we introduced in 2012.

Chris Barman is the Vehicle Line Executive who leads the team that is engineering and developing Chrysler's C- and D-segment vehicles, including the Dart.

Her team is also responsible for several other products that will be crucial to our success, such as the successor to the Jeep Liberty sport-utility and the new Chrysler 200 sedan.

Chris is just one example of the women who are making a huge impact in every area of our company.

When all is said and done, diversity is simply an extension of a culture that respects every person and welcomes every person's contribution.

We have made a deliberate choice to make this attitude part of the very fabric of our thinking.

And this approach applies from the senior leadership team to the factory floor, where we are tearing down the old barriers in order to encourage all of our workers to bring their unique experiences and creativity to the job.

President Bill Clinton put it best when, at the UK Labour Party conference in Blackpool, some years ago he said:

“All of the hopes that I have for my daughter’s generation, for the grandchildren I hope to have, for all those younger than me and, unlike me, who still have most of their lives ahead, rest upon our ability to get the world to embrace a simple set of ideas, that we must move from interdependence to integration because our common humanity matters more than our interesting differences and makes the expression of those differences possible;

... because every child deserves a chance, every adult has a role to play...”.

That is a concept that I also came to understand travelling and working around the world.

It is a concept that has helped me embrace the global duties associated with my leadership roles with serenity and openness.

It is a philosophy that has played a key role in the Fiat/Chrysler partnership from the very beginning.

The “common humanity” that binds our two organizations together is the irrefutable industrial logic behind the alliance and the shared values that define our organizational culture.

One of the fundamental challenges facing leaders at Fiat and Chrysler is to forge an international alliance that rises above nationalistic conceit in order to bring out a new enterprise that is greater than the sum of its parts.

In bringing together the best of the two groups, we do not wish to eliminate differences or repudiate the heritage of either one of our groups.

Rather than seeing the partnership as a merger, with all the component pieces blended into a homogenous entity, we view it as a mosaic.

A mosaic where each piece gets its strength from understanding its impact on the whole and from recognizing the value of the contribution of other pieces.

The partnership will succeed if the people in each group humbly work alongside each other, listening, sharing experiences, and exchanging knowledge and ideas.

This is the key factor that I believe will determine the success of our partnership: a cultural integration that is based on mutual respect.

For the people of our two groups, this kind of collaboration offers a rare opportunity for personal growth and enrichment as they expand their horizons.

I have made a personal commitment – shared by the other leaders at Fiat and Chrysler – to create a challenging and rewarding environment where all the people will be exposed to new experiences and have the opportunity to grow and mature.

We are a work in progress.

Anyone joining Fiat or Chrysler today will not find a fossilized organization, but rather one that is in ferment, in a state of continuous change and transformation.

Twenty-four months from now those organizations will be very different from what they are today and from what they will become.

That ability to move with agility and decisiveness is, I believe, the greatest quality of our family of organizations.

Not only because it can make the difference between winning and losing in a competitive marketplace.

But, even more importantly, because it offers an extraordinary opportunity in terms of the rich experience and cultural openness that it brings.

Every day, I urge the women and men in Chrysler to exploit that opportunity to the full.

If they take that challenge, extraordinary opportunities will open before them in both their professional and personal lives.

Such an environment provides everyone the chance to contribute your talents and aspirations to the even grander and nobler project of shaping and giving meaning to the society of the future.

I don't believe we can have any higher aspiration than that.

I would like to leave you with one more thought,

As I progressed through my business career I noticed the increasing intensity with which other Chief Executive Officers talked about their corporate culture, about how unique it is, and why it provides them with a competitive edge. As Lou Gerstner learned during his days at IBM, *"culture is not part of the game, it is the game."*

But as I get older and I get more exposure to other corporate cultures I am coming to the conclusion that a lot of these statements by CEOs are just propaganda. Really unique business cultures are indeed unique, they are rare.

But some, a select few, are real and powerful.

We are all in the habit now of quoting Steve Jobs or referring to the magic he worked at Apple.

He was a unique leader.

And so is Apple.

This is how they welcome every one who starts working with them.

"There is work, and there is your life's work.

The kind of work that has your fingerprints all over it. The kind of work that you would never compromise on. That you would sacrifice a weekend for. You can do that kind of work at Apple. People don't come here to play it safe. They come here to swim in the deep end. They want their work to add up to something big. Something that couldn't happen anywhere else.

Welcome to Apple"

It is a stunning welcome letter.

And there is no doubt I would like to write a letter like that to everyone who joins the Chrysler family as a stakeholder, an employee, a dealer, a supplier.

But in the back of my head I always have a gnawing doubt that the culture change we have been working on for the last 3 years is only skin deep.

That it is reserved for the first layers of the organization, and that we are not reaching everyone, we are not getting to our dealers and our suppliers.

It is one of the reasons why I spend nearly a month a year in HR reviews of our people regardless of rank across the whole of Fiat and Chrysler. I do not ever want to wake up one day and find out that it was just a dream, my dream, and that it never really happened.

It is one of the reasons why, when we were originally approached by 60 Minutes, the CBS investigative program that has developed a reputation for unbiased, thorough reporting, I resisted.

I resisted for two reasons. First, I was not sure the organization could withstand the scrutiny of 60 Minutes; the cultural changes we are making are too fresh and not sufficiently mature. Secondly, I did not want the piece to be about me. I wanted Chrysler to be the topic, because as I told them, Chrysler will still be here when I am gone.

So I reluctantly let them in, knowing full well that once they had access, we would not control the outcome.

Ultimately it came off just fine, and it did all of us a tremendous amount of good for our reputation.

I have received positive acknowledgments from a variety of corners about the piece.

Even more so after the second airing on September 2nd.

The last one reached into places I never suspected would care.

I am going to read to you a letter that was published in one of the top 50 blogs in America.

I have edited it to remove complimentary remarks about me.

And as far as the remaining ones are concerned, I remind you of the usual warning in the movies: all references to real characters are purely accidental and unintended.

Here it goes.

Labor Day 2012

We've suffered through more than a few bad years of a worsening economy. While things have leveled off a bit in the past two years, it's hardly "good times" for most Americans (and much of the rest of the world is actually even worse off, especially many of our friends in European nations like Greece, Spain and Ireland). And while there's a lot of bleakness on the horizon, there's also some rays of hope.

I was watching 60 Minutes last night and a repeat story came on from March about the turn-around of Chrysler at the hands of ...CEO Sergio Marchionne. Here's a guy that really challenges your current beliefs of what it means to be a workaholic. When he's not working at Chrysler, according to the story, he turns around and flies back to Turin, Italy to take care of Fiat.

He saved 54,000 Chrysler jobs (with the help of our government) and has said he's since added more than 9,000 new ones.

As a small business owner — like most small business owners around the world — I'm at my job 24/7/365. We don't get "days off" and even the weekends are just another set of workdays. Today I was at my desk by 6:00 am and took my lunch break at 11. It's a holiday here in the U.S., but you wouldn't know it around here. But I do it because I love it! I am insanely passionate about the value of good mental health — of knowing who you are, what you're good at, and what you're not. Of not being satisfied with just being your stagnant self, but instead always looking for little ways that can help improve your life and your relationship with others.

Without passion for what you do, however, you're just churning out mediocre stuff.

Stuff that anyone could produce.

Stuff that will never distinguish you in the world.

After all this, I leave you with some simple advice.

Be insanely passionate about what you do.

If it is not possible within your current job, find another.

And most importantly, in whatever you do, swim in the deep end.

Thank you very much.

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