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Selling the Sizzle

By [DANNY HAKIM](#)

DETROIT, July 8 - For much of his career, Robert A. Lutz has been trying to build a curvy two-seat sports car for people who can't afford a [Porsche](#) or a Lexus. He finally has: the Pontiac Solstice.

"The goal was always the same," Mr. Lutz, [General Motors'](#) 73-year-old vice chairman and product development chief, said in an interview this week. "Use low-cost mechanical components, change as little as possible, use stuff out of your parts bin and try to get there for under \$20,000."

Mr. Lutz, a former Chrysler president, was brought to G.M. nearly four years ago to restore razzle-dazzle to the company's cars and trucks. For much of his tenure, though, he has been peddling vehicles largely created under someone else's watch.

He has had a chance to influence a few new vehicles that have come out in recent months, like the Chevrolet Cobalt and Buick LaCrosse, which are generally regarded as improved but not dramatically enough to rescue the company from the industry's bargain basement. Indeed, G.M. said this week that it would extend its latest sweeping promotion, which offers the public the same discounts available to G.M. employees.

Now Mr. Lutz gets to pass or fail on his own work. The Solstice, which is expected to retail for just under \$20,000, is the first vehicle created from start to finish during his tenure, and the start of a wave of wholly made Lutzmobiles coming over the next two to three years that will make or break his legacy at G.M. Coming off a \$1.1 billion first-quarter loss, G.M. badly needs his products to succeed.

While the Solstice is a niche car that will not come close to saving G.M. - the company plans to produce at most 20,000 annually - Mr. Lutz says it is designed to appeal more to buyers' emotions than to their pocketbooks. And that, in many respects, represents his entire thesis for reviving G.M.'s product line: make Chevrolets and Buicks and Pontiacs that seem more expensive than they are, cutting corners that buyers will not notice while carefully handling the details they will, both on the inside and outside.

"Producing an exciting little sports roadster for \$45,000 to \$50,000 is not an engineering or industrial feat," he said. "But producing a very, very nice roadster using as many parts as possible that you already have in the parts bin to avoid investment and piece costs, and then bringing that out where you can still make money at a base price of \$20,000, that's a good trick."

A former marine, Mr. Lutz is a car magazine's fantasy of what an auto executive should be. He chews on stogies. He likes to drive fast. He flies a Soviet-era fighter jet for fun. He makes the 42-mile commute from Ann Arbor to Detroit in a helicopter. He thinks global warming is a bunch of tree-hugging liberal hokum and lives off the cuff. Of late, he has taken to posting on G.M.'s new blog, [fastlane.gmblogs.com](#), with relish.

"I thought The Wall Street Journal might feel a little bit left out after I singled out The [New York Times](#) in recent posts," he wrote in March, before offering a typically sharp-elbowed rebuttal of The Journal's review of the compact Chevrolet Cobalt.

In an impromptu speech at G.M.'s shareholder meeting last month, he said: "What we maybe had to relearn as a company is that we're not in the transportation business, we are in the arts and entertainment business. And that's what explains a vehicle like the Pontiac Solstice, which I think is the first expression of a new, less analytical, more emotion-driven product strategy."

Born in Switzerland but raised mostly in the United States, Mr. Lutz moved easily between car bureaucracies in Europe and America. His stops in the industry have included a stint at BMW in the 1970's and a seat on [Ford's](#) board in the 1980's. As president of Chrysler in the 1990's, he championed the idiosyncratic PT Cruiser and Dodge Viper, and an early luxury S.U.V., the Jeep Grand Cherokee.

At G.M., he has been knocking down geographic barriers between the company's global design, engineering and manufacturing organizations to consolidate and do more with less. The company will need to. A recent Merrill Lynch report said G.M. spent less on product development, relative to its revenue, than any other major automaker. G.M. recently said it would increase its budget for product development this year to \$8 billion from \$7 billion.

At home, G.M.'s new plan is to leave Chevrolet and Cadillac as the only full-line brands. Buick, GMC, Pontiac, Saab, Saturn and Hummer, which are in various states of revival and distress, are being fashioned into smaller brands with fewer, but better, products.

Gary A. White, a top G.M. engineer, said in a recent interview that the process had not been easy for people like him, who had built up over decades what he acknowledged were overly technical criteria mandating exactly how wheels or side view mirrors could be positioned, for example. Such minutiae make the engineer the enemy of the car designer.

"We're a conservative breed," Mr. White said, adding that Mr. Lutz asked engineers like him, "Is the customer going to credit us for our criteria? Apparently not, when you look at what's happening."

Mr. Lutz said in the interview: "It was tough at G.M. because we are so process-focused. And there is a belief, or there was, that you have to keep focusing, focusing, focusing on the process, do every step right and the end result will be right. Well, unfortunately, it doesn't work that way in art."

He has also made some adjustments to his own vision. Not long ago, he and other G.M. executives insisted that hybrid electric cars did

not make business sense. In March, Mr. Lutz said that "rich people don't care" about rising prices at the pump. But this week he said the continued uncertainty about oil prices meant fuel efficiency could not be dismissed.

"It would be foolish at a time like this not to be focusing heavily on all kinds of hybrids: mild hybrids, intermediate hybrids, full-massive hybrids," he said.

Still, the company will lag Ford by three years in offering the public a hybrid comparable to the Toyota Prius, and the first wave of Lutz-mobiles will be new versions of G.M.'s big S.U.V.'s and pickup trucks coming next year, because they were due for redesigns. On the other hand, G.M. will be unveiling a crop of lighter sport utility vehicles, known in Detroit as crossovers, a segment where [Toyota](#) and other foreign rivals are more dominant. And Mr. Lutz treats passenger cars as less of an afterthought.

"We are no longer as lopsidedly dependent on the full-size sport utilities and pickups going forward as you can argue that we were in the last five or six years," he said. "That was what was selling and it was carrying everything else."

G.M. has plenty of issues, including its standoff with its labor union over health care costs, but ultimately car companies are like movie studios: it's about the product.

In recent weeks, G.M. has been previewing many of the models to come. So far, reaction has been generally positive.

"Everybody's been knocking G.M., but the one thing that came out of it is that they are actually investing in product for the future," said Mark Gillies, the executive editor of Automobile Magazine, who said he was generally impressed over all.

For one thing, it is hard to judge the Solstice or any other car before one has a chance to drive it. G.M. has often suffered from a reputation for creating cars that have a pedestrian feel. But on looks, which Mr. Gillies said mattered more to the broad swath of car shoppers who did not read magazines like his, particular vehicles stood out. On forthcoming versions of the Cadillac CTS and Chevrolet Malibu sedans, he said, "the designs are a lot more coherent and the interior, they look much more crafted, a lot more attention to detail."

Still, Mr. Gillies added, "It's difficult for them, because they're like Don Quixote, always tilting at a windmill, because everyone else is moving, too."

One hitch for the Solstice is that the company has delayed the introduction of a summer car into the fall. Nonetheless, G.M. has already taken down payments from 9,000 customers, which will account for about six months of volume.

Some followers of Mr. Lutz's career say they still wonder what he might say of some of G.M.'s vehicles were he not on the payroll. Asked recently to recommend cars selling for less than \$30,000, Mr. Lutz recommended the Pontiac Grand Prix GXP, a speedy version of a car often sold to rental car companies and corporate fleets, and a similarly souped-up version of the Chevrolet Impala.

"I'm not just being a homer," he wrote on G.M.'s blog.

John Brown, a 30-year-old personal injury lawyer and car enthusiast in Los Angeles, did not let that pass.

"Come on Bob!" he wrote on the site. "You're responsible for the Dodge Viper and the Solstice, for Pete's sake, and you fly a fighter jet in your spare time. Don't try to shill for the GXP and the Impala, it's just not even remotely believable."