

# Mercedes-Benz: Succeeding on the Automotive Battlefield

Photo: Ken McGuffin



In early December, the *Rotman Integrative Thinking Seminar Series* welcomed **Joerg Sommer**, director of product strategy at DaimlerChrysler's **Mercedes-Benz Car Group** in Stuttgart, Germany, where he is responsible for automotive product strategy and innovation for the entire line of Mercedes cars, trucks, vans, and buses. While best known for its cars, Mercedes-Benz is also the largest truck corporation in the world.

The Mercedes-Benz brand is the number one most-recognized car brand in the

world, and the second most-recognized brand in the world, period, after **Coca-Cola**. "Technology leadership and innovation are key to our brand," says Sommer. "We tend to try things first – like electronic stability systems – and then force the rest of the industry to follow suit."

Mercedes-Benz is working to make accident-free driving a reality, he says. Safety has traditionally been divided into two areas, he says: active and passive. "Passive safety refers to systems that limit the effects of an accident on the occupants,

while active safety systems help to prevent accidents in the first place." Now, however, there's a third area of vehicle safety, called 'pre-safe.' First unveiled in 2002, Sommer explained that this approach "brings together intelligent systems that can detect potential accidents before they happen and implement measures to protect a vehicle's occupants in advance." For instance, if a driver starts to swerve over the line dividing a highway, the car will automatically be guided back on course. "Developing innovative safety technologies has always been a top priority for us."

Key success factors for new products include understanding, anticipating and focusing on customer's future needs and desires, says Sommer, which encompasses everything from safety, to comfort, to

flexibility, to ecology, to design, to economy, quality, service, status, and driving dynamics. The auto industry is 'a battlefield', he says, where heavy investments must be made on the product side years ahead of time, without any assurance of returns. "The battle is fought on several fronts – there are countless regulations to consider, the world economy, technology and customer trends, segment and market growth, supplier cooperation – it's a highly complex context."

His is no 'ivory tower' job, says Sommer. "It requires an understanding of

the entire production process – right from the technical specifications. I look at each project like an architect laying out blueprints. I must be fully aware of all the implications of different materials, the marketing impact, costs, etc." Innovation management is a complex, integrative process, he says. "The key is to involve people from different areas – marketing/sales, production and finance – all from the start. "Together, we define innovations and cost targets – it's a cross functional effort."

by Karen Christensen