

RECEIVED

Intra Company Correspondence

Produced in *Adrian Lynn Johnson v. DaimlerChrysler Corporation*

OCT 27 1994



R. A. WINTER

Telephone

Date

776-4824

October 26, 1994

Name & Department		CIMS Number
Theodor R. Cunningham	Executive Vice President - Sales & Marketing General Product Manager - Minivan	484-14-08
Paul V. Sheridan	Chairman - Safety Leadership Team Product Planner - Minivan Operations	482-08-02

Subject: Minivan Safety Leadership Team (SLT) - - Status Update (per your request)

STATUS

The SLT has not been meeting during the last 10 - 12 weeks. Member morale is low; they have relegated the subject to a lower priority. Please see 'Discussion' below.

BACKGROUND

The SLT was formed in March 1993, and continues to be chaired by Minivan Operations. The charter of the group was to provide the MPT with direction and priority regarding the implementation of safety features, in the context of maintaining safety leadership in the minivan segment. To accredit the SLT, membership included every relevant group, from Engineering to Competitive Analysis to Legal/Safety Office. The merits of this effort were verified via trends in the "Purchase Reasons" data for minivan owners/intenders. (This format was approved by you during a special Minivan Operations meeting in February 1993.)

The SLT workload was immediate and substantial. Early accomplishments included:

- Inputs to the Legal staff to refute the leadership claims made by Ford in their original Winstar copy.
- Coordination of standard ABS recommendation on NS-Body platform.
- Reinstatement of 5 mph rear bumper on NS-Body.

When a feature/concept was of debatable merit, or disagreement existed within or outside the SLT, both qualitative and quantitative research was employed to assist with resolution:

- Qualitative research was formulated to ascertain the overall opinions/biases of minivan customers in the category of safety. These focus groups were conducted in Chicago and San Diego to establish geographic inputs. This phase of SLT efforts was completed in November 1993.
- Quantitative research was formulated on the basis of the information provided in the November focus groups. The SLT feature questionnaire was formatted for inclusion with the advertising positioning research clinics conducted in May/June 1994. Again, geographic considerations were to be an important part of SLT recommendations, and therefore the clinics were scheduled for both the Boston and Santa Clara locations.

Produced in *Adrian Lynn Johnson v. DaimlerChrysler Corporation*

SH00701

BACKGROUND con't

Three dominant themes emerged from the research:

- Safety is very important to the minivan segment, especially Chrysler corporate buyers.
- Safety features must be demonstrably substantial...not "gimmicks and gizmos".
- Our customers are increasingly satisfied with the safety features that protect them from frontal incidents. The execution of front seat belts, enhanced front seat position structural enhancements, and, most prominently, dual front air bags, have all contributed to this status.

Two strategies were developed in response to these themes/activities:

- There is an opportunity to enhance our position in the minivan segment by executing safety features for side related incidents, and to a slightly lesser extent rear incidents.
- Chrysler should not make overt safety leadership claims (ala Ford Windstar). Rather, we should execute substantial safety features, and allow our customers to conclude for themselves that Chrysler is the segment leader. An optimal mix of reality and image would be developed. The SLT led this discussion; now a corporate position.

Preparation for the May/June advertising positioning research involved time constraints that restricted the number/type of safety features to be researched. The SLT had documented a list of 50 - 60 items. We consolidated the list to 13 items for the Boston/Santa Clara clinics. Side-related features were prioritized. It was requested that the SLT questionnaire be limited to a 15 minute maximum. We accommodated that request.

DISCUSSION

There are three salient events that contribute to the STATUS.

The day just prior to the Boston clinic, it was requested that we remove 'side air bags' from the list. This late notice did not allow any further discussion within the SLT. 'Side air bags' had been discussed for over a year, and were thoroughly qualified/verified as a priority by the November 1993 focus groups. All represented groups to the SLT had strongly supported inclusion of 'side air bags' in the clinics. A substantial amount of last-minute work was expended to remove 'side air bags' since the question was already programmed. We are not able to make objective recommendations regarding minivan segment acceptability, cost/price sensitivity, technical approach/execution, etc. This latter deficiency continues to be problematic given intensive competitive activity/advertising on side air bags. The marketplace is generally aware of side air bags, but all related work that was proceeding on the MPT has been halted.

DISCUSSION con't

SLT membership attended both the Boston and Santa Clara research locations. To save costs, arrangements were made 3 - 4 weeks prior to the June 4 - 6 schedule in Santa Clara. On June 3 the safety research items were unilaterally removed from the Santa Clara clinic. Many SLT participants had already departed for the West coast, and therefore were not aware of this decision. If informed in a timely manner, it is highly likely that they would have chosen to save company time/expense, since their participation was now marginal or no longer required. Obviously they were "disappointed" upon arrival at the clinic. As a result we are not able to ascertain the geographic influences on the 13 safety features.

The SLT preferred to present your office with formal follow-up on the safety feature research results. This discussion would have allowed you to provide concurrence, empowerment, and specific feedback to SLT recommendations. Several of the 13 safety features submitted to the clinics were deemed to be "unprecedented" with respect to customer acceptance. Others were strongly rejected. In several cases, properties were used to demonstrate/substantiate a safety feature/concept. Only those features receiving very high scores were proposed for execution by the MPT. All appropriate areas within the MPT were involved, as were all appropriate meeting forums. These formalities involved substantial analysis/coordination/consensus prior to product plan inclusion. Engineering bulletins were subsequently written in response to the product plan updates. As of this writing, most MPT work on the SLT recommendations has been halted.

CONCLUSION

Other areas/platforms frequently look to the Minivan Platform as a precedent when embarking on a new topic. The Minivan Safety Leadership Team is a recent example. The Minivan Complexity Team is an ongoing example. There are others. However, it is not the magnitude (quantity) of our efforts that attracts attention, it is the formality (quality). Characteristically, the SLT has adhered to consensus, objectivity, and due process; financial, technical, etc. We avoid subjectivities, personal opinions, and organizational partialities. This *modus operandi* emphasizes customer preferences/requirements...our ultimate objective.

SLT membership is concerned that its approach/subject is not fully endorsed, or a priority of upper management. Without this endorsement it is difficult for the SLT to deliver on the safety leadership agenda that you approved for the Chrysler minivan (i.e. NS-Body).

RECOMMENDATION

We do not believe that your office has had an adequate chance to participate in the decisions that will maintain Chrysler's momentum in safety leadership via the launch of the NS-Body. We recommend that you schedule a formal review of the work conducted to-date by the Minivan Safety Leadership Team.

cc: D. Bostwick T. Edson M. Levine D. Malecki
C. Theodore S. Torok R. Winter Minivan Safety Leadership Team

MEETING REVISION NOTICE

SUBJECT: Safety Leadership Team Update

DATE: Monday, November 7, 1994

TIME: ~~11:00 - 12:00 noon~~
3:00 - 4:00 p.m.

LOCATION: T.R. Cunningham's CTC Conference Room
Executive Suite Conference Room F

CALLED BY: R.A. Winter

INVITEES: M.W. Clemons
M.W. Crossman
T.R. Cunningham
M.T. Delahanty
W.H. Hines
N.E. Hoxsie
H.E. Kifer
K.S. Mack
D.C. Malecki
F.W. Schmidt
P.V. Sheridan
R.S. Zarowitz

Arranged by: Sue McKesson
776-2911



Intra Company Correspondence

	Telephone	Date	
To--Name & Department	8-776-2470	November 7, 1994	CIMS Number
P. V. Sheridan	NS Product Planning		482-08-02
From--Name & Department			CIMS Number
T. R. Cunningham	General Product Manager - Minivan Executive Vice-President - Sales and Marketing		482-08-02

Subject: **MINIVAN SAFETY LEADERSHIP TEAM**

Thank you for your recent personal assessment of the status of the Minivan Safety Leadership Team. I regret that the events since March 1993 have caused you to feel that the team which you chair has been less than successful. However, your comments must be taken in the larger context of all corporate efforts on developing safety features.

The basic issue of which you complain is the procedure by which proposed product features were researched (or in some cases, not researched) in marketing clinics, and how such consumer interest data should be used to make product feature decisions. As well, you express concern about the available opportunities to present your findings to management, including this office.

Part of the frustration you feel may be due to a misperception on the role of the team. The purpose of the team was to identify features of potential interest and make the platform team aware of such items. I believe this has been accomplished. Your team was not intended to make a final decision on a feature, because the expertise and responsibility necessary to make such a decision are not present within the team, despite the admitted best of intentions of all team members. Committing to a safety feature entails a significantly larger process, including a much wider range of company functions, which is necessary to ensure the reliably best outcome for our customers.

Your team has made the community aware of several potential features. Now, it is the responsibility of the technical experts within the engineering community to scientifically evaluate the true merits of each considered feature. In an area such as safety, knowledge of what the consumer wants is important, so that we can ensure that our products are sellable. However, and even more important, our technical experts must make decisions on safety features based on the best interest of our customers, whether or not the customers are aware of the benefit or have the technical expertise to make their own evaluation. Your team's efforts are a part of this process in evaluating consumer interest, but it would be improper for us, as a company, to grant your team decision-making power on product features which could have a direct effect on the safety of our customers.

You cite the example of side air bags as an area which you believe we have not gathered full consumer information. Even if you are correct that our customer database on this subject is less than complete, your concern must be relegated to a lesser priority in the overall decision to pursue a feature which might claim to offer a safety benefit. I cannot agree that your "ultimate objective" should be "customer preferences" when dealing with technical issues which effect people's personal safety. Instead, our ultimate objective should be to study potential features to determine a true, scientific measure of the

P. V. Sheridan
November 3, 1994

real-world safety benefit. Then, and only then, can a reasoned decision on offering a feature be made. Even if customers are not demanding a particular feature (such as the case with our first driver air bags), *we* must make the responsible decision about how to develop the best vehicle to provide our customers optimum safety. In the example you raise, the corporation has been researching side air bags, and will make a reasoned decision when the data is complete.

The principle described above must be applied to any other features which the team advocates based on customer interest alone. Our mere ability to sell a feature, or have a feature interest a customer in buying a vehicle, cannot be the determining factor in new feature development. We must adhere to a policy of developing features which deliver real safety benefits and which are reasonable to provide in consumer motor vehicles.



T. R. Cunningham

cc: D. Bostwick
T. Edson
M. Levine
D. Malecki
C. Theodore
S. Torok
R. Winter
Safety Leadership Team