Intra Company Correspondence

	Telephone	Date	1994
	776-4824	October 26,	
ToName & Department			CIMS Number
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FromName & Department			CIMS Number
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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 <u>overall</u> opinions/biases of minion customers in the category of safety. These focus groups were conducted in Chicago and San Diego to establish <u>geographic inputs</u>. 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.

BACKGROUND con't

Three dominant themes emerged from the research:

- Safety is <u>very</u> important to the minivan segment, <u>especially Chrysler corporate buyers.</u>
- Safety features must be <u>demonstrably substantial</u>...not "gimmicks and gizmos".
- Our customers are increasingly satisfied with the safety features that protect them from <u>frontal</u> 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 <u>unilaterally</u> 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 <u>formal</u> follow-up on the <u>safety feature research</u> <u>results</u>. 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 <u>strongly</u> rejected. In several cases, properties were <u>used</u> to demonstrate/substantiate a safety feature/concept. Only those features receiving <u>very</u> 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 modis 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