

Daimler chrysler case



Do you think the culture problems could have been largely avoided in this merger? How? As in any merger, integration is the most difficult to implement and in this case culture problems were inevitable. You have two large corporations in two different countries working in different management system, environment, believe, and culture. In order for this merger to work, one has to design to create synergy.

I think this merger happened too quickly. If Daimler did enough due diligence, they'll see how bad Chrysler was. There were plenty of problems with Chrysler especially the infrastructure of the company. To make things worse, Daimler lied to them that this would be an equal merger, not a take over. As a result Chrysler top managements were gone, and replaced by the German management led by Dieter Zetsche. This had created the cultural problems. American was proud and national pride was high. To be taken over by the German did not assimilate well to the public and especially at Chrysler.

I think to mitigate cultural problem, Daimler should have invested more time learning the American auto industry culture, and had some equal American partners as top executives. Both sides had to condescend for the benefit of the companies. At least we know they have one similarity, which is the bottom line.

Do you think good times can ever be lasting in the auto industry? Why or Why not? I don't think there's any good time in the auto industry. Auto business is competitive. You have both American and Foreign auto makers competing to gain market shares. With this industry, there is more than one market for vehicle types (small, mid size sedan, SUV, 4X4, minivan, sport,

Luxury, etc.). As we see, not just companies are competing, but competing against different types of models as well.

There are many uncertainties, such as fuel prices, government regulations (environmental and safety) and new competitors. Who will win depends on companies that will achieve the highest economy of scale. As we look forward to the future, I see more and more smart cars (not the Smart car brand) similar to the trend of regular cell phone to smart phone. Who will be the first in the market before the trend takes off will definitely have a good time.