

Industry

“The Toughest Job in the Business”

Inside Jonathan Browning's long-shot quest to put Volkswagen back on top in the U.S.

Author ERIC TEGLER



PHOTOGRAPH BY DANIEL ACKER/LANDOV

JONATHAN BROWNING is a cycling enthusiast, a fact that makes some of his colleagues anxious—not out of concern for his safety, but because spandex may not deliver, as they say, the best visual. Shortly before a recent charity ride, as Browning prepared to do a TV news interview, one of his communications executives blurted, “Make sure they shoot you head-and-shoulders, Jon!”

There was laughter, but the exec was only half kidding. Browning is CEO of Volkswagen Group of America, and public image is a sensitive issue at the moment. While Volkswagen ranks behind only General Motors in global sales, its U.S. unit—VWGoA, for short—hasn’t set the automotive world on fire since the Beetle and the Microbus became the unofficial vehicles of the Summer of Love. And with Volkswagen having announced its intention to overtake GM in sales within the next six years, Browning has been tasked with moving 800,000 cars annually by 2018, more than doubling his unit’s sales in a very short period of time.

Not for nothing has *Motor Trend* dubbed his “the toughest job in the business.”

Trim, bespectacled and soft-spoken, the British-born 53-year-old CEO comes across as an easygoing guy. His track record, however, suggests a willingness to roll up his sleeves when the need arises. Browning first joined the U.K. car industry straight out of college in the early 1980s, a turbulent era marked by brawling union bosses and plagued by plummeting sales. Yet the rookie auto executive didn’t just survive the turmoil—he thrived, rising through the ranks at Vauxhall, Ford, Jaguar and GM Europe in the years that followed.

Coming to Volkswagen presented Browning with his biggest challenge yet. In 1970, during the Beetle’s heyday, VWGoA was selling some 600,000 cars a year. By 1993, that number had dwindled to around 50,000, and the idea began to take root that the firm’s Beetle-centric reputation was holding it back, a

Popular 3PDs Most viewed Most Discussed

- Three Perfect Days, Washington DC
- Three Perfect Days, New York City
- Three Perfect Days, Paris, France
- Three Perfect Days, London
- Three Perfect Days: San Francisco
- Three Perfect Days, Buenos Aires, Argentina
- Three Perfect Days, Seattle
- Three Perfect Days, Rome, Italy
- Three Perfect Days, Oahu, Hawaii
- Three Perfect Days, San Diego

- Taking Command – Peter Berg
- Rhapsody in Blue
- Taking Action
- “The Toughest Job in the Business”
- Kicking Up a Storm
- Garden Party
- Three Perfect Days: Istanbul
- The Month Ahead
- Goods
- Globetrotting

- The Price Is Write (26)
- Building Peace (19)
- Three Perfect Days, Tokyo (12)
- Three Perfect Days, Los Angeles, CA (10)
- Riding With Mr. Thong (10)
- Girls of Summer (10)
- Three Perfect Days, New York City (9)
- Three Perfect Days, Seattle (9)
- Putting Wings to the Rings (9)
- Three Perfect Days, Washington DC (8)

Advertisements

perception that was not diminished by the rather disappointing relaunch of the Bug in the late 1990s.

By the end of 2010, shortly after Browning's arrival, Volkswagen's U.S. sales had rebounded a little, standing at 256,000 a year. But the company still lagged far behind GM, which was selling nearly that many cars per month, while Volkswagen's traditional rival, Hyundai, was moving roughly 538,000 annually. VWGoA was being stubbornly, persistently viewed as a niche brand: the people who brought you the Beetle. Worse, it was still performing like one.

The conventional wisdom at VWGoA now is that success depends on the extent to which the company can promote itself as the maker of a range of affordable, driver-friendly vehicles—which, to a large degree, means moving out from beneath the shadow of the Beetle. To that end, Volkswagen recently poured \$4 billion into its U.S. interests, money that has bankrolled a new manufacturing plant in Tennessee. The plant's core aim is to help VWGoA do what it has failed to do in recent decades: become relevant.

The way to go about this, Browning and his colleagues have decided, is to start making cars specifically geared to the U.S. market. For example, the new Jetta and Passat—the biggest money-spinners in VWGoA's portfolio—boast the larger interiors, streamlined controls and greater fuel efficiency that American drivers demand.

While giving people what they want may seem like a no-brainer, it's a significant departure on Browning's part. VWGoA has for years been hindered by a certain, let's say, inflexibility on the part of Volkswagen's German engineers. With the new stateside approach, Browning says, the company has finally conceded that "German engineering ... and the needs of the American consumer are not mutually exclusive."

VWGoA's challenges in accommodating its customers go beyond engineering, though. The company's soft performance has been exacerbated by what Browning describes as its "unacceptable" track record in sales and service. To address this issue and the negative PR it has engendered over the years, he established the highly visible office of vice president of customer experience—a kind of "satisfaction czar." (It may or may not be portentous that the first czar has already moved on ... to GM.)

Things do seem to be looking up for VWGoA. Its domestic sales rose 26.3 percent last year, with the company moving roughly 300,000 cars and turning a profit in the U.S. for the first time in almost a decade. For a large part of 2012, VWGoA has been selling its new Passat at the rate of 10,000 a month—up from 10,000 a year for the previous model. "Clearly, we need to tell new chapters of the Volkswagen story," says Browning. "We're not just [about] the Beetle anymore."

ERIC TEGLER, a Maryland-based journalist specializing in cars, travel, finance, military affairs and more, writes for The Economist.

UNITED  **Hemispheres**

Download our free magazine app for your iPad from iTunes



MEET THE BEETLE

A new face for an old favorite

Volkswagen has made good progress in putting strong sellers like the Jetta and the Passat front and center in the mind of the American consumer, displacing the Bug and the Microbus of yore. And yet efforts to break from its hippie past are sure to be slightly complicated by VW's plan to issue a new Beetle this year. Certainly, there seems to be some semantic footwork involved in the attempts to reconcile these apparently conflicting initiatives—words like "modern" and "technology" are used a lot in discussions about the new car, while "nostalgia" and "tradition" are not. But at its heart, the charming little Bug is as appealing as ever, says Tony Cervone, executive vice president of group communications. "When you have a strong brand with a

powerful heritage," he says, "you don't walk away from those strengths."

THIS MONTH'S AMAZING FACT

HOLD THE PHONE

People are more honest when communicating by text message

Wonder why your friends are always texting you lurid details about their personal lives? Psychologists from the University of Michigan Institute for Social Research and the New School for Social Research think they know. They recently conducted a study in which either a computer or a human asked 600 iPhone users personal questions via voice or text message.

While the scientists are still in the early stages of analyzing their findings, what they learned startled them: Regardless of whether the interviewer was a person or a robot, people responded more truthfully to questions about sensitive topics like exercise frequency and binge drinking when it was by text message. They also gave fewer rounded numbers to support their disclosures, indicating that the responses were less likely to be estimates than they would be if solicited by voice. *Wait, you did WHAT last weekend? LOL. TMI.* — JACQUELINE DETWILER

Leave your comments

Name (required)

Mail (will not be published) (required)

Website

CAPTCHA Code



Submit Comment

Please note: JavaScript is required to post comments. Spam protection by WP Captcha-Free