Friday, June 12, 2009

Forum addressed what's next for the auto industry

SBA CIBRE, IMVP forum experts focus on critical issues

More than 150 automotive experts and executives joined together at the New Futures for the Auto Industry forum on Oakland University's campus in early June for stimulating and often passionate dialogue about the current state of the U.S. auto industry, and where to go from here.

Hosted by the Center for Integrated Business Research and Education at OU's School of Business Administration and the International Motor Vehicle Program (IMVP), the conference brought senior automotive executives and industry thought leaders together to focus on the current challenges the auto industry faces in its struggle to reinvent itself in the midst of a crippling economic downturn.

A second industrial revolution proposed
Addressing his remarks to the Americans at the forum, keynote speaker William Santana Li said "I believe, you right here, can start the second industrial revolution … You and I have had enough about enough of the finger pointing, empty rhetoric, and hearing from talking heads that couldn't plan themselves out of a paper bag. What we need is answers and a path out of this crisis."

The chairman and CEO of Carbon Motors proposed a "bold" solution after identifying what he called the two real villains in the crisis: "A country with a complete lack of an industrial policy and financial system to support it … (and) a bloody fabulous lack of true system thinking driven by true leaders.

"The essence of my proposed solution is that the private and public sector needs to fund 100 new OEM startups over the next 18 months which require three ingredients."

Those three pieces? Talent, funding, political will and business acumen.

"You have all the talent you possibly might need right here in Detroit to establish a new OEM. That killer app is sitting in your backyard – that would not only show the country that Detroit is back, but show the world that America is back," he said. "You have the chance to have the second industrial revolution begin right here, right now in Detroit. Seize the moment and make it yours."

Governance past and future
Addressing the future of governance, keynote speaker Jerome York, president and CEO of the private investment company Harwinton Capital an aide to billionaire investor Kirk Kerkorian,reviewed the corporate governance movement, posed key questions and offered answers:

- What will be more important than the past?
- What concepts/ideas deserve close attention?
- What are the limitations of knowledge that the crisis has revealed?
- What are the debates that will drive choices among policy alternatives?

Despite the many answers offered to each question, York said there was one simple answer: Quality of sales … In other words, he said, the revenue side of the equation.

In closing he noted that the Feds are going to own major chunks of the financial system and automotive industry … and likened it to how the War Production Board ran the economy during World War II. "Think of what is going on now as sort of a mini version of the WWII War Production Board."

Other speakers addressed important topics such as sustainable mobility, upheaval in the automotive industry and navigating the new reality after the crisis. A roundtable discussion focused on the future of the supply base.

Industry's birth place natural fit for gathering
The OU/IMVP forum provided an opportunity for industry leaders to gather in the industry's historic base in the United States to focus on the future. The timing was right and it was a natural fit to hold the forum following the IMVP Annual Researcher's Meeting.

"The automotive industry is an integral component of the American economy and is unique in that it encompasses every aspect of the value chain – from raw materials to design and development, manufacturing, sales and service, and even disposal," says Janell D. Townsend, an OU assistant professor of marketing and international business, and an event organizer.

"As the economy recovers from the worst recession in generations … it is important to understand what the structure of the auto industry may look like, what companies will be left standing and how will they be managed, what types of products those companies will produce, and how consumer wants and needs will be satisfied while dealing with greater regulation," Townsend adds.
John Paul MacDuffie, a professor of management at the Wharton School of Business and co-director of the IMVP, adds, "It is critical we look beyond the crisis to ask fundamental questions about how the automotive world ought to be different, or whether it may look more or less the same."

SUMMARY

Created by Claudette Zolkowski-Brown (zolkowsk@oakland.edu) on Thursday, July 2, 2009
Modified by Claudette Zolkowski-Brown (zolkowsk@oakland.edu) on Thursday, July 2, 2009
Article Start Date: Thursday, July 2, 2009