

Week in Review

MY MONEY, MY LIFE

GERALD C. MEYERS

I Didn't Know My Truck Would Hog the Road

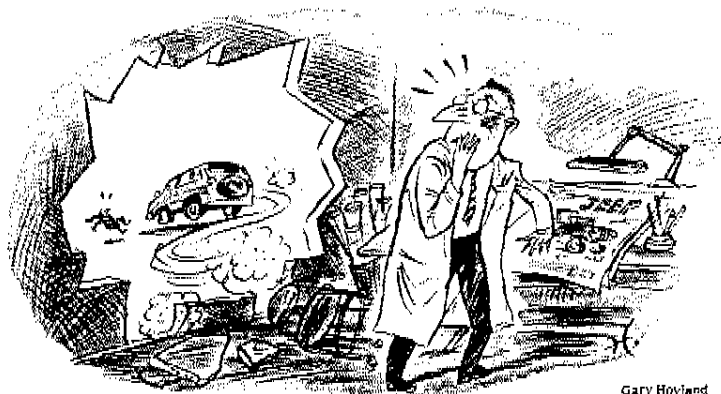
FEEL like Dr. Frankenstein these days, having pumped life into a corpse only to face the horror of its evolution.

Thirty years ago, as vice president for product development at American Motors, I was handed the job of resuscitating the Jeep brand — soon after A.M.C. bought it from the Kaiser Jeep Corporation.

At the time, I felt that Jeep was dead and that a struggling second-tier automaker like A.M.C. had no business taking on another down-and-out carmaker, not even for a relatively cheap \$70 million. But given no choice, I decided to do my best.

The first task was to update the vehicles. While the old military Jeep was perfect for the battlefield — featherweight and engineered for parachuting from cargo planes, fording two-foot-deep streams and vaulting the rocks of two Jims — it was not fit for American highway use and was too sophisticated and costly to produce for a commercial market.

By the time A.M.C. bought Jeep, a civilian version had been designed,



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trading an all-aluminum, multifuel engine for a standard gasoline motor and dropping an independent, fully articulated suspension in favor of solid axles and leaf springs. It was larger, wider and less nimble.

But I knew it was also a loser unless something was done to give it sex appeal. Fortunately, A.M.C. was blessed with a great styling team led by Richard A. Teague, a legend in auto design. We kept the brand name and the looks, but changed most of the components. More reliable engines, styled steel wheels, stronger transmissions and running gear were fundamental — but not enough. The interiors needed spice. So we added deep pile carpets and Levi's trim, as well as roll bars that provided an element of safety but also looked good.

Over the next two years, the corpse began to stir. Sales improved. Young people and pseudo-off-road drivers took notice. And then it happened: the thing took on a life of its own. We couldn't build enough.

I was exultant. For the next decade, A.M.C. had this market all to it-

self. But then Ford Motor decided to chase us. The market exploded, and such vehicles, which had already acquired the label "sport utility," weren't just for adolescents and off-road nuts.

So, to broaden our appeal, I decided to bring in a little larger, totally enclosed Jeep to replace a Kaiser behemoth called the Wagoneer. Because of two oil crises in the 1970's, however, it had to be modest in girth. And thus the Jeep Cherokee was born; it was immediately successful.

I was elected president of American Motors in the late 1970's on the strength of Jeep's success. Sales of our Rambler, Hornet and Gremlin had long dried up, so the board encouraged me to drive ahead with S.U.V.'s.

But soon, things started to get out of hand. Everyone started producing S.U.V.'s. Ford eventually produced the Explorer, wildly popular but larger and heavier than anything in the Jeep line. Chrysler, which would buy A.M.C. from Renault, chased Ford with a larger Jeep, the Grand

Cherokee. And then came Ford's hulking Expeditions and Excursions and General Motors' Suburban types. These three-ton monsters are huge gas guzzlers. They sit on pickup truck chassis, making no pretense otherwise, and are thought to be a safety threat to drivers of regular passenger cars — after all, the laws of physics have not been repealed.

Yet suburbanites, tired of bland station wagons and the mediocrity of the ubiquitous minivans, continued to switch to S.U.V.'s, enjoying the superiority of riding high above the traffic. And thus the madness widened.

For a while, it all seemed to be O.K. Gasoline was cheaper than bottled water, so who cared?

OPEC, of course, had other ideas; low on cash, it cut oil supply again. Tree huggers and safety advocates cheered, insisting that it was time to dump our personal trucks anyway and to return to more sensible transportation.

As yet, we have not done so. Although some consumers have grumbled over the cost of filling an S.U.V.'s tank, overall sales remain brisk. There has been no significant revolution in what we drive.

Of course, I didn't intend it this way. Jeeps were supposed to remain small, nimble, fuel-efficient, safe and lovable. They were not designed to be road hogs or gas guzzlers. I'm sure the overgrown monsters we drive now will not perish overnight. But sales of the biggest of them are waning somewhat, and I take some heart from Ford's plan, announced last week, to improve S.U.V. fuel efficiency. And eventually, smaller designs should prevail.

I hope so. If not, maybe it would have been better to let Jeep's corpse rest undisturbed. □

Gerald C. Meyers, a former chairman and chief executive of American Motors, is a professor at the University of Michigan Business School and co-author with his daughter Susan of "Dealers, Healers, Brutes and Saviors: Eight Winning Styles for Solving Giant Business Crises," (John Wiley & Sons, 2000). Submit your account of struggling or succeeding as a worker, consumer, investor or entrepreneur to My Money, Money & Business, The New York Times, 229 West 43rd Street, New York, N.Y. 10036, or by e-mail to my-money@nytimes.com. All submissions become the property of The Times. They may be edited and may be republished in any medium.