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Chrysler aims to speed up its next redesigns

But it won't hire nonunion people who took buyouts last fall, automaker says



2010 Chrysler Town & Country Limited. Chrysler's 5-year plan calls for accelerated redesigns. (Chrysler photos)

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Chrysler Group LLC will not rehire nonunion engineers, designers or purchasing people who took buyouts last November, according to several who have inquired.

The Auburn Hills automaker prepares to unveil its five-year plan Nov. 4. That plan, parts of which have been communicated to employees, calls for a partial redesign of at least seven models in about 18 months -- or half the time such projects have taken in the past.

To meet that timetable, Chrysler needs more salaried people to buy parts, design sheet metal and interiors and engineer work stations, according to employees working on those programs. Last November as Detroit automakers asked Congress for financial aid, Chrysler offered buyouts that reduced its white-collar workforce by at least 25%, or about 5,000 people.

Back then, Chrysler was conserving cash to pay its bills. Work on future products was severely restricted as the crisis deepened. Some departments were left with only a few people, current workers say.

Today, four months after Chrysler exited bankruptcy, CEO Sergio Marchionne has accelerated future vehicle development. Chrysler managers have told designers and engineers they will be working long hours in the coming months.

Just this week, the company called back about 14 UAW-represented designers, under an agreement with UAW Local 412.

Beyond that, Chrysler declined to comment on whether it will hire new salaried workers or turn to contract agencies to fill temporary positions.

"Chrysler Group continually evaluates its human resources with the goal of assuring that its workforce is well-qualified and effective," the company said in a statement. "At this time, no decisions have been made regarding an increase in salaried staffing levels."

Contract engineering firms are another option. These firms hire people for specific jobs -- building prototypes of vehicles or concept cars. They can hire anyone they please, including former Chrysler workers with the required skills if the work is done on the contracting firm's property.

"The good news for automotive employers looking for people is that they are available in big numbers in this town," said turnaround consultant Van Conway, president of CM&D Capital Advisors. "Three years ago you might have paid them x. Today you could get them for half x."

AD AGENCY FOR CHRYSLER UNDER REVIEW

Chrysler Group LLC, which cut advertising spending sharply as it restructured through bankruptcy, is likely to use multiple agencies in the future, reducing its dependency on BBDO, according to people familiar with the review process.

The automaker has reviewed proposals from BBDO and others for advertising through the end of 2009.

"We have not confirmed that any agencies have been selected," said Chrysler spokeswoman Jodi Tinson.

Trade publication Advertising Age reported Tuesday that Chrysler would end its relationship with BBDO in 2010. Roy Elvolve, a BBDO spokesman, declined to comment.

BBDO, owned by global marketing giant Omnicom Group, has worked with Chrysler since 1944. But the relationship is strained. Chrysler owed BBDO \$58.1 million when it filed for Chapter 11 bankruptcy protection on April 30.

Last November, BBDO laid off 145 people, or a quarter of the staff at its Troy office.

Chrysler slashed its ad spending from \$840 million in 2008 to \$230 million through the first half of this year, according to Nielsen Co.

Fiat, which owns 20% of Chrysler, uses many ad agencies in Europe, including Italy-based Armando Testa, Publicis Groupe's Leo Burnett and WPP's United. Chrysler may follow a similar model in the United States.