



DaimlerChrysler AG- company profile

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Outline

- **DaimlerChrysler: The Company**

- Structure
- Distribution
- Coordination/Control

- **The EWC of DaimlerChrysler**

- Structure
- Distribution
- Coordination/Control

Company Structure



- DaimlerChrysler AG
- German and American producer of passenger cars, trucks and financial services
- parts and accessories marketed under other brand names
- Headquarters: Stuttgart (Germany) and Auburn Hills, Michigan (USA)
- Fourth largest car manufacturer in the world
- 2007: sale of Chrysler to Cerberus



Company Structure: History

- Daimler-Benz AG

- 1926: merger of Daimler-Motoren-Gesellschaft and Benz & Cie
- 1935: Wilhelm Friedle implemented the assembly line in Germany
- Innovative company:
 - 1951: security cabin
 - 1981: airbag

Company Structure: History

- Chrysler Corporation

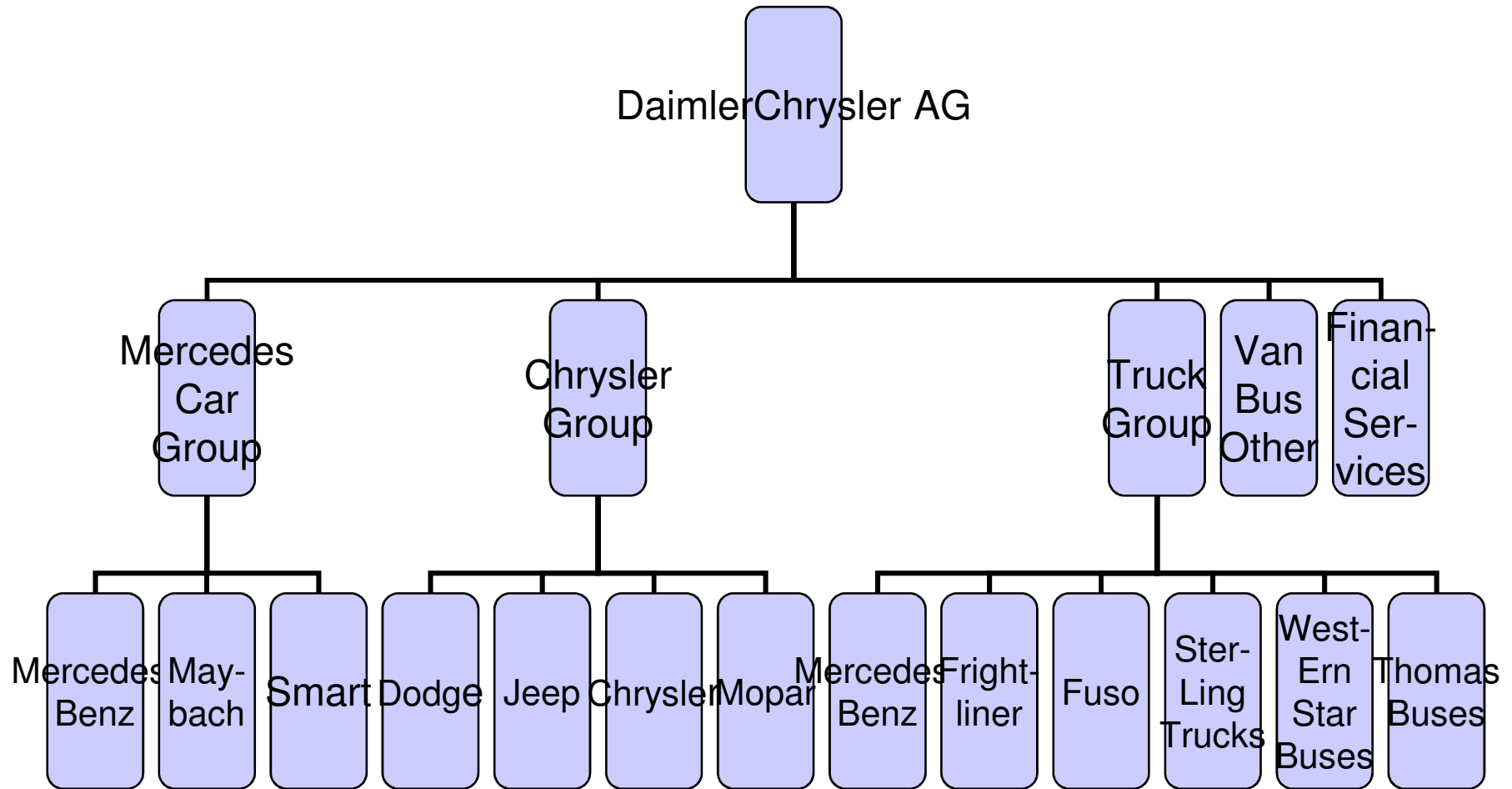
- american automobile manufacturer since 1925
- 1928: Chrysler became 3rd largest car manufacturer in the USA
- brands: Dodge, Imperial, DeSoto, Plymouth
- 1987: aquisition of American Motors Corporation (AMC)

Company Structure: History

- **DaimlerChrysler AG**

- 1998: Daimler-Benz bought Chrysler in form of shares for \$ 36 billion
- Board of directors became more and more German
- 2006: Dieter Zetsche became CEO
- October 2005: development of a Joint Venture with the car manufacturers Hyundai and Mitsubishi Motors: Global Engine Manufacturing Alliance (GEMA)
- Criticism of the merger and enormous losses June 2007
- future cooperation with Fiat (engines)

Company Structure: Business Areas

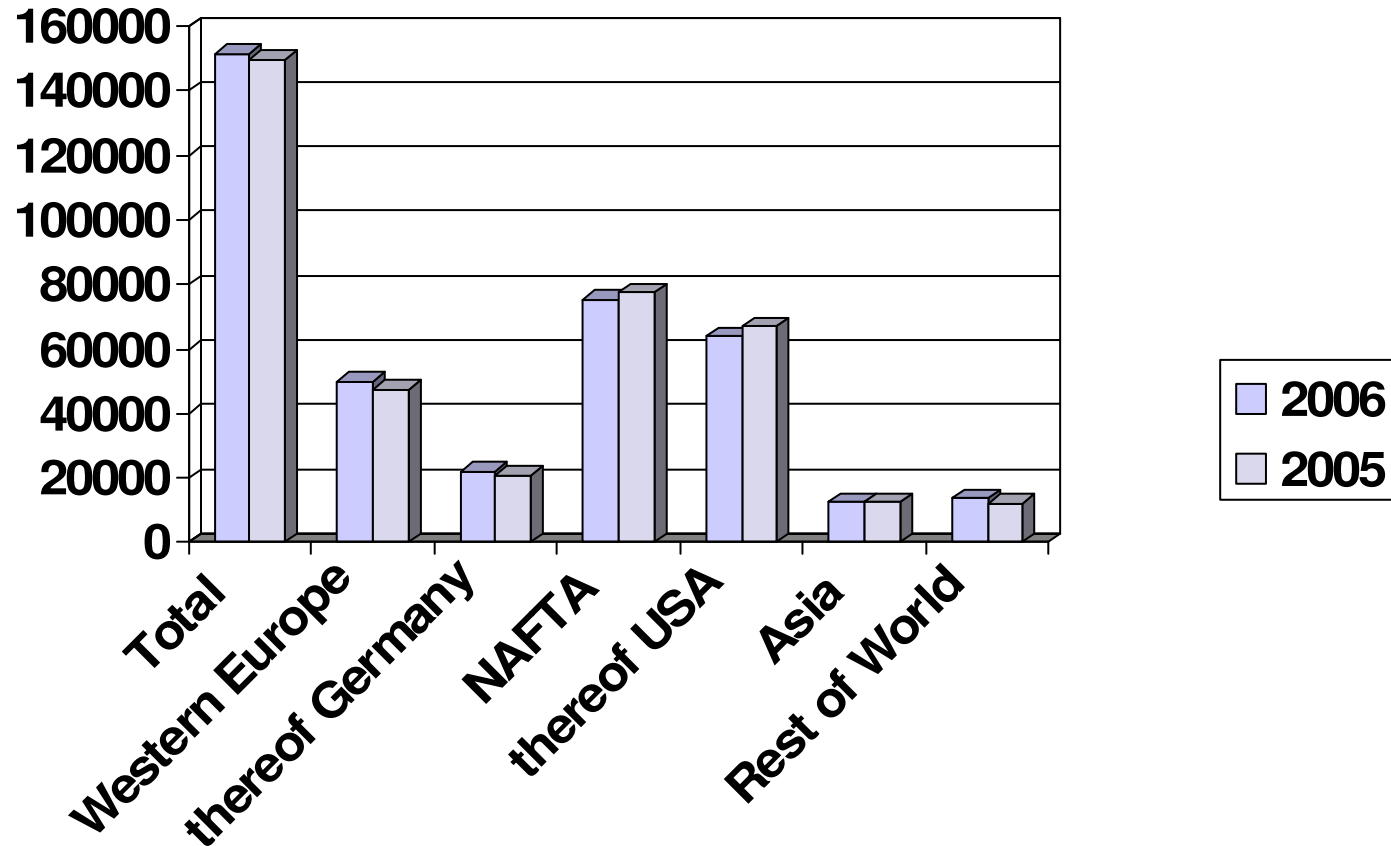


Company Distribution

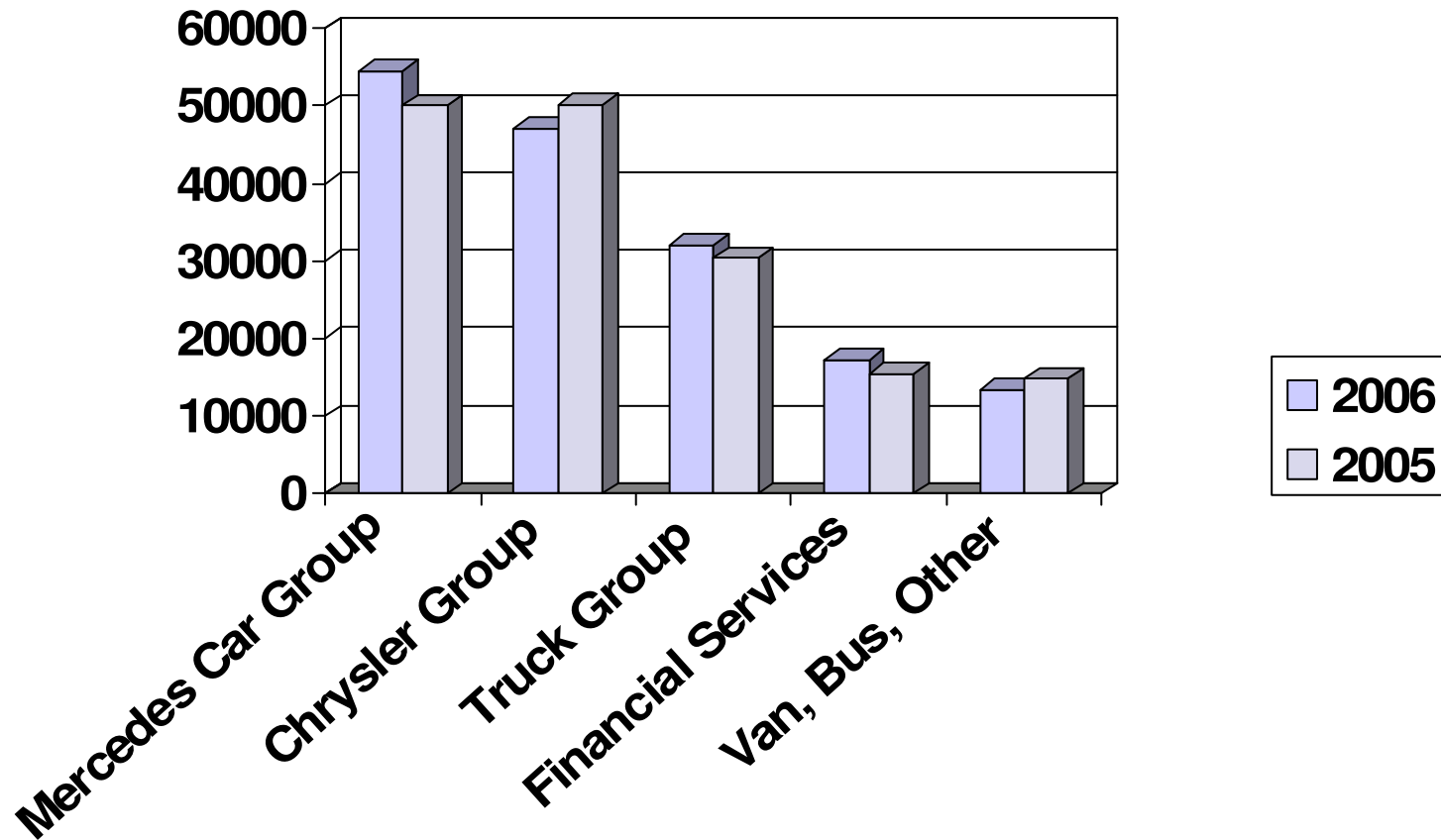


- Production facilities in 21 countries
- Turnover: 151.6 million Euro (2006)
- Profit: 3.227 billion Euro (2006)
- Sales: 4.7 million vehicles (2006)
- Employees: 360.385 (2006)
- Most important markets:
 - USA: 45,2%
 - EU: 33,4%

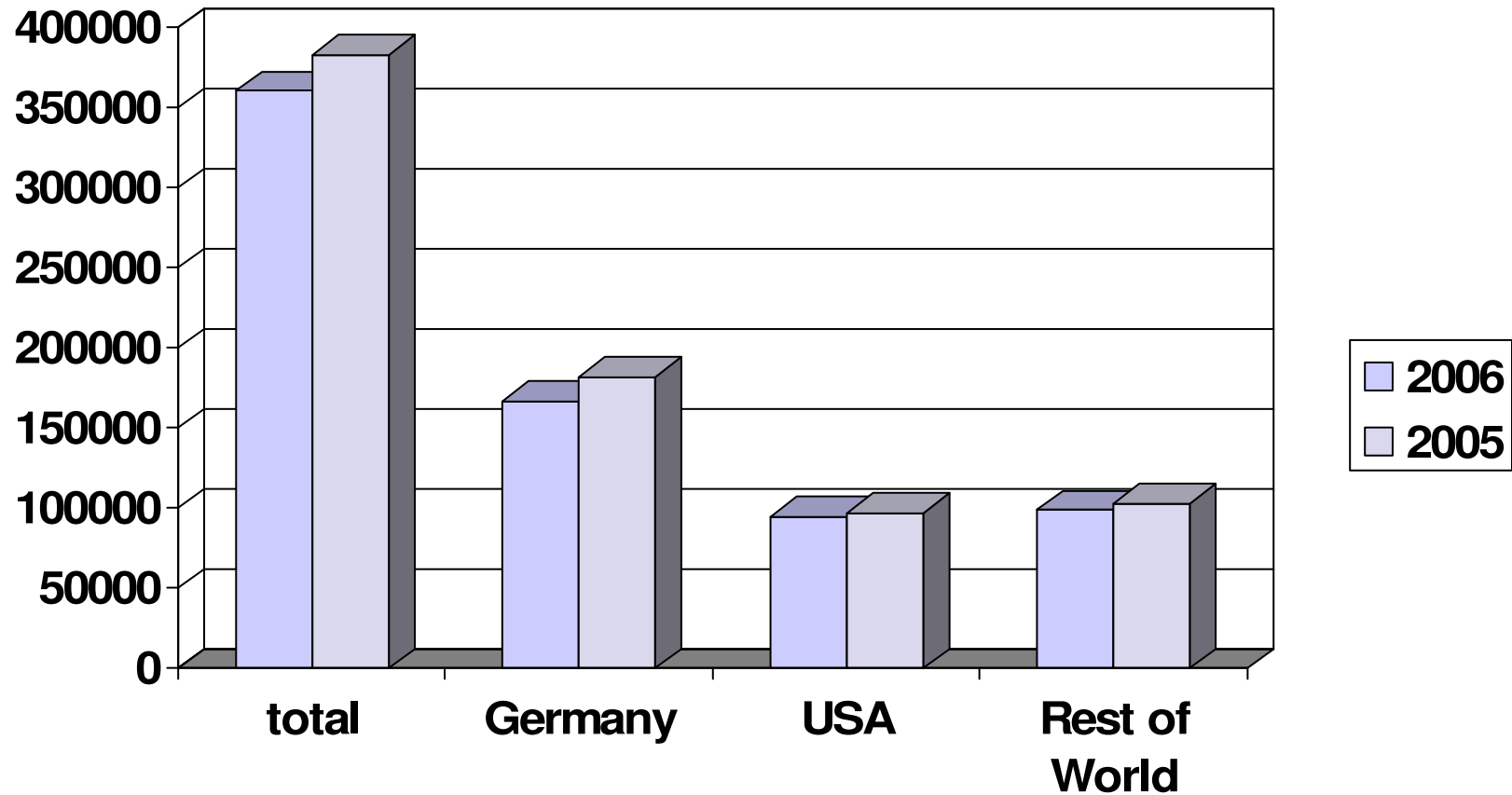
Company Distribution: Turnover by Region (in million)



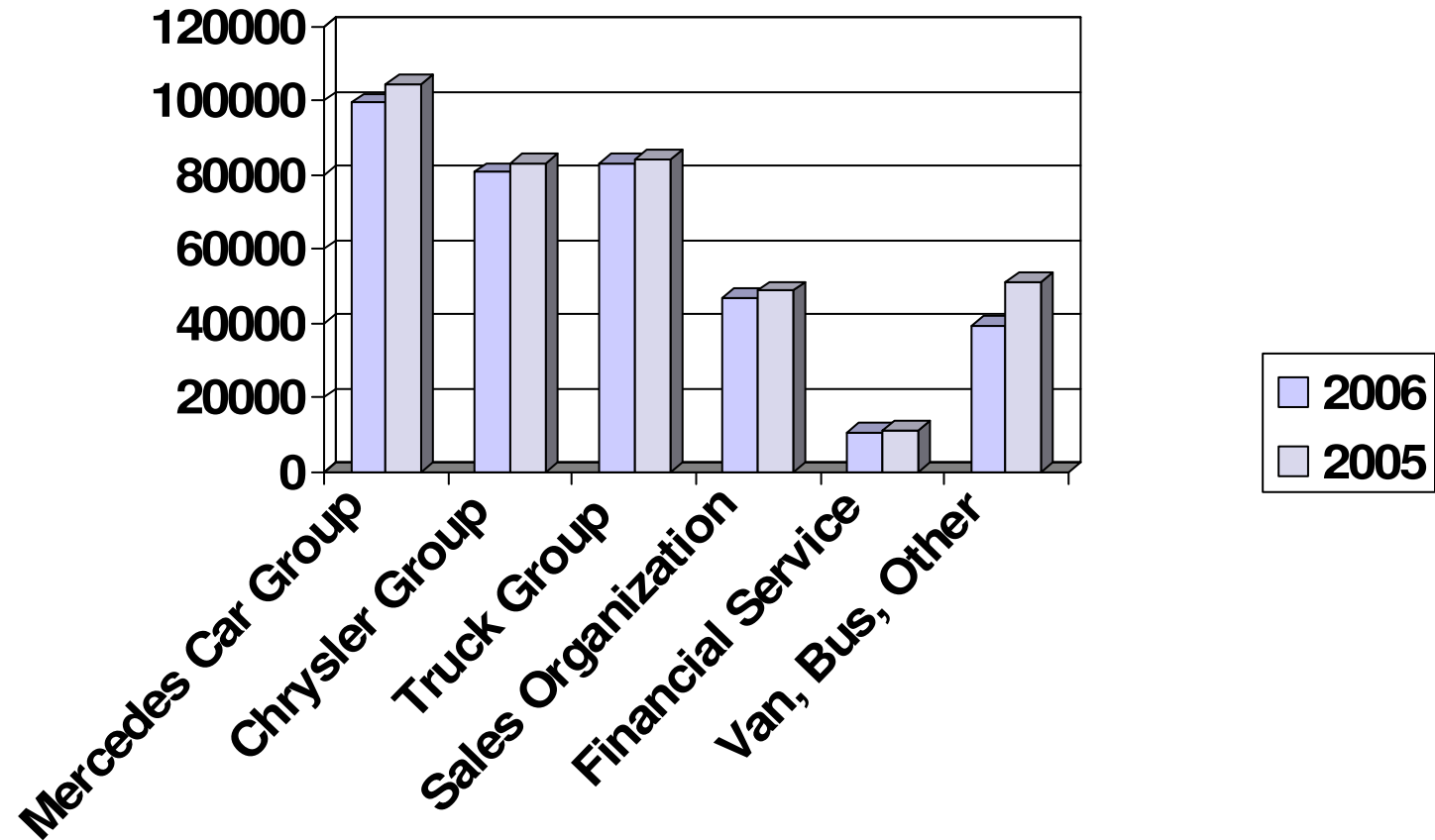
Company Distribution: Turnover by Division (in million)



Company Distribution : Employees by Region (Dec. 31)



Company Distribution: Employees by Division (Dec. 31)

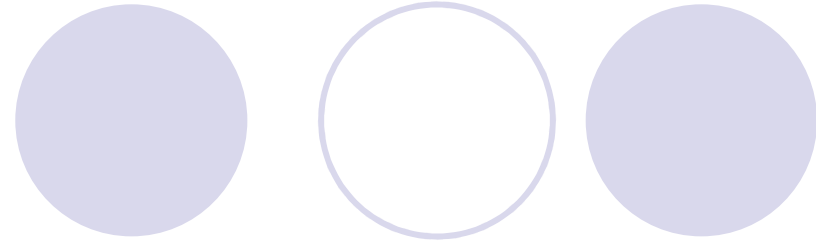


Mercedes Car Group



- Sales (2006): 1.230.951 units
- Headquarters: Stuttgart, Germany
- Most important markets
 - Germany 28%
 - Western Europe 34%
 - USA 20%
 - Japan 4%

Mercedes Car Group: Production Locations



- **Sindelfingen (26.536 employees)**
C-Class Saloon, Sports Coupé, E-Class Saloon, E-Class Estate, CLS-Class, S-Class Saloon, CL-Class, Maybach
- **Bremen (11.555 employees)**
C-Class Saloon, C-Class Estate, CLK-Class Coupé and Convertible, SLK-Class, SL-Class
- **Rastatt (6.033 employees)**
A-Class, B-Class
- **Hamburg (2.342 employees)**
Axles and components
- **Berlin (3.047 employees)**
Gasoline and diesel engines, components and parts
- **Untertürkheim (18.012 employees)**
Engines, axles, gearboxes, components
- **Tuscaloosa (USA) (4.012 employees)**
M-Class, R-Class, GL-Class
- **East London (South Africa) (2.825 employees)**
C-Class Saloon
- **Juiz de Fora (Brazil) (1.025 employees)**
C-Class Saloon
- **Hambach (France) (893 employees)**
smart fortwo

Chrysler Group



- Production (2006): 2.548.700 units
 - passenger cars: 640.200
 - trucks: 1.908.500
- Sales (2006): 2.654.700 units
 - passenger cars: 681.100
 - trucks: 533.500
- Headquarters: Auburn Hills, USA

Chrysler Group: Production Locations

- North America
 - 14 assembly plants
 - 13 components plants
 - 5 stamping plants
 - 6 technical centres
- Outside North America
 - 7 assembly plants
 - Austria (Chrysler, Jeep)
 - China (Jeep)
 - Egypt (Jeep)
 - Venezuela (Jeep, Dodge)



Company Coordination / Control

- New Management Model

- 24 January 2006

- Aim: improving group's competitiveness

- Adjustment of personnel to achieve the goals

- CORE Programm at the Mercedes Car Group



EWC Structure: Establishment

- 1990`s: establishment of „European Distribution Committee“ at Daimler-Benz
- 25th July 1996: establishment of EWC after Art. 13 between Germany works council and group management
- Applicable law: Germany
- 1st May 2002: renewed or post-merger agreement



EWC Structure: DaimlerChrysler Merger

- development of a transatlantic working group
- June 1998: development of an international working group
- June 2002: incorporation of the international working group into the global works council, the World Employee Committee (WEC)
- WEC is more important than the EWC
- WEC agreed on a code of conduct concerning “social responsibility”



EWC Structure: Agreement

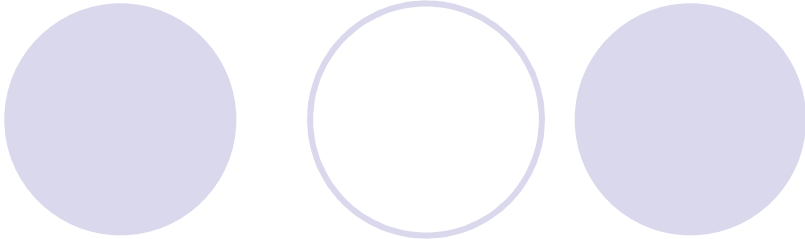
- to inform and consult the employees of Daimler-Chrysler Group in the EU and EEA
- Europe-wide exchange of information and opinions between group management and employees
- information sharing and consultation take place in two forms:
 1. within the EWC itself
 2. by passing on the common minutes of EWC meetings to the managements

EWC Distribution



- Composition: workers only
- Duration of Mandate: 4 years
- Competencies
- Social areas: employment
- Economic areas: market, field of activity, new technologies, merger, delocalisation
- Financial areas: balance sheet analysis, investment
- Confidentiality agreement
- select committee:
 - EWC chairman
 - 1 German delegate
 - 1 Spanish delegate
 - 1 French delegate

EWC Distribution



- until May 2002:
 - Germany 30
 - foreign countries 20
 - 10
- after May 2002:
 - Germany 24
 - Spain 12
 - France 4
 - Italy 3
 - UK 2
 - Netherlands 1
 - Belgium 1



EWC Coordination: Meetings

- once a year at the group headquarters
- Group management is regularly represented
- one-day preparation and evaluation meetings on the employee side
- Agenda is suggested by the four members of the EWC select committee
- Meetings are held in German but there is the possibility of simultaneous translation



EWC Coordination: Meetings

- information about strategic transnational developments
- EWC members feel that information often is too unspecific
- Between meetings communication takes place via the EWC select committee



EWC Coordination: Costs

- costs of the EWC, the select committee are carried by group management
- Costs of travel, overnight stays are carried by the companies that send the delegates
- ad hoc committee can be set up
- EWC and EWC select committee have the right to use expert support
- funds for language courses at individual national subsidiaries
- EWC members are allowed a limited amount of paid time off for their EWC work
- EWC members have access to IT facilities

EWC Coordination: Information, Consultation and Negotiation



- Interaction remains on the level of information and (limited) consultation
- Form and content of information sessions follow the conditions of the agreement
- Negotiations have not yet been conducted
- extraordinary EWC meetings have not yet taken place

EWC Coordination: Information, Consultation and Negotiation



- project about comparison of wage and income conditions in Europe proved difficult in practice
- transnational agreement on “social responsibility” was negotiated at the global level of the WEC and therefore also have been discussed the topic as well

EWC Coordination: Outcomes and Impacts



Employees

- structure of DaimlerChrysler results in a weak coherence of interests on the employee side
- EWC is a body of interest representation for others
- EWC serves as a platform for information exchange and communication problems
- at the level of problem and conflict solving the EWC does not play a role

EWC Coordination: Outcomes and Impacts



- possible revision of the agreement is considered, if at all, only after the revision of the EWC Directive
- economic and financial data of the group is relevant, but in view of the European conditions often too unspecific

EWC Coordination: Outcomes and Impacts



Management

- EWC serves as a body that is provided with information about strategic and economic developments of the group as a whole
- managers of foreign subsidiaries do not take part in the meetings of the EWC

Sources



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