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### Power of the Press: How one journalist and media parrots helped kill Oldsmobile



By [Gary Witzenburg](#)

**October 13, 2004** -- Nineteen ninety-two was an incredibly tough year for General Motors. Former Chairman Roger Smith's ill-considered mid-'80s reorganization and finance-driven mismanagement left the world's largest, once-dominant automaker struggling for its very survival.

GM products had devolved into questionable-quality ho-hum look-alikes uncompetitive with cross-town competition from Dearborn, let alone the rising tide of imports. The company was borrowing to make payroll and perilously close to declaring bankruptcy.

Smith's successor, affable product- and people-guy Robert Stempel, was striving nobly to turn the GM battleship around and steam it out of the sucking whirlpool into which Smith had steered it. But the GM's once-docile Board of Directors felt he wasn't moving fast enough.

On October 20, 1992, the Board met in GM's New York headquarters. Given the dire situation, some drastic measures were on the table, and the building was crawling with reporters sniffing for news. Among the throng of newshounds milling around the lobby was Washington Post Staff Writer Warren Brown. Brown, then second fiddle on the auto beat to Senior Staff Writer Frank Swoboda, was hoping to collar someone who would tell him what was up. He was looking for a career-making scoop that might separate him from the pack.

Brown got lucky that day. . . unluckily for GM. One (unnamed) veteran Director, he says, walked him outside and told him, "Stempel must go." And, since Oldsmobile Division's sales were sagging and it was bleeding red ink, this conniving GM Director added, "Olds must go."



These were not GM Board decisions. They were proposals under discussion--probably proposals of that one individual, who hoped that leaking them to the press would make them come true--and his opinion on them. But Brown insists that he and Swoboda checked with other GM sources before going to press with the devastating story the following day.



"The outsiders who control the General Motors Corp. board of directors," it read, "want Chairman Robert C. Stempel to step down within the next month. . . . Board and management sources said yesterday." Three paragraphs down, Brown dropped the bomb on Olds, "The board also is again considering the elimination of at least one of the company's six automobile divisions, sources said. The current target is Oldsmobile...."

This was not the first time the idea of axing Olds had come up. Then-PR Director Gus Buenz had fielded media questions on that subject before, but no one had taken it very seriously. Pontiac was ailing and reportedly on the chopping block in the late-'70s. In the mid-'80s, it was Buick's turn. Now Olds was

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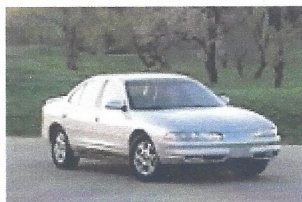
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*Oldsmobile's 2002 lineup included (top to bottom) the Alero, Aurora, Bravada, Intrigue, and Silhouette. It was arguably the best in General Motors at the time and clearly the most market-focused.*

in the barrel. But when the Washington Post quoted anonymous "Board and management sources" saying the guillotine might be poised over Oldsmobile's neck, it was widely believed.

John Rock, the straight-talking GM VP who had earlier turned around GM's GMC Truck Div., had just been assigned the challenge of saving Oldsmobile. "When Rock and I saw the story," Buenz says, "we knew we had trouble [with] the press, employees, dealers and customers. . . the press for the obvious reason of picking up the story and running it without checking with Olds or GM." Which nearly everyone around the world promptly did.

Rock held a videoconference the next day for dealers, employees and media. "You're looking at one pissed-off cowboy," he fumed. "Someone is trying to shoot my horse, and I don't know who." Then he explained why it made no sense for GM to eliminate America's oldest car company given its proud history and soon-to-come 1997 centennial as well as its upgraded organization and ambitious product and marketing plans. None of that mattered to the world's media, which parroted Brown's story as if these decisions had already been made.

Jack Smith, who eventually pulled off the GM turnaround, indeed soon replaced Stempel. But Oldsmobile twisted in the wind for eight more years before the decision to kill it was finally made, and four more before the lights went out. Its sales (once over a million cars a year) plummeted to 398,000 in '93, recovered to about 480,000 in '94 and '95, then began a death spiral leading to the painful December, 2000, decision

to fulfill Brown's 1992 prophecy.

Ironically, at the time of that announcement, most experts believed that Oldsmobile's products were the best in the division's long history, and among the best in GM. But the brand had been irreparably damaged, and no matter how hard and well they worked, Oldsmobile's talented and dedicated team was unable to revive it in the eyes of the American public.

By who was "trying to kill my horse," Rock meant who had leaked such damaging information to Warren Brown. People visualized a clandestine call from one disgruntled Director who knew that his proposals, once reported as imminent decisions, would likely come to pass. Such corporate treason was a despicable act, and there were strong suspicions about who had done it. But the traitor was not one of those whom most folks suspected.

Why would Brown report such "news" of enormously important proposals that GM's Board was merely considering? Didn't he know that a lot of ideas get kicked around but never go anywhere? Didn't he understand that GM couldn't just "cancel" a division like it would a slow-selling model and disenfranchise 3,000-plus dealers and millions of customers?

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Didn't he stop to consider Oldsmobile's critically important mission within GM's product family--to fill the chasm between sporty, youthful, performance-oriented Pontiac and empty-nester premium sedan-oriented Buick while becoming GM's Euro-flavor division and the step-up brand for Saturn owners outgrowing their compact coupes and sedans? Apparently not.

Am I suggesting that Warren Brown single-handedly killed Oldsmobile? Of course not. He had a lot of help from GM and Olds itself, whose ill-considered advertising and mediocre products of the time alienated traditional customers without attracting the new ones it wanted. Help came also from the mainstream media, which seldom lets common sense

and a little fact checking get in the way of a good story. But his piece pushed it a long way toward the edge of the precipice.

Brown--still automotive staff writer at the *Post*--proudly considers that story a reporting coup'. Because it cost GM and its stockholders millions of sales, billions of dollars and eventually thousands of jobs, I considered it highly irresponsible. And I do to this day.

***Gary Witzenburg is not an employee of Consumer Guide or Publications International, Ltd. The views expressed do not necessarily reflect the views of Consumer Guide.***

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