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and first," says  
Elliot M. Estes  
of General Motors.  
"But I've never been  
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don't intend to be."*

## In the Driver's Seat— Pete Estes and the '80 X-cars

**N**o top executives deserve all the credit—or blame—for the new products developed under their leadership. But when that product is going to have a significant impact on the bottom line, they had better stay pretty close to it.

Today, a lot of corporate performance at the world's largest automaker is riding on one product, the front-drive "X-car," and you can bet a tankful of no-lead that GM President Elliott M. (Pete) Estes is staying close to it. The public wants fuel-efficient cars and the government is demanding them—all of which makes the X-car arguably the most important new GM product in modern times.

If all this makes Pete Estes nervous, he isn't letting on. But then, Estes has faced more than a few challenges in his time.

It was mid-1965 when Estes was pro-

moted to general manager of GM's Chevrolet Division and faced what was then the biggest challenge of his career. Ford Division had introduced its immensely popular Mustang sporty car the previous year, and had invested some \$250 million to completely revamp its standard Ford line for '65. Clearly, Ford was taking aim on the number-one sales position—exclusive Chevrolet property since the late 1950s.

Estes, who had spent the previous nine years at Pontiac Division, first as chief engineer and then as general manager, had worked hard to help bring that division up from sixth to third in industry sales and was not about to let Chevrolet slip back to the number-two slot. "I've been sixth, fifth, fourth, third and first," he said at the time, "but I've never been second—and I don't intend to be."

Ford gained some ground in 1965 and

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came within 167,000 units of Chevy's 2,159,000 1966 new-car registrations; but by the end of 1967, strong product actions under Estes's leadership had effectively beaten back the challenge. The sporty Camaro had been launched as Chevy's answer to the Mustang; the standard Chevrolet had been restyled and improved. In 1968 Estes directed the largest single-year model change in division history: The mid-size Chevelle was introduced; compact Nova and Corvette sports cars were completely redesigned, and significant styling, engineering and safety improvements were made on the standard Chevy, Camaro and Corvair.

Estes is known in Detroit as an engineer and "product man" who knows more about GM's vast assortment of cars and trucks than most of the executives who work for him. He delights in test driving the products and getting involved in their planning and design.

He's one of the few top guys still around in this business who has gasoline in his blood," exhorts an admiring colleague. His energy, enthusiasm and competitiveness are offset by an easy, good-humored nature that is rare in the high-pressure world of today's auto industry. When Estes was directing the fight against that strong Ford challenge, he lived across the street from Ford Division General Manager Donald M. Frey (now president of Bell & Howell Company) in the Detroit suburb of Bloomfield Hills. Every morning he treated his friend and rival to a chorus of "See the U.S.A. in Your Chevrolet" with a specially rigged car horn as the two were leaving for work.

But a still greater challenge awaited Estes when he assumed the GM presidency on September 30, 1974. The previous winter's fuel crisis and the resulting plunge in domestic-car sales had left GM struggling in its traditional bread-and-butter big-car market. The country was in a deep recession, cash for new-product development was tight, and critics were already harping about the GM giant's slowness in responding to such fast-changing conditions. It was ob-

vious that every GM car line, beginning with the most fuel-thirsty, would have to be redesigned.

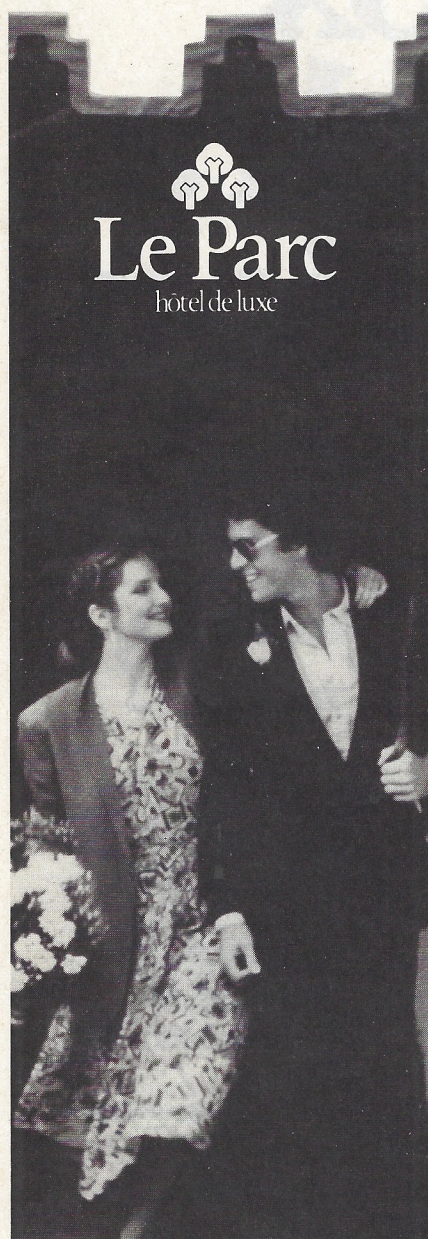
Even while programs were getting under way for more efficient standard and intermediate models for 1977 and 1978, Estes (still at Chevrolet) was already directing early planning for what would be the small family car of the future. In the talking stage during those fuel-starved winter days of 1973-74, this revolutionary new automobile had emerged onto paper by April. It was approved for production by fall when Estes took over as the corporation's president and chief operating officer.

Last spring, the X-car series was born. Estes and GM's staff engineers knew that the X-cars had to be nearly two feet shorter, 800 to 900 pounds lighter and five miles per gallon more fuel-frugal than the compact models they were to replace, and that there was no room for failure. "We looked at front drive, rear drive, fore/aft engine, transverse engine, rear engine and everything else," Estes says, "but the obvious configuration that can shorten a car twenty inches or more and still hold the interior space is transverse engine, front drive. We settled on fifty-six inches interior width as the most narrow we could go and still have good three-passenger room in back ....and that's close to our intermediate cars. We looked at trying to get a V-8 into it, but decided there was no reason for that.

"As the program moved along we decided that, for the first time, we ought to have a pilot line to build cars with production pieces (as opposed to hand-built prototype parts) a year ahead of time to give adequate opportunity to test every component; because, except for the four-cylinder engine, there was not a piece on this car that we have ever had before. The pilot build was about 100 cars and, in January of 1978, we had a ride session with these actual cars that were 80 percent production pieces. We found some things we didn't like, fixed them and built 100 more cars in July and another hundred in November. By then we were up to 95 percent production pieces."

While the usual gestation period

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of two to three years between a program's approval and public introduction could have put X-cars in GM showrooms by fall of 1978, the "launch" was put off for more than half a year. "We decided with this one that we had to take extra time, to be sure we had used every single facility General Motors has in the development process," Estes explains. "We had to look at everything three or four times and try to do the best job we could, because we needed this car for fuel economy. The country needs it. We knew the market was moving down, and we wanted to have a highly successful compact car."

Such a thorough yet unorthodox approach is typical of Estes. A plaque in his office, carried with him since his Chevrolet days, reads: "When something has been done a particular way for fifteen or twenty years, it is a pretty good sign, in these changing times, that it is being done the wrong way." After about six months in the president's chair, Estes decided it was time to apply the motto's concept to the motto itself: "So I crossed out 'fifteen or twenty years' and wrote in 'five,'" he says.

Pete Estes was born January 7, 1916, in Mendon, a small town in southwestern Michigan. When he was ten, his family moved to the smaller town of Constantine, nine miles away. With a population of about 1,250, he recalls, "we could only get together about eleven fellows for football and six or so for basketball, so I managed to play on both teams." Following graduation, he took a job in the local creamery at a dollar a day.

Acting on a tip from a cousin, Estes applied and was accepted as a co-op student at General Motors Institute in Flint, Michigan. For the next six years he divided his time between working in GM's Research Laboratories and attending classes, first at GMI and then at the University of Cincinnati. In 1940 he received both a mechanical engineering degree and the nickname "Pete" that has stuck ever since. He was active in both social and academic fraternities and was the 1938 recipient of GMI's Major Albert Sobey

Award (named for the school's founder and first president), presented annually to a senior student who has "excelled in leadership and scholarship."

Within five years, Estes was a senior research engineer, and by 1946, he moved to Oldsmobile Division where he helped develop its famous Rocket V-8 high-compression engine.

Rapid promotion at Olds found him assistant chief engineer in charge of body-and-chassis design and standards engineering by 1954. Two years later he went to Pontiac Division as chief engineer, and by 1961, he was general manager and a GM vice-president, the youngest at any of the five GM car divisions.

Estes likes to remind safety and emission critics that he has a wife, Connie, three grown sons and seven grandchildren who ride in GM cars and live in cities where they're used. "We're going to do everything we can to do our job right," he says, "for them and for all our other customers, too."

In addition to his home life and the business of running one of the world's largest corporations, he spends a great deal of time on the road visiting GM facilities and keeping a near-impossible schedule of speaking engagements. In the spring of 1975, he told the Mendon, Michigan, high school graduating class that "the next few years can be among the most exciting, challenging and stimulating in the automobile industry's history. Our skills as engineers and managers, as salesmen and designers, as manufacturers and scientists are going to be put to the test.

"I'm convinced," he said, "that we're up to that test. I'm convinced that we can build cars that will meet the needs and the demands of our customers in the future: cars that are in synch with the times; cars that people can afford to buy and afford to drive. The result is bound to be substantial progress in the state of automotive art."

No one else there could have known that their most famous native son was referring to a new generation of small family cars that would come to be called "X-cars" and would be unveiled four years later as GM's first cars for the 1980s. //