

Express



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A Car Is Born

**Former General Motors
wunderkind**

**John DeLorean—and
the two great
loves in his life—are
making waves on
both sides of the Atlantic**

By Gary Witzenberg



Photos: Tony Korody/Sigma

It was a Sunday night in April eight years ago when John Zackery DeLorean, then a General Motors group vice-president, arrived in New York City. The next day he would sign an official letter of resignation in the GM chairman's office, ending his seventeen-year, highly successful career at the giant corporation.

Some say he was fired, but the GM position (and his) was that DeLorean, heir apparent to the GM presidency, had quit of his own volition. Later he would say that it was far from an

John DeLorean, *left* (and with wife Cristina Ferrare, *above*), poses confidently on his stainless-steel DMC-12 sportscar, to be produced in Northern Ireland.





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impulsive decision, but one that he had come to over a period of time because of his growing opposition to the corporation's management system.

Today DeLorean is chairman of his own organization, the DeLorean Motor Corporation, founded in 1974. As this is written, production of his two-seat sports car is scheduled to begin before the end of 1980 in a brand-new plant near Belfast, Northern Ireland; and, if all goes well, it should rise to an eventual volume of thirty thousand vehicles a year. The last American to start a major independent automobile company was Malcolm Bricklin, in 1974. The last one to succeed was Walter P. Chrysler, in 1925.

Born to an immigrant, working-class family in Detroit fifty-five years ago this month, DeLorean was tinkering with car engines before he was ten. He chose a technical high school and recalls having to study very hard to keep up academically. “I acquired a competitive spirit and zest for work that is with me today,” he says in the autobiographical book that he wrote with author J. Patrick Wright, *On a Clear Day You Can See General Motors*.

After working his way through the Lawrence Institute of Technology, DeLorean took a job selling insurance because, he confesses, he felt it would help him overcome a somewhat shy and introverted personality. Another sales job followed, but then destiny led him to a co-op program at Chrysler Corporation, from which he emerged with a master's degree in automotive engineering in 1952.

That same year, he left Chrysler for a research-and-development engineering position at Packard Motor Corporation, a company small enough that he was expected to master all aspects of car development from machining and assem-

bly to designing and testing.

DeLorean was promoted to director of research and development in 1956, but at that time the company was in trouble and on its way out as an automaker. Later that year he made one of the biggest decisions of his life—to accept an offer at GM's Pontiac Division as director of advanced engineering.

Three years later he was assistant chief engineer under Elliott M. “Pete” Estes, and in 1961 he took over as chief engineer when Estes relieved Semon E. “Bunky” Knudsen as general manager. Knudsen had been promoted to general manager at the much larger Chevrolet Division, and when he moved again (to the Fourteenth Floor), the succession repeated itself, with Estes taking over Chevrolet and DeLorean replacing him as Pontiac's general manager. Just forty years old, he was the youngest man ever to head a GM division.

During his time at Pontiac, the once-stodgy division grew to third place in U.S. sales; and DeLorean himself was responsible for literally dozens of engineering innovations. (He still holds some forty-four U.S. patents.)

DeLorean's management style is simple but effective: divide complex problems into smaller components and tackle them logically in order of importance; break up time-wasting layers of responsibility and delegate decision-making authority to capable people at the level closest to the task at hand; work hard, set

lofty but attainable goals and give people room to stretch their talents to meet them. He drives his people hard but leads through example and encouragement rather than fear.

Early in 1969, DeLorean was appointed general manager of the huge and then-troubled Chevrolet Division, and it was there that his unorthodox style really began to grate on his superiors on the Fourteenth Floor. Among other things, he closed Chevrolet assembly plants on more than one occasion when their quality dropped, something that no one had ever done before. At one point in 1970 he pressed the corporate managers to seek help from the White House in trying to avoid a costly strike—and then tried to contact the President himself through an influential friend when they refused.

Even while he was effectively reorganizing and streamlining the division, restoring lost sales penetration and profitability, this sort of impulsive and headstrong action was constantly getting DeLorean into trouble with the conservative corporate bosses above him. On top of that, his hair and sideburns were modishly long for the time, and his flashy, Italian-cut suits contrasted markedly with their pin-striped grays. He was divorced and preferred jet setting with celebrities, in company with beautiful, young actresses and models, to socializing with other GM executives and their wives.

Despite this nonconformity, DeLorean's performance earned him the rank of group vice-president, North American Car and Truck Operations, in 1972, and he was considered a leading candidate for the GM presidency. But his relationships on the Fourteenth Floor continued to deteriorate. Before long, he says, he began to feel completely cut off from the mainstream of the

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corporation's business, and he longed to be back in the thick of automotive action. The business world was shocked when he announced his resignation early in the spring of 1973.

"The tragic irony of my resignation," he says in his autobiography, "was that this mammoth corporation, which was founded by a maverick, Billy Durant, and built into a prototype of the well-run American business by men who were distinct individuals, could not today accept or accommodate an executive who had made his mark in the corporation by being different and individualistic." Not only is DeLorean different, he is also, by some measures, simply better than most of his fellow executives. According to a former Pontiac associate, quoted in *Business Week*, DeLorean reads 3,000 words a minute, sleeps four to five hours a night and can do a day's work in half an hour.

Today, at age fifty-six, his wavy hair silvered and his handsome Latin face lined just a bit with the years, he continues at a pace that leaves associates breathless. Entering the plush DeLorean Motor Corporation New York headquarters, one gets the feeling of an already hugely successful organization rather than one that has yet to build its first production car.

"The feeling," notes DeLorean, "is that no little guy has a chance to make it. The problem we've always had is convincing the world that we aren't going to be like that. There is an opportunity for a little guy in that small niche in the market where we are trying to be, but the problem has been one of credibility, convincing the financial community that we had a substantial enough chance to succeed that they were willing to make an investment."

But he did find the support he needed from potential dealers,



Photo: Bob Richardson

Cristina Ferrare DeLorean is a New York model with a highly successful career of her own.

from celebrities (Johnny Carson, for one), eventually from the financial community and finally from the government of Northern Ireland, which wanted his plant for the jobs it would create.

DeLorean plans to build his business not only on the quality of his products but also on the integrity of his dealers. He has signed 347 dealers so far, each having made an equity investment of \$25,000 and each agreeing to purchase between 50 and 150 cars over a two-year period. Also, each dealer must reserve a service bay for the company's products, have technicians trained by DeLorean Motor Car Company and purchase an initial stock of parts valued at approximately \$6,000.

"Through my whole business life," he emphasizes, "I have always had strong feelings that you have to be very honest and very straight with dealers, as opposed to some people in the business who are always telling them whatever they think it takes to encourage them to sell this year's model. Every dealer group I have worked with made more money while I was the manager than with anybody else they

ever had. They recognized that I had done something for them, and consequently, they were willing to trust me and put their money into my venture.

Designed primarily for the American market, the \$25,000 DeLorean is a sleek sports car with gull-wing doors, a shiny, rustproof stainless-steel body and a 145-hp, rear-mounted, overhead camshaft V-6 engine jointly developed by Peugeot and Renault of France and Volvo of Sweden. Its body was designed by the famed Giugiaro studio in Italy, and its sophisticated chassis was developed by England's Lotus of Formula One championship racing fame. DeLorean says it will accelerate from 0 to 60 mph in eight seconds, yet it will be very fuel efficient for a high-performance luxury sports car.

DeLorean's next move will be to add a four-door sedan to the lineup. He says that preliminary work on it has already begun in Giugiaro's studio and that it will be a uniquely styled luxury sedan aimed at a new slot in the American market. It will be aerodynamically designed with the same essential characteristics as the sports car, including gull-wing doors, says DeLorean. The company also is completing plans to build highly sophisticated city buses in a U.S. plant.

"Nobody argues about the qualifications of our organization," boasts DeLorean. "If we are going to sell in a prestige end of the market, we have to be a prestigious company with a first-class product. Our whole concept is that we do it right or we won't do it."

Resettled in the New York area with his third wife, model Cristina Ferrare, John Z. DeLorean, the maverick auto executive who might have succeeded the retiring Pete Estes as GM's president this month, confidently works toward turning his dream into reality. □