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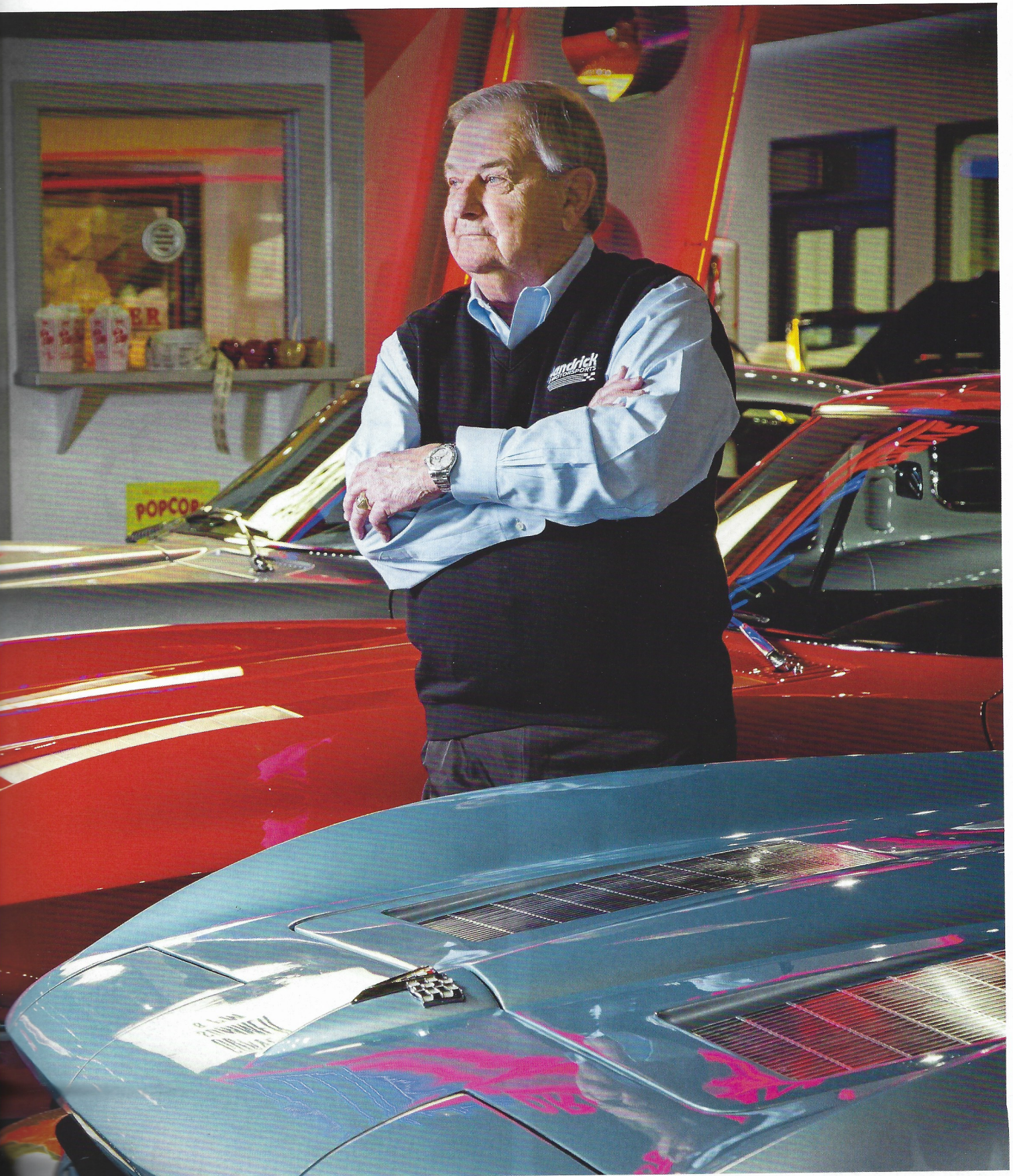
AFTER RUNNING BUICK,
HE STARTED LEXUS.
BUT WHEN GM CALLED AGAIN,
HE RETURNED AND HELPED
SAVE CORVETTE

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WORDS
GARY WITZENBURG

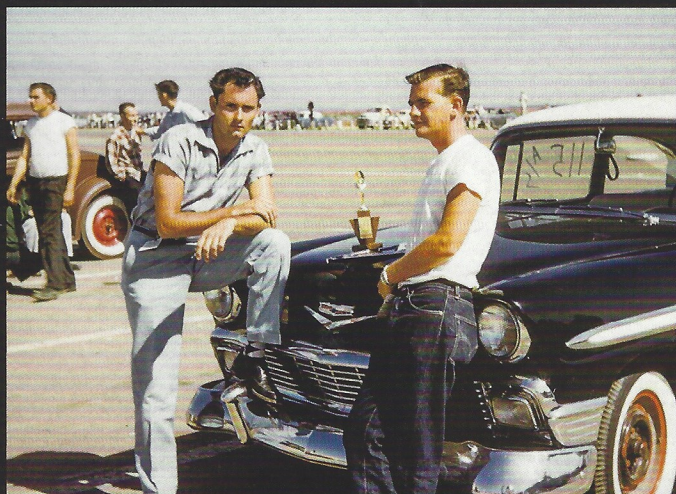
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PHOTOGRAPHS
JULIA LAPALME



<JIM PERKINS> <INTERVIEW>



"MR. TOGO CALLED ME INTO HIS OFFICE AND GAVE ME THIS WHITE ENVELOPE. HE TOLD ME TO STUDY THE CONTENTS, WRITE A DISSERTATION ABOUT WHAT I THOUGHT. IT WAS THE PROJECT THAT BECAME THE LEXUS."



"A" Stock Champs

Above: Perkins and Myron McDaniel set quarter-mile records at Paradise Mesa Dragway, National City, California. Right: With Chuck Yeager and A.J. Foyt. Below: Behind the wheel of the pace car at Indy 500, May 1995.



JIM

Perkins grew up a hard-working car guy in Waco, Texas. He had great parents, but it was the Depression and they were dirt poor. After World War II broke out, his dad—turned away as too old for Army service—got a job repairing military equipment. Eventually he became general manager of the company.

From his father, young Jim learned the fine arts of buying, selling, and fixing cars. After a couple years at Baylor University, then three on active duty in the Navy, in 1960 he took a low-level job sorting parts in a Chevy warehouse and eventually completed his degree. From there, he rose through the sales and service ranks at Chevrolet, followed by two years working for then-GM president Pete Estes and three years at Buick. Then, in 1984, came a transformational shift: Perkins left GM for Toyota.

The former GM man helped reshape Toyota from a pure importer to a powerhouse U.S. manufacturer, then got the assignment to plan and launch Lexus. Yet his former employers hadn't forgotten him. In 1989, Perkins surprised everyone by returning to GM to lead the division where he'd started. After retiring from the company seven years later, he became president and CEO of the Charlotte, North Carolina-based Hendrick Automotive Group. We chatted the day after Hendrick Chevrolets finished 1-2 in the 2013 NASCAR Daytona 500.

Motor Trend Classic: What got you interested in cars?

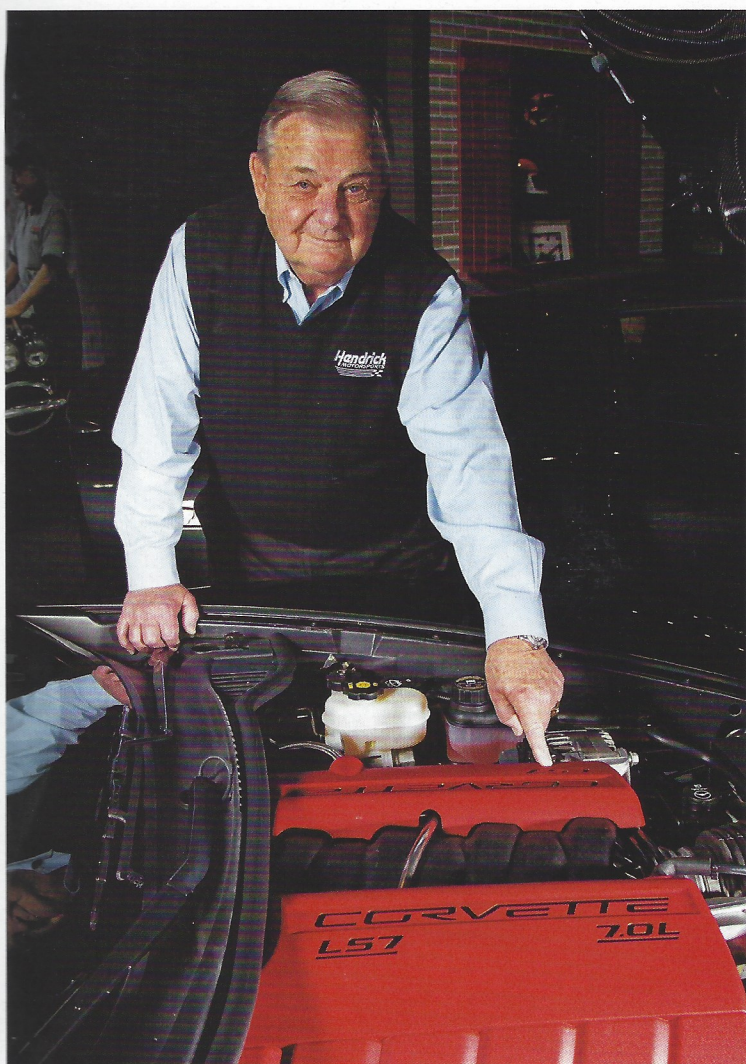
Jim Perkins: My dad taught me to read, write, and count, and I was with him all the time. During the war, you got ration cards for things like sugar, gas, and tires, and due to his war-essential job, he had to have tires and gas because he traveled to repair equipment. Tires back then would last just six months to a year, and he could get a set every six months.

He would buy a car—say, a 1936 Chevy—without tires, put tires on it, and drive it for three or four months. Then someone would come along and trade him a '39 Chevy with no tires for his '36 with tires. He'd get another set of tires, do a tuneup and repairs to get things going really well, and he'd have a three-year-newer car. He did that through the war and after the war, and I did the light repair work along with him. At 14, I started at a Texaco station with a lube rack, a service rack, a wash rack, and a stall for bodywork, working after school and on Saturdays, and got to where I was recognized as probably the best mechanic—especially Chevrolet mechanic—in town.

What was your first car?

I bought a '36 Ford when I was 14 and started working on it. I read every *Hot Rod* and hop-up magazine I could get my hands on, but I couldn't afford the parts, so I just found stuff that I could make work to make it run a little better—swapping out the engine for a newer one, putting in a better transmission, that sort of thing. Then I started buying, repairing, and selling cars like my dad had. I sold the '36 Ford and bought two '41 Fords that had been hit, one in front and one in back, and put the two good ends together. Then I bought a '41 Mercury, a bootlegger's car, took care of it, and just kept going. When the '55 Chevys came out, I sold a very hot '52 Oldsmobile for enough money to buy a new '55 Chevy.





Things were not going well at GM when you left.

If you look at when things began to unravel, I think the single biggest thing was sharing parts and components among all the vehicle lines. I understand why it was done, but the brands started losing their identity. There was also this major move to robotics in the plants, which scared hell out of the unions because it went against their full-employment-for-life idea. And I think there was—I won't say sabotage—less of an effort to make it work. The styling got old fast, too. There were so many things, you can't point your finger at any one.

How was your stint as general sales manager at Buick?

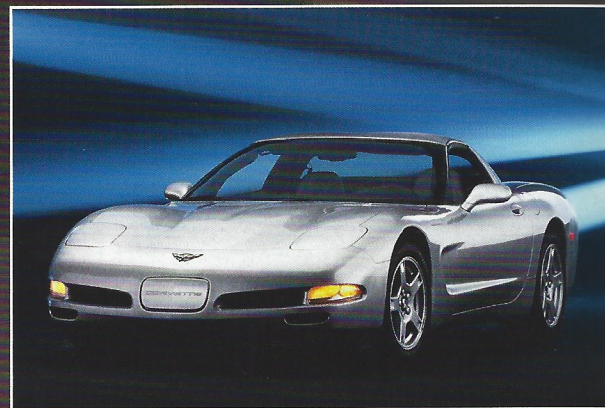
I loved working at Buick. It was a great place, with great people and a dealer organization that was as loyal as any I've ever known. Lloyd Reuss was general manager when I started, and he was deeply involved in the conversion of Buick Main to a just-in-time (JIT) plant, so he relied on me to do most of what he normally would do and keep him posted and updated. It was a dream job, a phenomenal opportunity for me. We had a record year the first year I was there, and another the second year.

Then Lloyd got promoted to a bigger job at the corporation, Don Hackworth came down from Canada, and the environment at Buick changed dramatically. Every time I turned around, I would bump heads with Don for one reason or another. Flying back from Mesa with him one day, I asked him, "What is it you want to do, and how can we work better together?" He said, "I've thought about that a lot, and I'm glad you asked. Actually, I want to do more of what you do." I said, "Where does that leave me?" He said, "I think you need a foreign assignment." I had the Toyota offer in my pocket, and that was what pushed me over the edge.

What was it like at Toyota?

I was a bull in a china shop for the first 60 to 90 days because, with very little indoctrination, I moved in and started proceeding like I always had at General

SAVING CORVETTE



THROUGH ITS FIRST FOUR GENERATIONS, Zora Arkus-Duntov saved the Corvette—said to be unprofitable—again and again. Twenty years later, the C4 Vette was tired and aging; the 'Vette itself was on the chopping block. Could Perkins now save the program?

Remembers Perkins: "In 1992, Joe Spielman, head of manufacturing, came into my office one day with a long face. He said, 'There's a rumor going around that we're going to kill the C5 program.'

"I met with Lloyd Reuss, and he was unequivocal: 'We need the capital and engineering resources to do the H-car [full-size sedan].' We had a pretty intense discussion.

"Dave Hill had just become Corvette chief engineer, the next-gen car was on paper, and we were close to where we couldn't pay our bills. So we looked at the Chevy marketing budget. We put about two and a half million dollars of marketing money into the program.

"We got into hydroformed rails and alloy suspension parts to lighten it up and put a lot of rigidity into it, and we were ready to put a body on it. We put on a raggedy old C4 body and were driving it at the Mesa, Arizona, Desert Proving Grounds, and everybody was pretty well blown away. For example, when you ran over the ripple strips with the old car, you got memory shake that would rattle your teeth. But the C5, even with that old C4 body on it, just settled down and *burrp*, ran over it. So we knew we had something.

"We had not yet developed a business case because everything had been done on the QT, but we didn't have a choice. We had to do something. I finally got with Lloyd and Mike Mutchler [who ran Chevrolet-Pontiac-Canada] and had a nose-to-nose talk about that car and why we should continue it. Corvette was among the best-known names in the automotive world, I said, and if you don't have enough confidence in me to trust my judgment that we can make money on this car, then I shouldn't be here.

"I finally got a grudging decision, but the question came down: 'Where did the money come from to take it this far?' I think I told them we found it. I did confess that we had reallocated some money from other areas in the organization, but I didn't tell them which ones. I think they really didn't want to know.

"When we finally presented the business case, the stop or go-ahead point, I had had our guys go back and tally up all the Corvette magazine covers we had had since 1953. It was more than 800!

"By the C5's second year, we were selling more than 30,000 cars, and it turned out to be one of the most successful programs ever. I probably get a lot more credit for it than I'm due because there were a lot of guys who were totally passionate about that car." —G.W.



Motors—here's what we're going to do, here's how, and here's when we're going to do it. But everywhere I turned, I was running into a stone wall. I couldn't figure how I was getting nothing done.

Then Mr. Togo [then-president of TMS USA], Ted Toyoda, and a vice president, Mr. Ono, took me under their wing to explain the consensus process, and the light finally came on. You do all the consensus work starting at the lowest level and working your way up, so when it gets to the president or the person who has to make the decision, there are no real surprises. It takes longer, but the execution goes like a rocket. That's how you got things done, and typically you came out with a better solution, which maybe led to a better product. After about a year, they made me group vice president for sales, marketing, distribution, product planning, and new ventures.

How did the Lexus launch begin?

Mr. Togo called me into his office and gave me this white envelope. He told me to study the contents, write a dissertation about what I thought, and get back to him about it. It was the project that became the Lexus. They had seen Acura launched, and they knew Nissan was planning something. I read through the contents of the envelope and consulted with a lot of people, and we put together a presentation on whether or not Toyota was capable of building a luxury automobile competitive with BMW and Mercedes. Mr. Togo bought it, then wanted me to go to Japan to present it to Eiji Toyoda and his staff.

So we went to Japan and talked about the opportunities and the pitfalls and what it would take over time, but there was no decision immediately. About a week later, Mr. Togo called and said that Mr. Toyoda had commissioned the project. We put together a small team, myself and seven other guys, and started working

his legacy. They were going to prove to the world that they could build a luxury automobile, or a group of luxury automobiles.

Then GM started trying to lure you back.

They started calling about the time we started the Lexus project. Nobody had ever left GM and been invited to come back, and when I left, I never had any idea of going back. But Lloyd Reuss said [then-GM president] Bob Stempel wanted to talk with me about it. Eventually, I said I might under the right circumstances. He said, "What would those circumstances be?" I said, "There are two jobs I would come back for—president of General Motors or general manager of Chevrolet." He said, "Well, that's a little lofty. We would have to bring you back into the corporation, then get you to one of the divisions when we have an opportunity." I said, "No, it would have to be one of those two jobs." But we kept talking, and one day I got the phone call, "OK, big boy, it's time to put up or shut up. We'll make you general manager of Chevrolet."

And GM was in terrible shape, worse than when you left.

I didn't recognize Chevrolet when I went back. It had lost its pride. There was so much infighting among sales, marketing, product planning, distribution, you name it. Everywhere you looked was a silo with its own management, and that's the kiss of death. It took about a year to replace some top managers with people who would be a lot more responsive. TCE had to start at the top, so we had to move some people out who had been there a long time and had a bad attitude about things.

What's TCE?

Total Customer Enthusiasm. We had a difficult time with customers in that era.

THE MARQUE OF ZORA



Not long after the C5 Corvette program had finally been approved, Corvette chief engineer Dave Hill put together a hardware show in the GM Design Dome for GM leaders to compare past, current, and potential future Corvette architectures. Perkins invited long-retired "Mr. Corvette" chief engineer Zora Arkus-Duntov to come over and see it.

I always did my best to make sure to honor the tradition, so I invited Zora to a lot of functions. I was smart enough not to bring him in to see this display when the engineering group was there, but Joe Spielman and a couple others were present when I walked Zora through it. And of course we had chosen a backbone and pod architecture for the C5 and moved the transaxle to the rear. Zora looked at it, looked at everything else, didn't say much.

Two or three days later, he called and said [imitating Duntov's Eastern European accent], "Jim, I look at new Corvette architecture, and I am surprised. No mid-engine." I said, "No, no mid-engine." He asked, "Why? Why you make decision no mid-engine? You should fight for mid-engine."

I said, "Zora, I might as well be fighting the wind. I'm not going to win that one. We've got the program, we're going to go forward with it, we have a great architecture that we're pretty well settled on." He said, "No, Jim, you must raise issue of mid-engine." I said, "OK, fine."

He said, "I would like to come see you." I said, "Well, I'm pretty busy, but my secretary will try to find a time." I thought he was going to come in just to talk, but when he walked in that morning, he had a role of stuff under his arm. He said, "I am here to talk about mid-engine car." I said, "OK, but I don't know what there is to talk about."

He rolled out these plans that he had done himself, and started talking about this mid-engine architecture. I said, "Zora, I'd like to sit here and talk with you about this, but I'm very busy, I have other things I need to do. Nothing has changed. We are not going to do a mid-engine."

He said, "You are not going to fight for mid-engine?" I said, "No, sir. I am not. It's a waste of time and effort. There is just no point in trying to do it. I know you're passionate about it, and you're probably right, but we just cannot do it." He said, "OK." And he rolled up his plans, put them under his arm and said, "You are not going to build mid-engine. I will raise the money, and I will build the son-of-a-bitch myself." And he walked out of the office.



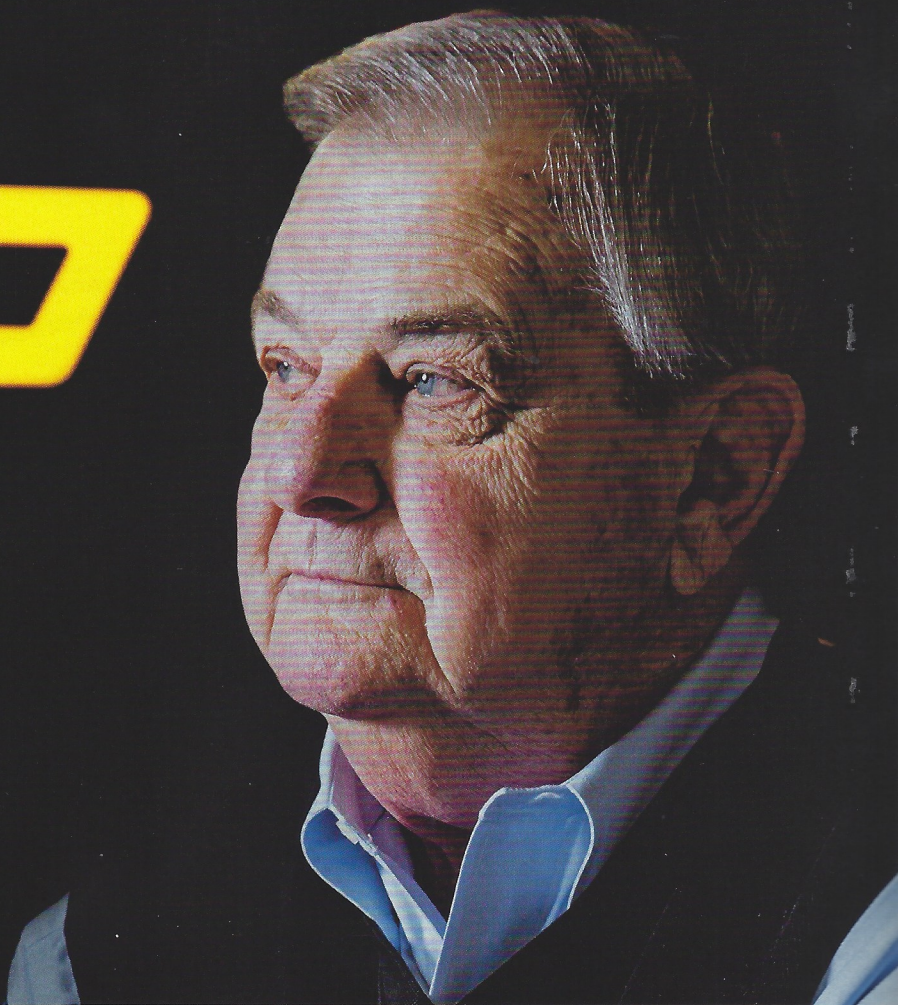
dealt with customers—and each other. It was always my attitude that people who work in the company had to be advocates for it, so I started including everyone in everything we did. We held massive get-togethers to talk about what was going on, business results, and what we were facing.

I invited our people to write me about what obstacles they were running into and what we should do to fix them, and immediately got 1900 responses. We read every one of them and distilled them into a list of what we could do, then formed employee councils to work on different areas. And it was kind of magic because people bought in; we fixed a lot of stuff and had a much happier organization.

Then we did the same thing with our dealers, asking them to tell me what we were doing wrong, and where we could improve to help them take better care of their customers. We formed, through elections, a Small-Dealer Council for smaller dealers, and started treating them the same as large dealers in hearing their suggestions and grievances. And we formed a Product Council of dealers who came in and reviewed products with us and told us whether they thought they were market effective.

You were also running GM motorsport at the time.

We had great NASCAR teams and the very successful Ilmore Indy engine program. General Motors, Roger Penske, Paul Morgan, and Mario Illien each owned 25 percent of Ilmore Engineering, and we put X amount of money into it each year. After 1993, we had a handshake and a number agreed upon on for going forward, but Roger had been entertaining Mercedes, BMW, Nissan, and probably some others. And when the race was over—and we had won—he said we had to talk. Then he told us the price was going up, that it would take a lot more money, and that's when I decided to get out.



We wanted to do the 24 hours of Le Mans and Daytona and some other things with Corvette. We shuffled the money around, and the outcome was that the other GM divisions dropped out of NASCAR, which freed up a lot of capital. Chrysler was not involved, Ford was not really an issue at the time, and it didn't make sense that all the GM divisions were racing against each other. But that wasn't my decision.

You got to drive the Indy pace car three times.

Driving that pace car in 1990, and again in '93 and '95, what an incredible experience! You come out of Turn Four when you're going to turn them loose, you know you have to make the left turn into the pits, you look down the track, and it looks like everything is closing in on you with all the people and color and movement. You swear you're going through the eye of a needle. My God, it was just such a tremendous, tremendous experience!

What were your top career highlights?

Getting moved to Los Angeles in 1965 as a Chevrolet service rep. It was a time when Chevrolet was incredibly strong in the market, we had some phenomenal products and great muscle cars, and performance was a huge part of the equation. I couldn't have asked for anything better. If you had told me I could've done that for the rest of my life, I would have. Also the Lexus project at Toyota, putting that whole thing together and getting it launched. Then leaving when it was being launched and coming back to Chevrolet.

And low lights?

Seeing the condition of Chevrolet when I went back, having the opportunity to delve into that and understand it, and understanding how far the product had fallen. They were going through a product drought, and the first two cars I got to launch were the Caprice and the APV, which had the not-so-flattering

nickname "Dustbuster." When I realized how shallow the product program was, I thought, how in the world are we going to survive this? But we took that Caprice and did some work on it on the police chassis, got the suspension tightened up, opened up the wheelwells, put wider tires and wheels on it, and at least made it respectable. That was the '91 LTZ, which won *Motor Trend* Car of the Year. Then the Impala SS in '94.

You joined Rick Hendrick after retiring from GM.

I had five opportunities when I left GM, and I chose that one even though it was farthest away from my home. I came in as an assistant to him because he was looking to take the company public and was doing a lot of things with motorsport. If we did a public offering, he wanted me to lead that effort. That was July 1996, he was stricken with leukemia that November, and he asked me to take the company over.

I would rather have a handshake agreement with Rick than a contract with anyone else. If he asks you to trust him, you never have to worry. I always said that my wife Barbara was the finest person I ever met, but Rick is in that same category, an amazing guy. With him, it's all about people. He inspires people, inspires you to be better, because you don't want to let him down. He is terrifically philanthropic, but doesn't talk about it. His passions are his family, his history, his retailing, and racing. If ever anything has been rewarding, it has been seeing this company do what it has done. I have no regrets. It's been a blast, a great, great, great ride.

How do you feel GM is doing today?

From the dealers' perspective, they're doing a phenomenally good job with product. I've known [North America president] Mark Reuss since he was a kid, and I think he is doing a great job of listening to the voice. He invites opinion, and I think he's working on the right stuff. ♦