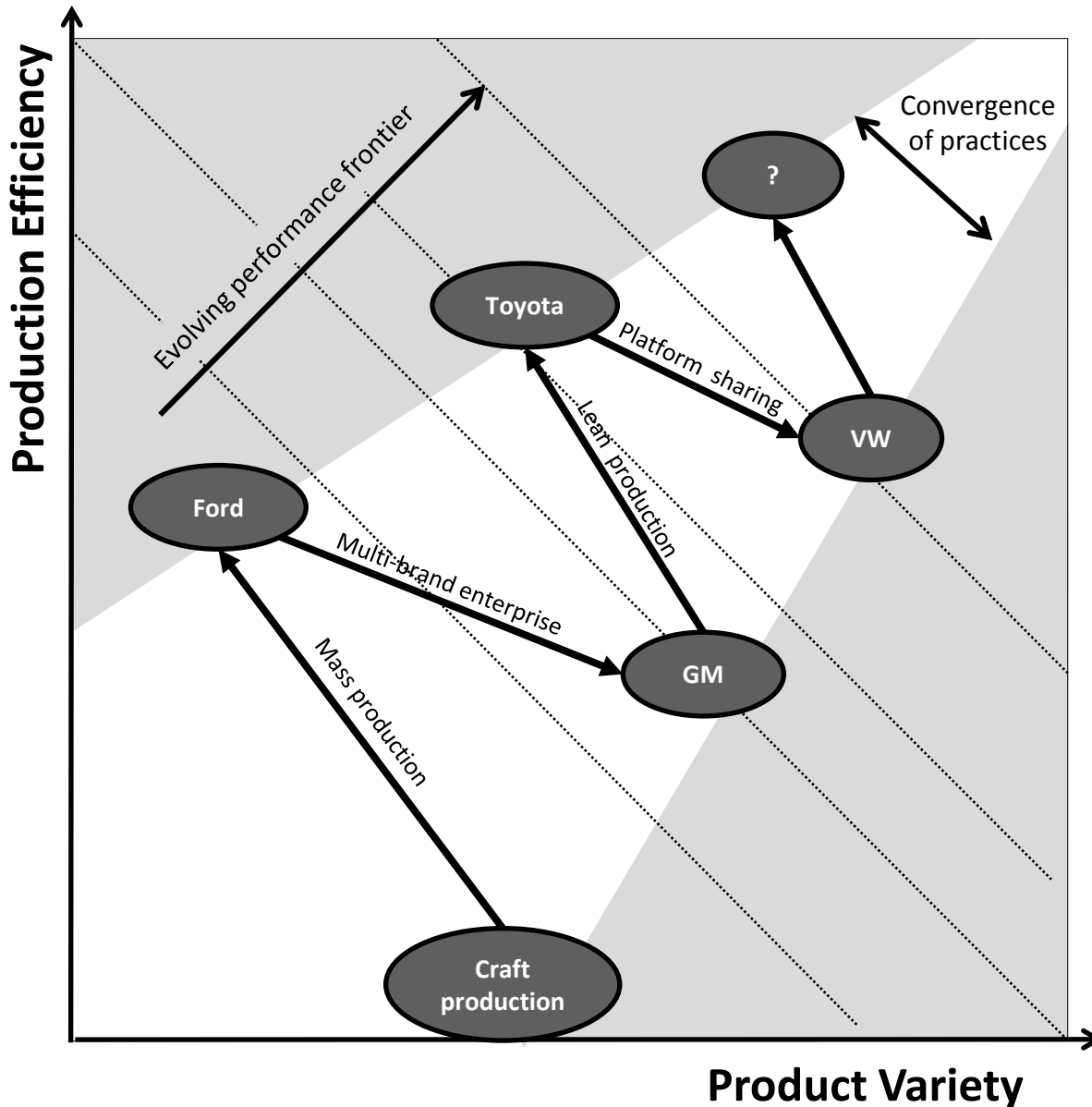


Figure 3.3. The evolution of management paradigms in the auto industry



The figure shows how different car companies have moved within the basic space bordered by product variety and production efficiency.

In the early 1900s Ford made great strides in production efficiency, but at the price of variety.

GM broke the mould in terms of providing variety and multiple brands, albeit at some cost in terms of efficiency and quality.

Toyota made a quantum leap in efficiency combined with variety, but has struggled at the premium end of the market, especially in Europe.

In early 2015 VW appeared to be the class leader, using well-executed platform sharing to support multiple brands, including premium ones, from a common engineering base.

However, the complexity of this proved difficult for VW executives to manage, as the VW emissions scandal in late 2015 demonstrated.

Citation: Holweg, M. and Oliver, N. (2015) "Crisis, Resilience and Survival: Lessons from the Global Auto Industry". Cambridge: Cambridge University Press. p.71