



Superior Service for Your Stately Sedan

An Interview with Dr. -Ing. Franz-Josef Paefgen, Chairman and Chief Executive, Bentley Motors Limited, Crewe, United Kingdom



Dr. -Ing. Franz-Josef Paefgen

The recipient of a doctorate in mechanical engineering from Aachen, Paefgen began his career in the automotive industry in 1976 as a graduate trainee at Ford of Germany. After joining Audi in 1980, he was appointed to various positions of increasing responsibility, including acting head of research and development (1994); member of the board of management with responsibility for technical development (1995); deputy chairman (1997); and ultimately spokesman and chairman of the management board (1998). When Audi acquired Lamborghini in July 1998, Paefgen was appointed president of Automobil Lamborghini Holding. He assumed his present post in March 2002.

company still customizes its vehicles to meet the desires of individual owners. Bentley Motors is owned by Volkswagen AG, which reported sales of \$96.13 billion and net profit of \$2.86 billion in 2002.

Recently, Bentley has experienced a resurgence that has taken the spotlight away from Rolls-Royce. In fact, Bentleys are the cars of the moment for those who can afford the best. How did that come to pass?

Well, I think it has something to do with the magic of the marque. Bentley, funnily enough, was only completely independent of Rolls-Royce for a 12-year period, from 1919 to 1931. However, within that short time the company made a lot of fantastic cars.

Over the next 50 to 70 years, Bentley was essentially hidden under the shadow of the important Rolls-Royce brand name.

EDITORS' NOTE Assessing Bentley Motors' recent revitalization as the hottest name in the luxury-automobile arena, Chairman and CEO Dr. -Ing. Franz-Josef Paefgen credits both "the magic of the marque" and the company's cache of "fantastic cars." For, "at the moment, we're reviving that feeling from the early days of the '20s and '30s, when luxurious and sporty Bentleys were the stars," he enthuses. And "at the core of this restructuring is the new product," Paefgen emphasizes, citing the classic yet enhanced Arnage Series II, as well as the all-new Continental GT – an exciting coupe that exudes "all the luxury and craftsmanship you would expect from a Bentley." And then, of course, there's the fact that Bentley "benefits from the best of both worlds," leveraging the resources of its parent company, Volkswagen AG, while being "very careful about preserving the Bentley culture and the marque." For, as the chairman and CEO summarizes, "all of these elements – the group technology, systems, and facilities; the culture of the Bentley marque; and the incredible skill and craft of our people – really come together well to form a unique company."

COMPANY BRIEF Founded in 1919 by engineer Walter Owen Bentley, Bentley Motors Limited is a leading manufac-



The Bentley State Limousine, custom-made for the Queen of England and presented at Her Majesty's golden jubilee celebration

turer of British sporting cars that are renowned for their stunning performance and unparalleled luxury and refinement. Throughout its history, the Crewe, United Kingdom-based firm has built thoroughbred cars of unique character and racing pedigree, and today the

So, at the moment, we're reviving that feeling from the early days of the '20s and '30s, when luxurious and sporty Bentleys were the stars.

What cars are included in your current product line?

Our existing range of cars includes



Arnage Limousine (above and right)

Ultimately, it has been a lot of hard work. First and foremost, we started by improving the quality of the existing product. So, as I said before, today's Arnage is a fantastic car in terms of both quality and technology. Our product excellence says something to the public about the capability of the reinvigorated Bentley organization. I think our message is being understood, and we're



the Arnage R, the standard four-door sedan; the Arnage T, a sporty version of the R, with the strongest engine and a sports chassis; and the Arnage RL, a long-wheel base car, which can be customized to include any option you can imagine. In the future we'll continue to run these car lines, as well as the new Continental GT, of which we'll also produce a four-door version at the end of 2004. Production of the current Continental and Azure models will end this summer, and we expect them to become collectors' items in the future.

What exactly is the new Continental GT?

The new Continental GT is a sports coupe priced around \$160,000. It's a four-seat car with a 500-plus horsepower engine that can easily do more than 180 miles an hour and goes from 0 to 60 in less than five seconds. Additionally, it possesses all the luxury and craftsmanship you would expect from a Bentley. So it's a unique combination.

How has the market responded to the new Continental GT?

The response has been exciting and definitely much stronger than we expected. We already have more than 2,500 customers who have placed deposits, which I think is very unusual.

Can we expect other such exciting models in the future?

Yes, the Continental GT is only the first in a family of cars. We plan to introduce a luxurious, four-door sedan with similar technology, but with a much bigger interior, of course, and marketed toward a different type of customer. This sedan will be based on the Continental GT and will be on the market at the end of 2004.

Bentley custom-built the Queen of England's new official state limousine. How did you receive such a commission?

First and foremost, we employ a lot of people, and the Queen was keen to

deal with a company that was a major employer in the United Kingdom. Second, at the moment, we're the only company worldwide that can make a car such as this one, customized to suit a customer's special wishes. The design was discussed in great detail with the Queen and her husband, and we built the Bentley State Limousine exactly the way she wanted it.

Is it true that the Queen's limousine is so powerful that it can achieve unprecedented speeds?

For obvious reasons, we cannot give specific performance details of the Bentley State Limousine but, suffice it to say, the V8 6.75 liter Bentley engine is taken from the Arnage Series II, and gives Her Majesty's chauffeur more than enough power and performance – under all circumstances

You've produced a customized Arnage limousine with jump seats, a television, and special communications tools. Will you eventually offer customized cars all over the world?

Most of our cars already go through some personalization before they're delivered to our customers. So our Bentley Mulliner section of the business has been carrying out a wide variety of special work on our cars right now, and has been doing so for many years. We're planning to expand that business even further to the extent that Bentleys such as the state limousine will be normal business for us.

You arrived at Bentley in March 2002. Since that time, many changes have taken place, and today the entire company is being revitalized. What have you done specifically to effect these changes, and how have you put the word "Bentley" back on everyone's tongue?

looking forward to this year's results in the fourth quarter once the Continental GT comes out.

Then, of course, we are investing a lot of money in the company. All the production facilities are being completely reworked, and we've invested heavily in people. We've hired an additional 350 engineers; plus, we have a new design department. And we've restructured both our sales and production organizations. So it's really a complete turnaround. And, of course, at the core of this restructuring is the new product. In addition, we've returned to Motorsport for the first time since 1930, and our success at Le Mans in the past two years has clearly established Bentley as an exciting marque with a performance heritage and future.

In the meantime, if a person wants to buy a Bentley now, will the current products already benefit from Volkswagen's ownership of the Bentley brand and, consequently, VW's expertise?

Bentley already benefits from the best of both worlds. On one hand, of course, we have free access to all the technology, processes, expertise, and testing facilities that exist within the Volkswagen Group. It's a great benefit to have such a huge company behind us. But, at the same time, we're very careful about preserving the Bentley culture and the marque. We're proud to be a British company with such a long heritage, dating back to 1919, and with a strong

motorsport history. So I think all of these elements – the group technology, systems, and facilities; the culture of the Bentley marque; and the incredible skill and craft of our people – really come together well to form a unique company.

Many people like to buy a Bentley and keep it for a number of years. Will these new models still be known for excellence in the years to come?

I can personally, without any hesitation, strongly recommend that customers do just that because this new Bentley is absolutely terrific. There's nothing I can think of that could keep me from recommending the Continental GT as a long-term investment.

One of the problems that Rolls-Royce and Bentley owners have had in the past is service. How are you improving your customer-service policies, particularly at the dealerships where repairs are made?

Over the past few years, we've worked very hard to improve the quality of our vehicles, and the improvements have been dramatic. However, this doesn't help customers who own an older product, so we have to solve their problems in a different way. We are therefore completely turning the company around at the moment, including major investment in our dealer network. We are implementing a completely new dealer network strategy, which includes new standards and increased personnel training, and of course the

course, we have to guarantee that the service standards are at least on the same level as those offered by the competition. Part of what we offer is 24-hour full service to customers worldwide – no matter where they are.

This is quite a special thing to say. It would be nice if you could just take a Bentley into an Audi dealership and have them take care of it. Will that be possible?

I wonder about that. But as of now, we can give customers a phone number that guarantees their cars will be serviced quickly. This helps us solve problems in the shortest possible time.

In the future, will the current Rolls-Royce/Bentley dealerships become solely Bentley dealers? Will you work with the same dealers as before?



Bentley is a car you can both drive and be driven in. Will that remain consistent in the future?

Well, in general it is true that, depending on the model, a Bentley can be driven or be driven in, as Bentleys are luxury performance cars, but the Continental GT is a real driver's car.

Bentley was traditionally known for producing sports and racing cars. Is that still an important area for you?

Our racing history

is one of the biggest assets we have. In 2001, we returned to Le Mans and saw one of our biggest successes there. This year we plan to race there a third time, and hopefully we'll be on the top step of the podium.

You must have a lot of fun driving these cars, which are at your disposal to take home every day?

Well, it is not as simple as you may think. Sometimes I have to drive them for test purposes. But, of course, there's a car for the chairman, and it's a lot of fun to walk out the door in the morning and see a Bentley sitting there.

You're now the chairman of a truly historic British brand. But you actually spent the bulk of your career in the German automobile industry, achieving great success at Audi. How did you become an English businessman?

Well, I'm still working on becoming English, so to speak. I don't think it can be achieved in a short time, and maybe I'll never get there. However, I'm totally dedicated to preserving and building upon the culture of this company, especially its Britishness, if you will, and that demands a lot of work on a daily basis. ●



The Bentley Arnage R (left) and the new Continental GT

We'll be working with our existing dealers under new contracts and new dealer standards, as I mentioned before. Rolls-Royce will have its own contracts with them. Many, but not all, dealers, which have been both Bentley and Rolls-Royce dealers in the past, will also sell both brands in the future.

Ultimately, what is it that makes Bentley unique? What do you have at Crewe that other car companies don't have?

Our product is unique because it combines all the features of a racing sports car with all the luxury imaginable in an automobile. So it's both sporty and luxurious at the same time, and that's a unique combination. It's truly one of a kind.

Of course, creating this type of product requires special skills. So, on one hand, we have the highest possible level of mechanical engineering to create, for exam-

roll out of our new corporate identity.

Your price point is competitive with both BMW and Mercedes, which are known for good service. Do your American customers have easy access to service, no matter where they live? Or can Bentleys only be serviced in larger cities where you have dealerships?

Our dealer network is smaller than those of bigger brands. However, this is part of the exclusivity that comes with our cars. Our positioning is higher than that of Mercedes or Porsche, for example. But, of