

Rediscovering Saab's Heritage and Identity

An Interview with Victor Muller,
Executive Founder and Chief Executive Officer,
Spyker Cars N.V., and Chairman, Saab Automobile



Victor Muller with a Saab Automobile

EDITORS' NOTE Dutch businessman Victor Muller studied law at Leiden University and graduated in 1984. He then became a lawyer for the Amsterdam office of Baker & McKenzie. In 1989, he joined the management team of offshore company Heerema in Leiden. A management buyout made him part owner of salvage and towing company Wijsmuller in IJmuiden. From 1992 onwards, he led several companies, such as Emergo Mode Groep (Emergo Fashion Group). Muller co-founded Dutch car company Spyker Cars in 2000 and was the CEO of the company until May 2007. He continued to work for the company as Chief Designer for a period, but returned to the CEO seat later the same year, due to the split between Spyker Cars and Spyker F1 (later Force India). Muller became the Chairman of the new company Saab Spyker Automobiles in 2010.

COMPANY BRIEF In 1914, Spyker Cars (www.spykercars.nl) merged with the Dutch Aircraft Factory N.V., and the racing and aviation heritage of the early cars has been carried over to the contemporary Spykers. Handcrafted in the same tradition, the cars are built for discerning connoisseurs who have cars built to their exacting specifications. Every owner may follow the assembly process of his or her Spyker day and night by means of a dedicated webcam-system – The Spycam™ – in the factory.

Founded in 1937 as an aircraft manufacturer, Saab (Swedish Aircraft Company; www.saab.com) revealed its first prototype passenger car 10 years later, after the formation of the Saab Car Division. In 1990, Saab Automobile AB was created as a separate company and became a

wholly owned General Motors subsidiary in 2000. Spyker Cars N.V. of the Netherlands acquired the company in February 2010 from GM as an independently run business. Saab Automobile AB employs approximately 3,800 staff in Sweden, where it operates world-class production and technical development facilities.

What made you feel the opportunity to acquire Saab was the right fit?

Throughout my career, I had always run larger companies. Having started Spyker in 2000 from scratch, I saw an opportunity to bring Spyker into a much more corporate, structured world.

At Spyker, we still have to meet all the legal requirements and challenges that all car makers face with only 130 people rather than with the 4,000 people at Saab. There is no exemption for being small.

If you're small, you can only make a premium product because you need to have the margin to pay for development costs, which are huge.

It was a once-in-a-lifetime opportunity that allowed me to buy a company like Saab for what it would have cost me to build a wind tunnel alone. This economic crisis caused General Motors to end up in receivership and, in order to survive, they had to restructure and dispose of a number of brands: Hummer, Saturn, Pontiac, and Saab.

The advantage was Saab wasn't an integrated part of GM so it had its own engineering and production plans – it was a stand-alone company.

How do you define the DNA of Saab?

With 63 years of unabbreviated, uninterrupted car-making, the brand DNA is clearly defined by its Swedish heritage, its aviation heritage, and its culture of innovation. If you look at the list of firsts in automotive history, most everything safety-related has been invented by Saab.

So this company with its great heritage had, over time, seen its brand diluted by GM to the point that people began to feel that Saab was simply a glorified Opel.

Being bought by a very small company now makes Saab the largest fish in a very small pond and puts it in a unique position to rediscover its heritage and identity.

The only thing we need to do now is to effectively communicate about the product so that people understand Saab is here to stay, which is a massive undertaking when you're small.

When you first came in, did the employees get your vision early on?

Loud and clear. Saab was occupied by GM but these people were never converted. So when we liberated them, they were ecstatic, because they finally felt they had an opportunity to be themselves again and they didn't have to make compromises because of their parent company.

How broad is your target market?

It's definitely a niche market. Saab has no aspiration to become another BMW, Audi, or Mercedes. They all now produce more than a million cars. Where Audi was 20 years ago is where we are now.

We're basically down to zero in the U.S. and now are the most rapidly growing brand in that premium Teutonic market segment.

Saab doesn't need to make one million cars to survive. When we make 120,000 cars, we're home free.

Spyker could not have bought Saab at a better time, because everybody was willing to sell every imaginable kind of technology to anyone who had the cash to buy it.

That allowed us to get BMW engine technology and why we can sell the technology of the previous generation to Beijing Automotive for \$200 million in cash. We still have a lot in house that we can share with others.

So Saab is in a very good position to become a niche player alternative to BMW, Audi, and Mercedes. It doesn't need to or want to make one million cars, because we would lose buyers if we did.

Many with an entrepreneurial nature see opportunity but don't always love the day to day of operations.

Because there was basically no one else that could run Spyker properly, I decided not to run Saab, even if our CEO decides to retire. I am so much better at creating the environment for entrepreneurial growth of the business than running the business day to day.

I can do what I'm best at, yet have the company run by professionals who are better at that than I am or ever will be.

I have a very clear objective of taking Saab to profitability within two years and then changing my role to focus entirely on design, marketing, and new business. And the rest is in such good hands, I don't need to worry about it. ●