

# A Return to Greatness

An Interview with Robert E. Ferguson,  
Senior Vice President, Global Cadillac

**EDITORS' NOTE** Bob Ferguson joined Cadillac in October of 2012 and is Senior Vice President of Global Cadillac, leading the brand's growth and expansion. He is also a board member of Shanghai GM, the company's joint venture partner in China. Ferguson joined GM in 2010 and was previously Vice President for Global Public Policy. Ferguson was also previously the Chairman of the General Motors Foundation. Prior to joining GM, Ferguson was at the business advisory and strategic communications firm Public Strategies. Ferguson also spent more than 10 years as an executive at AT&T, most recently as the President of State Legislative and Regulatory Affairs. He was also Group President and CEO of SBC's Enterprise Business Services. Before joining SBC in 1996, Ferguson was a Senior Vice President, Partner, and General Manager at Fleishman-Hillard and also served as Chief of Staff to the Missouri Governor. Ferguson received a bachelor's degree in communications from Evangel College in Springfield, Missouri.

**COMPANY BRIEF** Cadillac ([www.cadillac.com](http://www.cadillac.com)) is in the midst of an historic expansion, with a growing portfolio of dramatically designed new luxury vehicles. General Motors Co. ([www.gm.com](http://www.gm.com)) and its partners produce vehicles in 30 countries, and the company has leadership positions in the world's largest and fastest-growing automotive markets.

## What has allowed this industry to come back as strong as it has?

The industry has focused on the fundamentals, which include getting stronger balance sheets, reducing structure costs, improving performance with customers, and creating better vehicles.

On the Cadillac side, we have invested heavily in our vehicles to create compelling designs and performance engines; we improved our distribution network; and we have invested, along with our dealers, hundreds of millions of dollars to improve facilities that had deteriorated. Now our dealerships are located in better places and our dealers have gone through extensive training so our customer service is much improved – JD Power has rated our customer experience among the best in the industry, often we're ahead of Mercedes, Audi, and BMW.

**How did you communicate this evolution throughout the organization and how did you bring employees onboard?**



Bob Ferguson in November of 2012 at Yongda Cadillac in Shanghai

The near-death experience for this company made the employee body more receptive to change. But we have done a good job of taking the talented group within the company and blending it with outside talent to create a strong Cadillac management team.

The Cadillac design team has a real international flavor to it. We have an experienced team that knows what works in the marketplace and we have blended that with recruiting key outside talent so that the Cadillac team has a strong management group that understands today's marketplace and is highly motivated, receptive to change, and wants to win.

## Which new products have shown the most growth?

We introduced a new sport sedan called the ATS at the end of 2012 and it has done exactly what we wanted – it's a performance sedan that is selling well on both coasts where Cadillac had trouble getting consumers' attention. Almost 80 percent of ATS buyers didn't previously own a Cadillac; more than half didn't own any GM vehicles; the average buyer age is two years younger than the typical Cadillac consumer; and roughly half the buyers are women. Our competitors are worried about this car.

## You are on a mission to show that America can have its own top level luxury car brand. Is that message getting out?

It's one of our biggest challenges: to prove we belong with the best. Our brand reputation trails the actual quality of the product by a bit, which is actually a good place to be as it means the facts are on our side.

Reputation management is important as we build the brand and drive consideration. This can be challenging, but I'm pleased with the progress. It requires us to embrace change and think differently. We just changed our ad agency – it's an everyday process. We focus on fundamentals though: excellence in product, dealers, and customer service, and taking a long-term view.

## How focused are you on global positioning for the brand?

I'm in China at least one week a quarter and our results in China are fantastic. Growth there is terrific and we're constantly looking for other places to expand.

We sell Cadillacs in more than 40 countries today and we want to grow globally so that, in the future, our international business could approach our home market in terms of scale.

In China, we just broke ground on our second Cadillac assembly plant, which shows our commitment to growth in the world's largest luxury car market. Local assembly is crucial there, but it all starts with the U.S. Step one is growth here in the U.S. and we're up 33 percent so far this year. It's a long journey, but we're building momentum.

## How has the dealer network changed?

Many of our Cadillac facilities dated back to the '50s and '60s and the appearance of those facilities didn't match our competitors. With our dealers, we have undertaken a three-year program to significantly upgrade these facilities. We are working with luxury providers like Ritz-Carlton so our service went from middle of the pack to the top.

## What kind of investments are you making in technology?

We're focused on improving the driver experience in a manner that improves safety. We're putting 4G in the car so we'll have an incredibly broad outlet to bring data to the driver – our Cadillac User Experience (CUE) is an award-winner.

We're also working to simplify the customer experience: giving the customer options but doing it in a way that intuitive and easy to use is very important.

When we introduced our new models, we gave our customers an iPad loaded with instructions for operating the CUE system.

Also, many of our dealers have a concierge service where you can meet a concierge on property or at your house when you buy the car. He gives you training so you can take advantage of all of the new technology, including navigation systems and music – our cars are technological marvels on wheels.

## What makes GM a place people want to stay?

For 47 years, GM was the number one company listed in the Fortune 500. It is an icon. I felt that coming here was contributing to a mission: to return this American company to greatness. And I still feel this way. Now with Cadillac, there is a reservoir of affection for this brand. ●