



The Porsche Case study

Would you sell your
name?



History and Family Background



Ferdinand Porsche,
Founder of the Porsche Company (1931)



Louise Piech

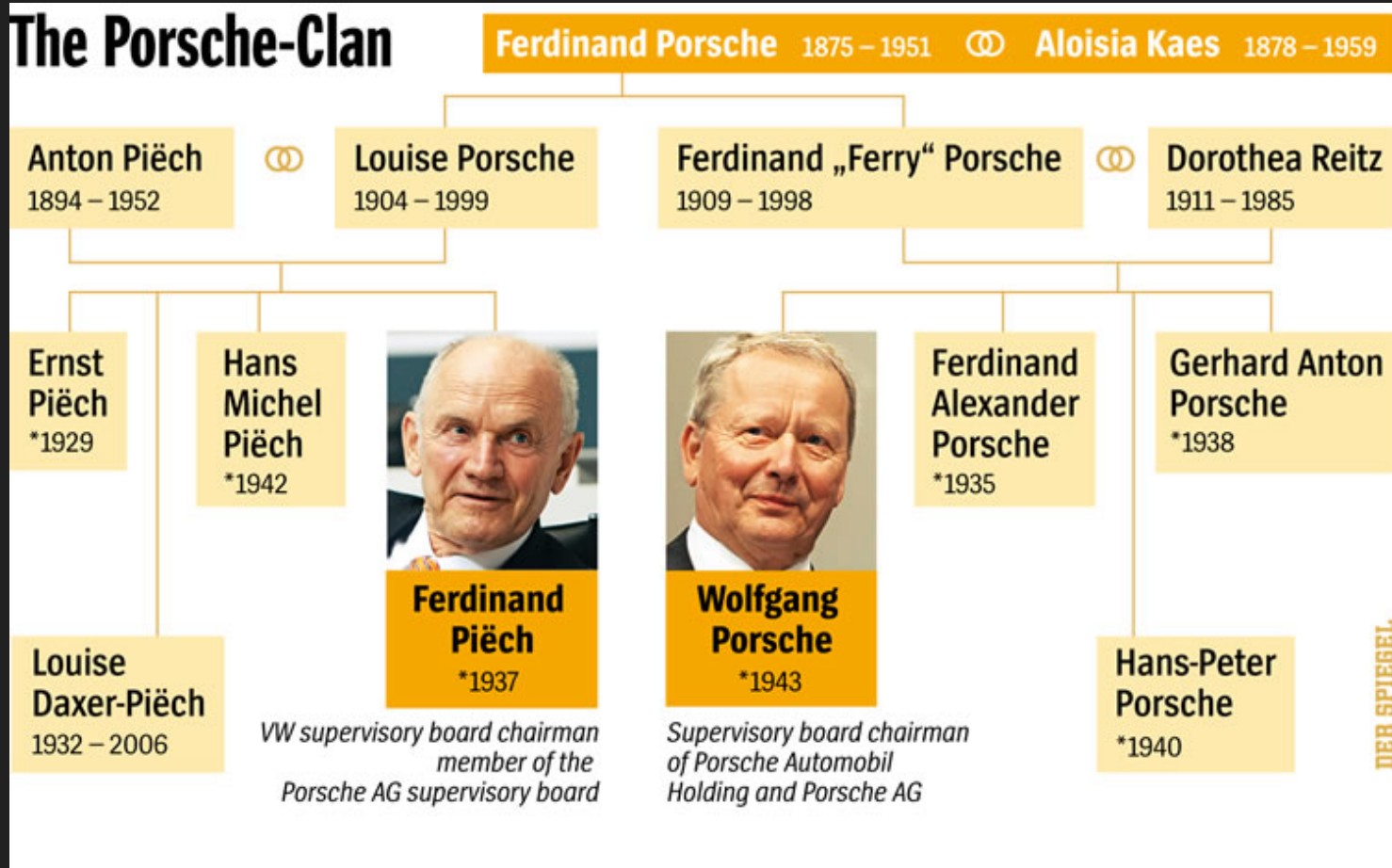


Ferry Porsche

Controversy of the People's Car



Family Tree



The Cousins' "Love"



Family matters



Family Business without Family Management



“If size would matter, the dinosaurs
would still be alive!”



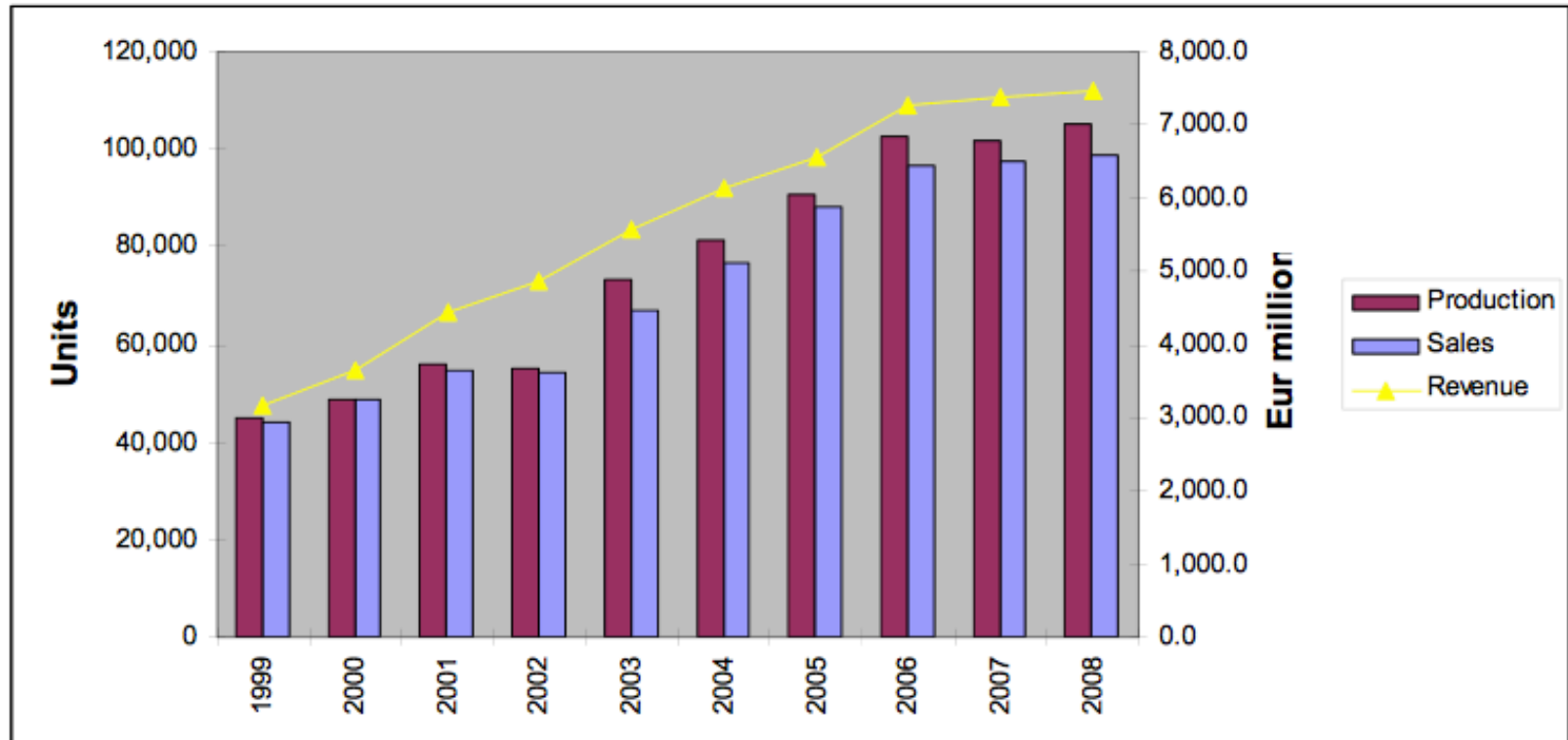
Bold Strategic Steps



David vs. Goliath



Figure 2 Porsche Sales, Production and Revenue Results (1999-2008)



Source: Porsche Annual Report.

Glamour and the Giant

PORSCHE

2007/2008

VOLKSWAGEN

2008, company figures

8.6*



6.6



Profit in € bln
before tax

7.5



113.8



Turnover in € bln

12 202



369 928



employees

98 652



6 271 724

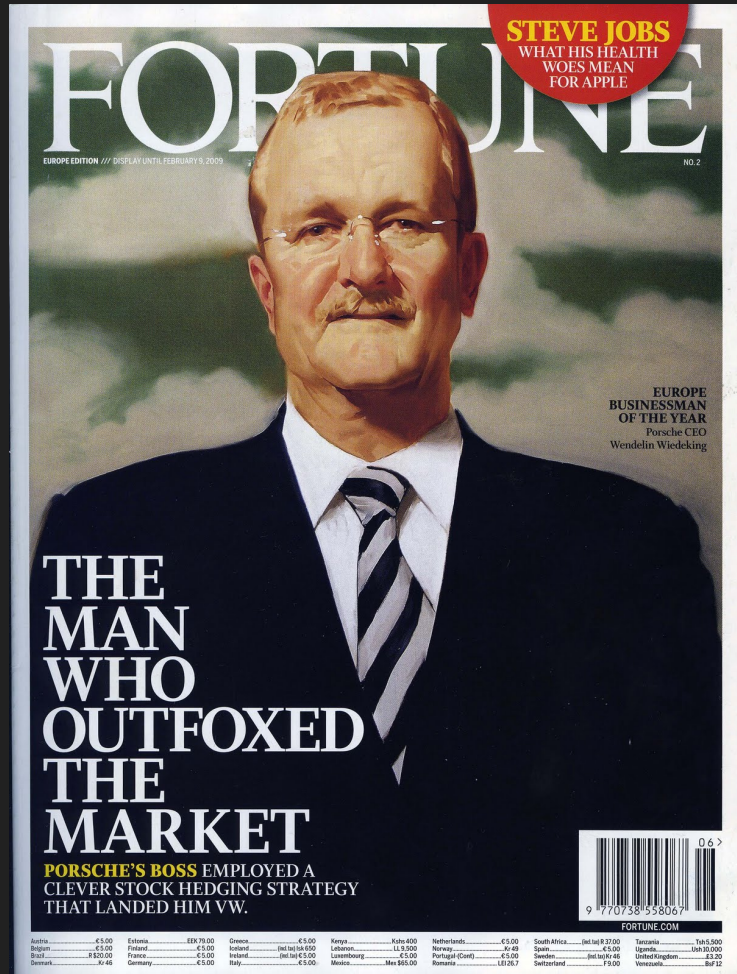


Vehicle sales all brands

DER SPIEGEL

* includes extraordinary profit from the stake in VW

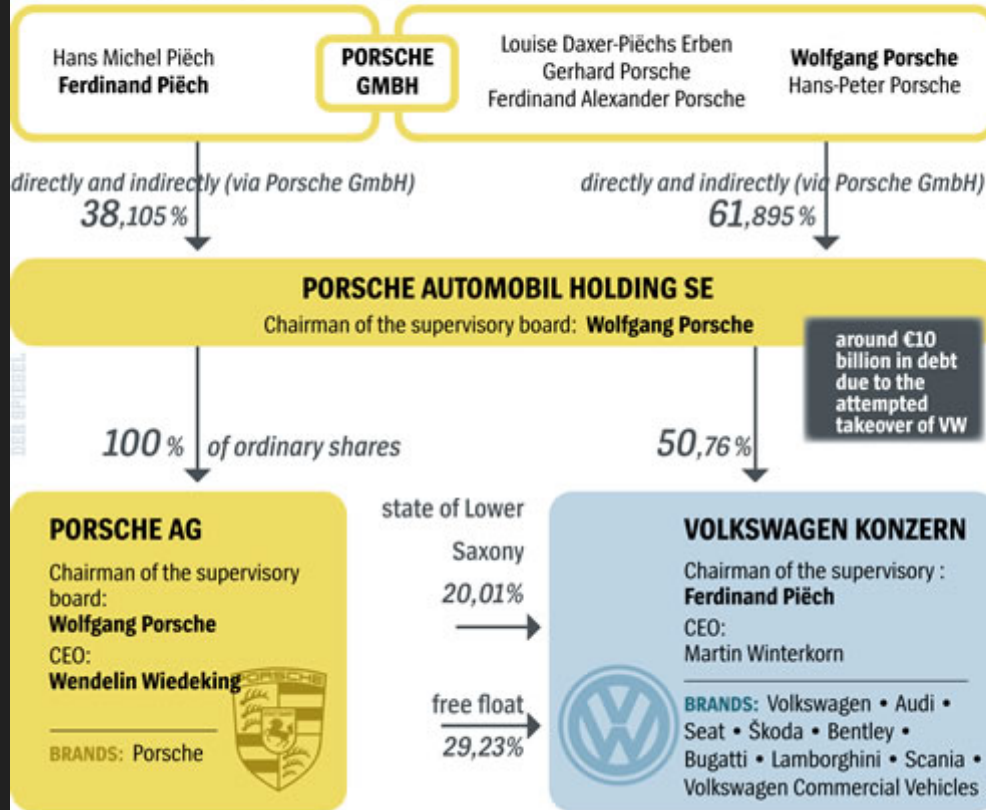
Next German Prime Minister?



Blood is thicker than

Old Family Ties ...

Current ownership structures at Porsche and VW

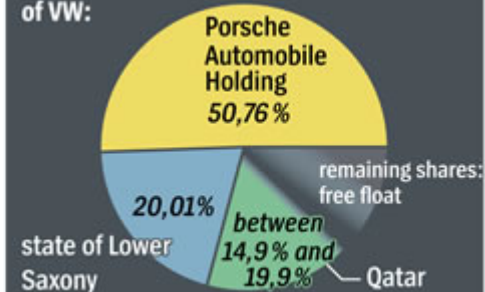


... And New Deals

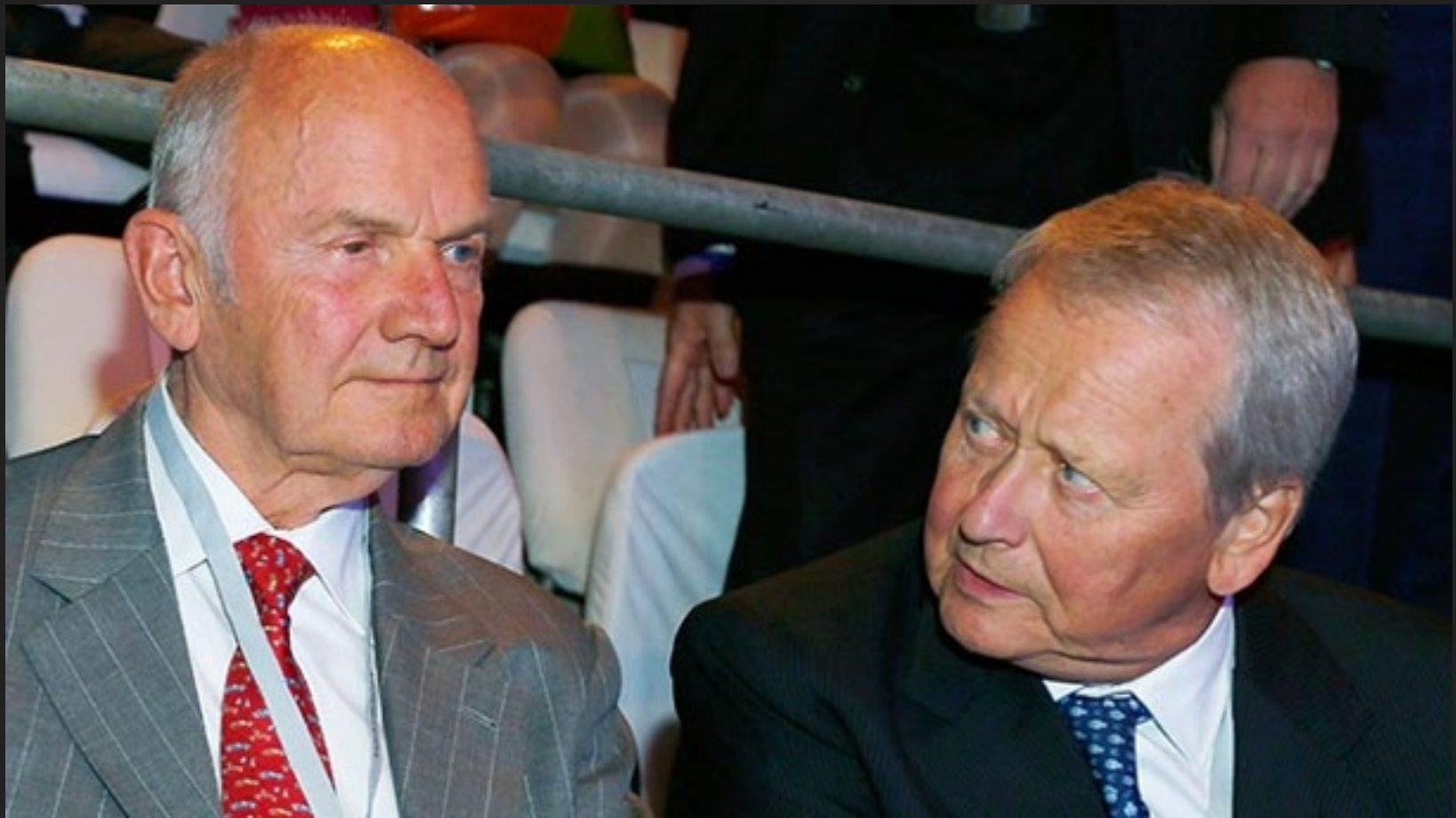
What the VW rescue package will mean for Porsche

- ▶ VW will acquire Porsche AG from Porsche Automobil Holding in two transactions for a total of €8 billion (\$11.4 billion).
- ▶ The carmaker Porsche will lose its independence and will be integrated into the Volkswagen Group as the company's 10th brand.
- ▶ The emirate of Qatar will take a stake in Volkswagen by buying VW share options from Porsche Automobil Holding.
- ▶ Afterwards Porsche Automobil Holding would once again be free of debt.

Possible future ownership structure of VW:



Pragmatism wins the Family battle



Farewell Dr. Wiedeking







100%

Holding company

100%



Porsche AG



THE BIG CHARACTERS
Ferdinand Piëch

THE WORLD'S TOUGHEST CAR BOSS...

...AND ME

Ferdinand Piëch is the ruthless, mighty executive and engineer celebrating 50 years of car industry domination in 2013. **Georg Kacher** compiles a personal portrait

IT WAS THE SAME routine every night. Aperol Spritz in hand, I looked across the bay from the balcony of our Woerthersee hotel to the Piëch property, wondering whether *He* was there, picturing the line up of secret prototypes and exotic cars, prioritising in my mind the many subjects we could have talked about, right there and then. Though I drove past many times, sadly I never breached the vast lakefront estate, protected by an impossibly tall green wrought iron fence straddled by surveillance cameras. So close and yet so far. Which describes my very distant relationship with the *éminence grise* who has pushed the car industry faster and further forward than any other engineer, strategist or investor.

Were your university days productive? That's when Ferdinand Karl Piëch conceived

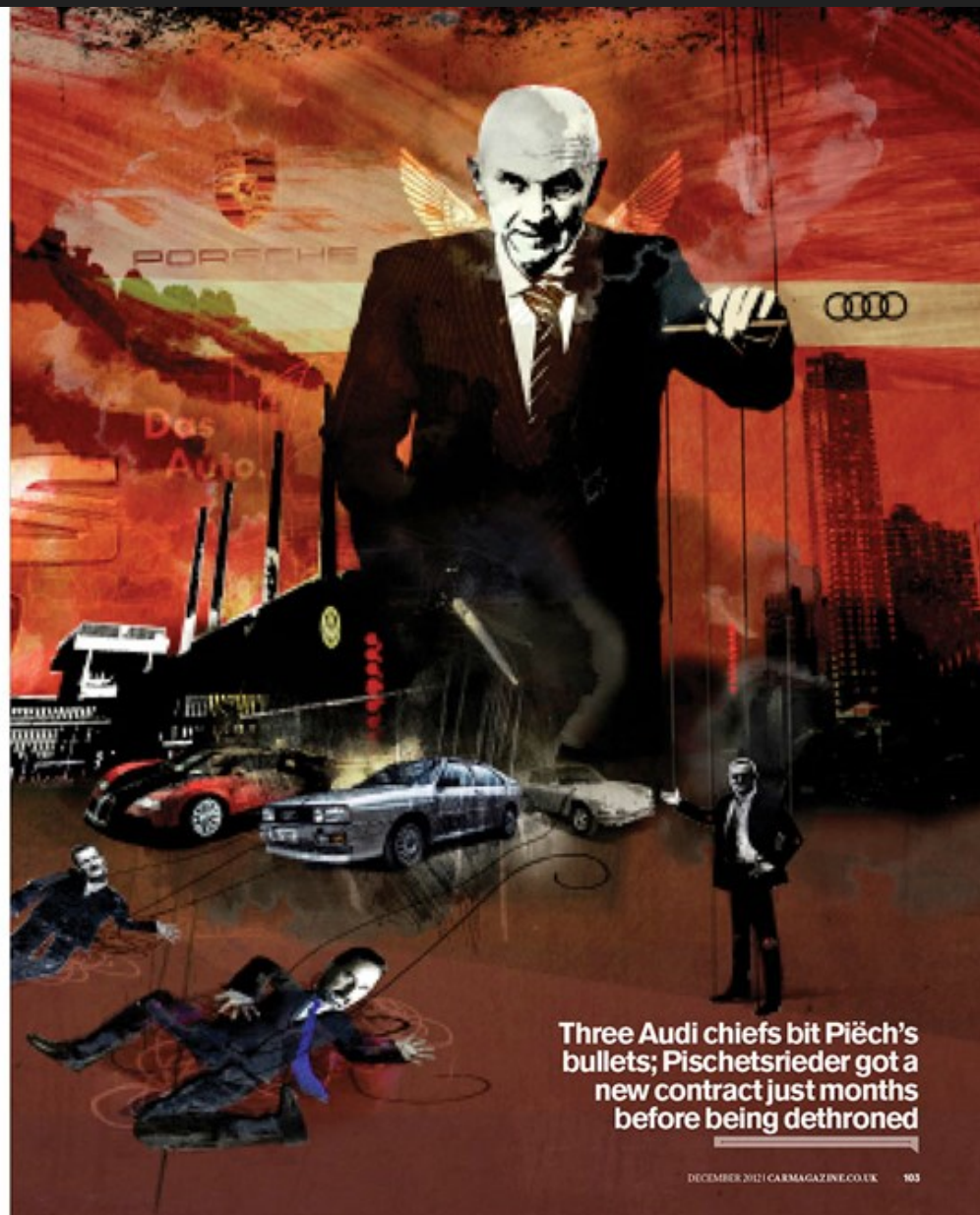
ILLUSTRATIONS: TIM MAITZ

his first Formula 1 engine, before joining Porsche in 1963 aged 26. He quickly moved up through the ranks, but in 1972 the families decided that all members of the Piëch and Porsche clans had to resign from leading managerial positions. Piëch founded his own Stuttgart engineering bureau and developed a five-cylinder diesel engine for Mercedes before moving on to two pioneering decades at Audi.

I had met Piëch on a couple of launches, but it quickly transpired that he was not exactly keen on talking to me, let alone to answer questions. A typical riposte to a complex, tech-heavy opening gambit was a long silence followed by a broad grin and a monosyllabic 'yes' or 'no'. Was there something wrong with my communication skills? 'Piëch is a secretive person,' said of one

many PR persons who had the good or bad fortune of serving The Big Boss. 'He may tell you things, but only on his own terms and conditions. And he hates somebody stealing his thunder. You always do this with those future product stories he cannot control.'

When CAR ran a piece titled *Quattro King* on Thomas Ammerschläger, Piëch was reportedly furious because he felt that neither he nor the team leader Jörg Bensinger were given sufficient credit for the breakthrough four-wheel-drive car. The old man (as his own team members started calling him when he was still relatively young) tended to take criticism personally, and there was plenty of negative press when Audi shed its grandpa image and accelerated aggressively into the quattro era. All of this was of course part of Piëch's grand scheme of *Vorsprung durch Technik*: the aero design, the first foray ▶



Three Audi chiefs bit Piëch's bullets; Pischetsrieder got a new contract just months before being dethroned

The End of an Era

