

# Chrysler Names New Dodge Ram, Car Execs

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DETROIT (AP) — Chrysler's new Italian management on Monday announced a surprise shake-up of the automaker's executive team, saying two recently appointed brand CEOs have resigned and that it was splitting Dodge into two groups, one focusing on trucks and the other on cars.

The moves, announced Monday, marked the second management reorganization since Fiat Group SpA CEO Sergio Marchionne took control of Chrysler on June 10 when it emerged from Chapter 11 bankruptcy protection.

Peter Fong, president and CEO of the Chrysler brand and the company's top sales executive, and Michael Accavitti, president and CEO of the Dodge brand, abruptly left the company, Fong for personal reasons and Accavitti to pursue other interests, Chrysler said in a statement.

Sales of Chrysler Group LLC vehicles, which consist of the Chrysler, Dodge and Jeep brands, are down 39 percent for the first nine months of the year. Chrysler also was caught unprepared for the government's Cash for Clunkers program and had too few small vehicles on dealer lots to benefit much from the rebates.

Chrysler sales spokesman Gualberto Ranieri would not comment when asked if the departures were related to Chrysler's sales performance.

Chrysler said that it would split the Dodge brand into truck and car groups. The truck group will be led by Fred Diaz Jr., who previously ran the company's Denver business center. The Ram brand consists of the company's new Ram pickup trucks, as well as its commercial vehicles. Diaz also will take over as lead sales executive in the U.S. for the Chrysler Group organization.

Vice President of Design Ralph Gilles will take over leadership of the Dodge car brand, which includes minivans, in addition to his current design responsibilities, the company said.

The two men replace Accavitti, who resigned to pursue other interests, Chrysler said. Accavitti was appointed to head Dodge by Marchionne in June.

The company also said Fong resigned for personal reasons, and he was replaced by an executive from Fiat, Oliver Francois, as Chrysler brand president and CEO. Francois served as head of the Lancia brand, Chrysler said in a statement.

Fong's departure is stunning given that only two weeks ago, he and Marchionne appeared as the public faces of the company at the Frankfurt Auto Show in Germany.

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Except for the show and a few public appearances by Marchionne, Chrysler has been under a news blackout. The company plans to release its future product and business plans in November.

At the Frankfurt show, Chrysler executives said they want to make Chrysler a high-end luxury brand, while Dodge would feature performance and every day cars and trucks. Jeep would remain a brand with off-road and sport utility vehicles.

Gary Dilts, a former Chrysler sales executive who is now senior vice president of global automotive operations for J.D. Power and Associates, said Fong and Accivitti clearly did not leave the company on their own after serving only three months.

Chrysler must move quickly to keep its current buyers and try to stop its market share erosion, Dilts said. Marchionne must not have been satisfied with the company's performance in those areas, he said.

"Something went wrong here," Dilts said. "Marchionne has a different plan, a different formation. Whatever was happening there wasn't in balance with what he was looking for."

Dodge, he said, used to be a big nameplate in cars but has withered over the years.

"One thing Chrysler has to do is get back into the everyday car business," Dilts said.

Splitting Ram trucks from the Dodge car brand was in the works for several months, he said.

Separating Dodge into trucks and cars will make it easier to sell the Ram brand, said Aaron Bragman, auto industry analyst for the consulting firm IHS Global Insight. The Ram and Jeep brands are the only parts of Chrysler that currently have value, he said.

"It's a better way for them to eventually divest the brand," he said. "If they need to liquidate, it will be easier to do, but that doesn't instill confidence in many people."

Ranieri, however, said splitting the brands follows Fiat's successful management structure in which Marchionne separated Fiat commercial vehicles from passenger cars.

"It strengthens the focus on the car aspect and the truck business," Ranieri said. "It is a copy of what Marchionne introduced within Fiat group."

Michael Manley remains as president and CEO of the Jeep division.

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