

Preh Sees Its Strength in Robustness of Its Sensors

by Gerald Scott
News Dept.

Maybe phrases like "being in the right place at the right time" and "location, location, location" apply to more than just general luck, or success. In a roundabout way, it can also apply to the domestic auto industry. Case in point is German supplier Preh, Inc. From its founding in 1919 through the late-1980s, Preh was a parts provider for the European consumer electronics industry. But for the past 25 years or so, it has developed into an automotive and industrial parts and systems supplier to manufacturers.

Preh, now a well-known supplier to European automakers including Volkswagen, BMW and Mercedes, was a virtual unknown here when it opened its first office in Auburn Hills back in 1994. In 15-plus years, Preh has become something of a powerhouse on the domestic supplier front, with Preh-designed climate control systems now populating a number of GM and Ford vehicles. As far as location goes, Preh's European roots have helped it become a gradual success in North America. The successful launches of GM's Astra and Corsa vehicles in Europe led GM to select Preh as

the supplier for the Hummer H3, according to Nick Lontschartsch, president of Preh, Inc., the North American operation of Preh, GmbH, in a recent interview. Already having BMW and the like on its OEM-supply resume also helped Preh with GM and, later, Ford. Preh, had provided a number of high-end climate control systems on European cars, as well as the rear-wheel-drive system on the BMW 7 Series. The company was positioned for growth in the North American market where it was less well-known and less visible. Since 1994, Preh has been making inroads into the do-

mestic U.S. market. Generally, Preh specializes in climate control, driver controls, sensor systems, ECUs and instruments and innovative automation. Added Lontschartsch, "[About] 40 percent of our total revenue is climate control; driver controls with 36 percent, is almost equal." Asked what they specifically provide today to North American (NAFTA)-based automakers, Lontschartsch said, "ECUs and instruments, high-tech niche markets, ECUs for battery management, for managing the charge levels of the different cells for electric cars... very important market; sensor



Nick Lontschartsch

systems, 12 percent. "What is our strength here? It's the robustness of our position sensors. Almost all V6 and V8 engines of General Motors today use our throttle position sensor, it's a contact sensor for drive-by-wire, it's manufactured in Germany. "We are on the [Ford] F-150 with climate control, F-250, the F-350, also with climate control... we are also doing the calibration - the climate comfort, inside. We go out to cold climates, to warm-hot climates and calibrate climate comfort. "So when you push the button automatically and you set your temperature, you don't have to do anything and you feel cozy in your car. "We are specialized people, calibrators we call them, that have special knowledge to calibrate all the actuators... to provide that climate comfort. "We are on the Terrain with the complete center stack, also produced in Mexico for us, Terrain and the Equinox. "Another product for NAFTA is climate control for the Jetta built by VW at Puebla." You get the idea. Overall, it has been an interesting and flexible product and service path for Preh, which was founded in 1919 by German industrialist Jacob Preh, who helped invent the Preh Funk, an early European radio. "We have gone through ups and downs, from the beginning we were focusing on the radio-infotainment industry in Europe, television, the Japanese were not there yet. We had big growth there," Lontschartsch explained. "When the Japanese took over the TV and radio industry, we started to concentrate on the automotive business. "Since 1988, we've become an automotive company." Preh has an office in Novi, and manufacturing operations for auto parts and systems in Mexico. It is now 75 percent owned by the Chinese industrial concern Joyson, but Lontschartsch described it as a hands-off relationship, even though Joyson now owns 75 percent of Preh.

GM Shuffles Ad Agency Deck Again for Chevrolet

DETROIT - After a creative account review, Chevrolet has selected a newly formed company, Commonwealth, as its new global advertising agency, responsible for the development of creative campaigns across all platforms for Chevrolet global advertising. Detroit-based Commonwealth is a first-of-its-kind 50-50 joint venture, combining San Francisco-based Goodby, Silverstein & Partners, an Omnicom Group company, and New York-based McCann Erickson Worldwide, an Interpublic Group company.



The Commonwealth Global Advisory Board includes four of the most accomplished creative executives in the industry. Left to right: Washington Olivetto, Jeff Goodby, Prason Joshi and Linus Karlsson. Chevrolet previously used 70 global ad agencies.

In forming the joint venture, say Chevrolet officials, Commonwealth combines a wealth of creative talent, extensive global automotive experience and strategic business leadership that is unique in the industry. Chevrolet previously used 70 global agencies. "This is the first time that two large marketing communications holding companies have come together to form a single company," said GM Vice President and Global Chief Marketing Officer Joel Ewanick. "Commonwealth will be based right here in Detroit, and its only focus will be on strengthening and growing Chevrolet into an iconic global brand."

The board includes four of the most accomplished creative executives in the industry: Jeff Goodby, who will serve as creative chairman; Washington Olivetto, Linus Karlsson and Prason Joshi. The four creative leaders will work in collaboration on all major creative initiatives and resource allocations. "We are absolutely thrilled to be a part of the team to win Chevy's global creative business, taking our relationship one step further," said Goodby, co-chairman and creative director, Goodby, Silverstein & Partners. "I feel fortunate to have been able to watch a group of the very best people at the top of their game during this process. Joel Ewanick has always been willing to push boundaries and try new concepts, and the fact that he was open to this approach is the perfect example of that. "We're excited to see what

Commonwealth can mean for both Chevrolet and us." Until now, Goodby, Silverstein & Partners has led the Chevrolet creative account in the United States, the brand's largest market, while McCann Worldwide has been Chevrolet's agency of record in many global markets, including Mexico, Canada, Brazil, India, Japan, China and Latin America. "We are delighted to be expanding our relationship with the dynamic Chevrolet brand and with General Motors," said Nick Brien, chairman and CEO, McCann Worldgroup. "The Commonwealth solution is testament to McCann and Goodby's unrelenting focus on creating marketing solutions that grow clients' brands through creativity, digital velocity and performance." Commonwealth will immediately begin to transition responsibility for Chevrolet creative work in most global regions, with the exception of China, India and Uzbekistan, where these activities will continue to be managed by agencies specific to those countries. Coincidentally, Chevrolet celebrated its 100th anniversary last year (1911-2011) and now it is proceeding more deeply into the 20th century by becoming a more nimble business unit.

Fed Says Factory Output Rises

WASHINGTON (AP) - U.S. factories stepped up production in February for the third straight month, making more electronics, energy products and electrical equipment. The Federal Reserve says the output of the nation's factories rose 0.3 percent last month. That followed even stronger increases in January and December, which combined for the best two-month stretch since 1998. Overall industrial production, which includes output by mines and utilities, was unchanged. Mining activity declined sharply and utilities were flat. Factory growth was a little slower because automotive production edged lower after big gains in December and January. Busier factories are a hopeful sign for an economy on the mend. Manufacturing was among the first sectors to recover after the recession. And it has strengthened since temporarily faltering recently.

This agency appointment, say Chevrolet officials, combined with the recent selection of Carat as GM's agency for its media planning and buying operations, is part of the automaker's ongoing effort to drive efficiencies in its marketing operations and more effectively build its brands around the world. "These agency consolidations are expected to create about \$2 billion in savings over the next five years, with a portion used to take advan-

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