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Whitacre Gives Reuss, Lutz New Roles in GM Management (Update2)

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Dec. 4 (Bloomberg) -- General Motors Co. Chairman **Ed Whitacre** made engineering chief **Mark Reuss** the president of GM's North American operations, and moved Vice Chairman **Bob Lutz** to adviser for global design and product development.

Nick Reilly, who was named in July to be international chief, will lead GM's European business, Detroit-based GM said today in a statement on its Web site. Whitacre also said he will use director **Stephen Girsky** as an adviser, people familiar with the plans said.

The moves put Whitacre's stamp on senior management three days after he took on the chief executive officer's job as directors ousted Fritz Henderson. Whitacre, the 68-year-old former CEO and chairman of **AT&T Inc.**, was appointed in June to lead GM's revamped board by the Treasury's auto task force.

"In these situations it's pretty normal," said Van Conway, a turnaround adviser and partner in Conway Mackenzie Inc. in Birmingham, Michigan. "You're talking about a company that has had deep chaos. GM has been known to have had a lot of insiders that have moved up over the years."

Whitacre also promoted Tim Lee to president of international operations overseeing the Asia-Pacific, Latin America, Africa and Middle East region. He had been vice president of manufacturing and labor relations.

More Changes

Whitacre will give his first update as CEO on GM's business on Dec. 8, the company said. GM left Chapter 11 in July with the U.S. government as majority owner, and Whitacre has said he wants to start repaying federal loans this month.

The U.S. government is owed \$6.7 billion and owns a 61 percent stake in the biggest domestic automaker, which said it still expects an initial public offering in 2010's second half.

Susan Docherty, promoted to chief of sales in October from the head of the Buick-GMC division, is appointed vice president vehicle sales, service and marketing. She takes some of the duties Lutz had handled since July.

Lutz will act as adviser on design and global product development. **Tom Stephens** remains vice chairman of global product operations and will add global purchasing to his duties.

Diana Tremblay becomes vice president of manufacturing and labor relations. Denise C. Johnson, most recently vehicle line director and chief engineer for global small cars, was named vice president of labor relations.

Karl-Friedrich Stracke was promoted to vice president of engineering from executive director of

engineering. [Chris Preuss](#), vice president of communications, reports directly to Whitacre; he had reported to Lutz.

'Part Ways'

"There is the need to part ways with some of the old culture at GM, both symbolically and substantively," said Mike McGrath, executive chairman of turnaround consultant Thomas Group in Dallas. McGrath's most-recent book, "Business Decisions!", has a chapter on GM. "I think this is something that has been in the works and is probably very appropriate."

Henderson, 51, was asked to resign after eight months on the job as the board concluded he hadn't done enough to fix GM's finances and culture, people familiar with the matter said. He became CEO in March, replacing Rick Wagoner as the former General Motors Corp. slid into bankruptcy on June 1 and emerged 40 days later as General Motors Co.

Losses, Sales Decline

GM has posted \$88 billion in [losses](#) since the end of 2004. The company's U.S. sales this year through November tumbled 32 percent, more than the industry's 24 percent decline. GM's market share fell to 19.8 percent, from 22.1 percent a year earlier, according to Autodata Corp.

Last month, GM reported generating \$3.3 billion in cash from July 10, when it exited bankruptcy, through Sept. 30 and said repayments would start early on \$6.7 billion in federal loans. The company posted a loss of \$1.15 billion for the period and said it would use more cash than it generates this quarter.

GM said today it will transfer a 1 percent stake in its China car venture to partner SAIC Motor Corp. while forming a new venture with the Shanghai-based company to sell low-cost vehicles in India. SAIC is China's biggest carmaker.

The U.S. automaker also plans to take over its Canadian automaking venture with Suzuki Motor Corp., in its second exit this year from a partnership with a Japanese automaker. Suzuki said in a statement that it agreed to sell its 50 percent stake in Cami Automotive Inc. to GM, without giving terms.

In June, GM pulled out of a joint-venture plant with Toyota Motor Corp. in Fremont, California.

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