

Jeep exec takes over Fiat, marking end of Marchionne era

July 22 2018, by Frances D'emilio



In this file photo dated Tuesday, Jan. 16, 2018, Mike Manley, head of Jeep Brand, introduces the 2019 Jeep Cherokee during the North American International Auto Show, in Detroit, USA. Fiat Chrysler's board on Saturday July 20, 2018, has recommended Jeep executive Mike Manley to replace seriously ill CEO Sergio Marchionne. (AP Photo/Carlos Osorio, FILE)

Jeep executive Mike Manley will be the new CEO of Fiat Chrysler Automobiles after longtime leader Sergio Marchionne's health suddenly deteriorated following recent surgery.

The announcement after an emergency board meeting Saturday marked the end of the Marchionne era, which included the turnaround of failing Fiat, the takeover of bankrupt U.S. automaker Chrysler and the spinoffs of the heavy machinery and truck maker CNH and supercar maker Ferrari. Fiat Chrysler said Marchionne, 66, is "unable to return to work" due to his health.

Manley, 54, has been one of Marchionne's closest collaborators at Fiat Chrysler Automobiles, and in a previous role had been responsible for product planning and all sales activities outside of North America. He had been heading the Jeep [brand](#) since June 2009 and the Ram brand from October 2015.

Brands that have been driving the company's revenues include Jeep SUVs, Ram trucks and the premium brands, Maserati and Alfa Romeo. Those brands were expected to account for 80 percent of revenues by 2022, compared to 65 percent currently.

It is the Jeep brand that has been the big contributor to the company's profits.

Marchionne had already announced he would step down from Fiat Chrysler Automobiles in early 2019, so the board's decision, to be confirmed at an upcoming shareholders' meeting, will "accelerate" the process, the company said. Marchionne was holding multiple leadership roles, notably as CEO of FCA as well as CEO and chairman of Ferrari.



In this Friday, June 1, 2018 file photo, Fiat Chrysler CEO Sergio Marchionne speaks during a press conference at the FCA headquarter, in Balocco, Italy. The boards of Fiat Chrysler, Ferrari and CNH Industrial have been called to meet in Italy in light of CEO Sergio Marchionne's surgery. The three boards were summoned to separate meetings in Turin on Saturday, July 21 amid the prolonged convalescence of Marchionne, who had shoulder surgery three weeks ago in Switzerland. (AP Photo/Luca Bruno, file)

Ferrari announced that Louis Camilleri, a longtime executive at tobacco company Philip Morris International, would replace Marchionne as CEO of the sports car maker. CNH Industrial said its interim CEO, Derek Neilson, will continue on pending the selection of a permanent replacement for Marchionne.

FCA didn't give details about Marchionne's medical condition after surgery three weeks ago, but questions arose after it appeared his recovery was taking longer than expected.

FCA chairman John Elkann—a grandson of the late Gianni Agnelli, the longtime Fiat dynasty chieftain—said he was "profoundly saddened to learn of Sergio's state of health. It was a situation that was unthinkable until a few hours ago, and one that leaves us all with a sense of injustice."

In a letter made public on Sunday that Elkann sent to FCA employees, he wrote that Marchionne has "unfortunately experienced complications that have worsened in recent hours."



In this photo taken on Tuesday, Jan. 16, 2018, Mike Manley, head of Jeep Brand, introduces the 2019 Jeep Cherokee during the North American International Auto Show, in Detroit. Fiat Chrysler's board recommends Jeep executive Mike Manley to replace seriously ill CEO Sergio Marchionne, Saturday, July 21, 2018. (AP Photo/Carlos Osorio)

Analysts praised the choice of Manley to succeed Marchionne even as they noted the challenges the new CEO will face.

"It's an end of an era with the iconic, highly quotable, sweater-wearing Sergio Marchionne stepping down, with significant very concerns about his ailing health," said Rebecca Lindland, executive analyst at Kelley Blue Book.

She called Manley a "worthy replacement at FCA, but it's a huge job to not only fill Sergio's shoes, but to run many brands that are facing capricious fortunes in a variety of markets."

Manley took over management of the Jeep brand in 2009, just after Chrysler emerged from bankruptcy protection. At the time, the all-SUV Jeep mainly was a U.S. brand, where annual sales languished at around 232,000. By 2017, though, sales had nearly quadrupled to more than 828,000 as Americans snapped up all-wheel-drive SUVs. The brand also grew internationally, especially in China, under Manley.



In this Friday, May 21, 2010 file photo, Chrysler CEO Sergio Marchionne, left, is seen with Jeep brand President and CEO Mike Manley at the Jefferson North Assembly Plant, in Detroit. Fiat Chrysler's board recommends Jeep executive Mike Manley to replace seriously ill CEO Sergio Marchionne, Saturday, July 21, 2018. (AP Photo/Carlos Osorio, File)

The passenger-car brands of Fiat and Chrysler have been less profitable.

Marchionne made his last major presentation as CEO of Fiat Chrysler in June, unveiling the company's plans through 2022. He announced a major investment thrust to make more electrified cars even though he said traditional engines will continue to dominate production.

The next corporate results are to be released on July 25.



In this file photo dated Monday, Jan. 15, 2018, Mike Manley, head of Jeep brand, addresses the media during the North American International Auto Show, in Detroit, USA. The Fiat Chrysler's board on Saturday July 20, 2018, has recommended Jeep executive Mike Manley to replace seriously ill CEO Sergio Marchionne. (AP Photo/Carlos Osorio)



In this Tuesday, Jan. 13, 2015 file photo, Sergio Marchionne, left, Chief Executive Officer, Fiat Chrysler Automobiles; Michael Manley, President and Chief Executive Officer, Jeep Brand and Reid Bigland, President and CEO of Alfa Romeo, North America watch at media previews for the North American International Auto Show in Detroit. Fiat Chrysler Automobiles' board of directors has recommended that Jeep executive Mike Manley replace seriously ill Sergio Marchionne as CEO of the automaker. A company statement said the decision was made at an urgently convened board meeting Saturday, July 21, 2018 because Marchionne's health had suddenly deteriorated following recent surgery and he "will be unable to return to work." (AP Photo/Paul Sancya, File)

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Citation: Jeep exec takes over Fiat, marking end of Marchionne era (2018, July 22) retrieved 11 May 2024 from <https://phys.org/news/2018-07-jeep-exec-fiat-marchionne-era.html>

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