

GM division based in Miramar finds global success

BY JULIA NEYMAN

GENERAL MOTORS' LATIN AMERICA, AFRICA AND MIDDLE EAST REGION

One of the most successful parts of General Motors' plan to succeed in the global market is run from a 60-staff office in Miramar.

General Motors' Latin America, Africa and the Middle East (LAAM) division sold more than 1 million cars and trucks last year, introduced six new car models in the Middle East and posted company bests in both sales and earnings for 2006.

So when GM LAAM President Maureen Kempston Darkes spoke to business leaders and students at Florida International University about how to succeed in the global market, she had a captive audience.

Kempston Darkes, who oversees the division's 31,000 employees, said the key to gaining market share is to devise global strategy from within the headquarters, but have local dealers to execute in each market.

"You need to achieve economies of scale, but you also need to tailor your company to meet local needs," she said. "You gain a significant advantage if the inside of your company mirrors your outside market."

GM LAAM has localized operations through its global architecture model, which delegates vehicle design to several engineering centers, each of which concentrates on a different car type. This model allows GM to selectively introduce

the car types that a particular region demands. For example, GM just launched a line of small, affordable Chevrolet cars in the Middle East to meet the needs of the region's growing young population, Kempston Darkes said.

FIU College of Business Administration Dean Jose De la Torre said the global architecture strategy is a good example of how to achieve global efficiency.

"Some of the platforms are being designed in Korea, others in Germany, others in the U.S.," he said. "That means you don't design cars in every market, but you serve a model range in every market you operate in."

Another big reason GM LAAM has done so well is that it serves several growth markets. While established markets in North America and Europe grow by about 5 percent annually, LAAM markets surge by about 30 percent a year, said Richard James, GM LAAM's manager of product communication.

According to Kempston Darkes, South Africa has posted particularly strong sales following the fall of apartheid. Sales are



up by 40 percent, and GM will bring the Cadillac brand there for the first time next month.

"When we came back to South Africa, we made a commitment that we would grow our business there," Kempston Darkes said. "It's almost doubled since we came back, and it is really becoming the power base of Africa."

While political pressures pushed GM out of South Africa in 1986, she said politics usually don't figure into the company's initiatives. GM's sales in the Middle East have not suffered, despite the United States' foreign policy there, she noted, because GM has been embedded in the region since long before the war.

"We have a history in the Middle East and, in many ways, General Motors is viewed as part of the Middle East," she said. "Our dealers are local and we do a lot of outreach with the local government to foster safe driving practices and other development."

De la Torre said Kempston Darkes' emphasis on diversifying products and tailoring them to the needs of a local population is directly in line with FIU's business curriculum.

"Maureen is an excellent example and a great role model for anyone aspiring to be an executive in a global company," he said. "What she said is precisely the smart global strategy we try to get across to our students."

Maureen Kempston Darkes speaks to business leaders and students at Florida International University.

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