

## Let's face it, GM is NOT unique

Yes, GM quality is in the headlines and will continue to be as the number of recalls increase almost weekly. Yes, GM is very well known for the annual cost pressures they place on their supply base. Yes, GM falls prey to the temptation to minimize changes to avoid agency reporting requirements. And Yes, GM runs many of their business decisions through their legal department. Is GM any different than many other Fortune 500 businesses today....probably not.

Let's take a look at how GM, like many Fortune 500 businesses, appeals to their constituents. After 2009's government bailout, GM committed to being a *customer*-centered ("New GM") vice a *cost*-centered ("Old GM") culture. Since that time the *New GM*:

- Has had 5 CEOs;
- Engineers continued to find evidence and even deaths related to the star of this recall show: a .57 cent plunger used in the ignition switch;
- GM-hired outside engineers confirm the *inside* engineers findings;
- Confirmed the faulty ignition switches are linked to multiple deaths, injuries and crashes;
- *Considered* a recall of the models where the faulty ignition switch was found to be the root cause of the deaths / injuries;
- Sales have grown by **48.6%** (2009 through 2013); and
- After over 4 years of transforming the culture from a *cost*-center to *customer*-centered one, New GM **began recalling cars in February 2014.**

What is the motivation for companies to do the right thing as even amid all the deaths, injuries, negative PR and quality issues, GM sales continue to grow? Will this next onset of agency penalties and additional recalls due to other quality issues be compelling enough to drive a real transformation towards a *conscious*-centered culture? A culture where trust, integrity, accountability, caring, transparency, loyalty and humility are such clearly embedded values that you "see" them when you walk around. For Mary Barra, I hope so as she appears to be a leader who can get GM there....yet will she be able to endure the incoming hits on the expense side that will inevitably dwarf the cost of an engineering change on a .57 cent plunger that should have been made years ago and a one that would have been publically rewarded and second nature in a *conscious*-centered culture.