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Tesla Motors adds 'rock star' designer, ex-Ford CFO to team

Silicon Valley / San Jose Business Journal - by [Lindsay Riddell](#)

Tesla Motors is hiring heavy hitters from the auto industry to lead it into the big leagues.

The San Carlos-based electric-car startup recently announced it had courted designer Franz von Holzhausen from Mazda Motor Corp. to lead and build its design team. It also hired Deepak Ahuja, former chief financial officer at Ford Motor Co. of Southern Africa, as its CFO. In July, it recruited Mike Donoughe from Chrysler LLC to oversee production of its Roadster as well as its sedan, known as the S.

The hirings follow a year of ups and downs for the automaker, which faced engineering problems, scheduling delays and management turnover but still managed to deliver its first Roadsters to enthusiastic consumers.

Donoughe had served as vice president of midsize vehicles at Chrysler, vice president of product development for trucks and SUVs at Chrysler, and as chief engineer for Daimler.

Von Holzhausen is considered a rock star in the auto industry, having received international acclaim for the flashy sports concept cars he designed for Mazda while overseeing all design for the Japanese automaker. The Kabura, a front-engine, rear-wheel-drive sports car Mazda debuted in 2006, is set for production for the 2009 model year.

“I am hell-bent on creating the best design studio in the world at Tesla,” said Tesla Chairman Elon Musk. “Franz seemed like the best guy to help make it happen, which is why I contacted him.”

Tesla declined to make von Holzhausen or other executives available for an interview.

Von Holzhausen was director of design for Mazda's North American operations since 2005 and also was design manager for General Motors Corp., where he was credited with styling the Pontiac Solstice and other vehicles. The 2008 Solstice ranked fifth in affordable sports cars by U.S. News & World Report. This was key to von Holzhausen's hiring, as Tesla looks to debut a cheaper all-electric sedan with a price tag of less than \$60,000 next year.

"I like all his work, but the Solstice in particular is a great example of a car that looks fantastic but is very affordable," Musk said.

Tesla launched its first electric sports car — the \$100,000 Roadster — in 2008 despite some admitted hurdles that slowed the initial production schedule and increased the originally announced \$89,000 price tag. Tesla plans to ultimately manufacture 600 of the 2008 Roadster, though that model will continue to be produced through March 2009. Tesla said it has already sold 600 cars.

Leadership transition

In late 2007, Tesla fired founder and CEO Martin Eberhard, who originally envisioned the Tesla electric sports car, and it took four months to find technology executive Ze'ev Drori, who faced an imminent timeline of producing cars by 2008. As another setback, Tesla sued designer Henrik Fisker, who was brought in to style the sedan model, accusing him of stealing design concepts. (The suit ultimately went to arbitration.)

Though its leadership is being built up, there are challenges ahead. The launch of the first commercial cars will have to go back to Tesla for transmission upgrades to be as fast as Tesla has promised: 0 mph to 60 mph in 3.9 seconds.

But the addition of von Holzhausen and other executives with big-car-company experience should help smooth the transition from tech startup to big player, some industry experts said.

"They've had some real hiccups along the way," said Dave Cole, who runs the Center for Automotive Research in Detroit. "Getting experienced auto people in the game is really key."

Tesla touts the Roadster's eco-benefits, pointing to it being 100 percent electrically powered and therefore a zero-emissions vehicle.

The Roadster is rolling off production lines now at a pace of about four per week, but the company expects to be making about 25 a week by 2009.

The role of design

During a recorded interview with Autoline Detroit in June, von Holzhauser said design, and especially aerodynamics of a vehicle, plays a significant role in reducing environmental effects of transportation. But he also said he was looking beyond global warming to inform the next generation of car design.

“We’re already working on the environmental issues,” von Holzhauser said weeks before he left Mazda. “We’re trying to figure out what the next big macro trend is going to be — overpopulation or some sort of big political uprising — that’s going to change the complete paradigm of how we transport ourselves around.”

For Musk, who designs space rockets at one of the other companies he runs, thinking big is part of the job description.

“I think Franz’s interest comes from a desire to create beautiful cars that make a difference to the world,” Musk said.

Lindsay Riddell writes for the San Francisco Business Times, an affiliated publication.

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