

"Focus on the essentials"

04/11/2020 Challenging times highlight the need for leadership. Porsche CEO Oliver Blume explains how he is guiding the company smoothly through the COVID-19 crisis, which principles are helpful to him in the process — and what team sports has got to do with it.

Mr. Blume, COVID-19 presents a huge challenge to the economy and society at large. How has Porsche been handling the crisis thus far?

Oliver Blume: We have mounted a robust response. That's also reflected in the positive results from the first half of the year, which put us among the leaders in the industry. The key to our success is our team. We've mastered the crisis together—with our health and safety measures, our business focuses, and our digital communications. While always keeping an eye on our customers. Ultimately it's about them, and we want to fulfill their dreams.

What makes Porsche different?

Blume: Porsche has always been different, and it is a special brand. Our team is highly motivated, full of commitment and passion, and very cohesive. The pioneering spirit that fueled the work of Ferry Porsche

is alive and well today. We made strategic decisions early on, supported them wholeheartedly, and view this crisis as an opportunity. We're supported by the appeal of our products, whether we're talking about the iconic 911, the new Cayenne Coupé, or the all-electric Taycan sports car that was recently declared the most innovative car in the world. All in all, we're optimistic.

It sounds like you have very clear ideas. But how do you put them into practice under COVID-19 conditions?

Blume: By focusing on the essentials. What is the essence of Porsche, what is truly important to us? Crises quickly show how stable and flexible companies are. We devoted intensive efforts to our cost structure. We've used the time to further develop our strategies, processes, and products. Generally speaking, we're making greater use of digital methods than ever before. That applies not only to our internal work at the company, but also to what our customers experience.

To what extent has COVID-19 affected your marketing and communications?

Blume: There's a new reality here too — and it's much more digital. We celebrated the world premieres of the 911 Turbo S and the 911 Targa online, in authentic, informative, and innovative ways. The feedback has all been positive. Digital formats are also working in sales. At the same time, however, that emotionally evocative quality you get from actually driving a car is missing. Customer consultations are considerably more disciplined, focused, and targeted. But here too, what's missing is the personal touch. My overall conclusion remains positive, though. Digital options make life more flexible, while personal contact continues to be valuable.

How did you guide your team through the critical stage of the COVID-19 crisis?

Blume: Calmly, systematically, and with a focus on the team. COVID-19 changed how we act as a society, which led to uncertainty. I myself tend to become calmer in critical situations. And then I concentrate all the more on providing support, orientation, and security for the team. At the same time, it's also important to make clear, quick, and pragmatic decisions.

What decisions had to be made?

Blume: Our crisis management team discussed numerous issues every day and made its decisions based on the facts. Our priorities were on protecting health and jobs and on ensuring liquidity and profitability, but also and especially on our customers and partners. Thanks to our IT team, we could do most of our work remotely right from the first day of the lockdown. And we continued to work at the plants wherever possible. When the number of global supply chain shortages kept growing, we ultimately had to suspend production for six weeks. Always with a view to the future and in preparation for starting up again.

During that difficult period the company didn't concentrate only on itself ...

Blume: That's true. It's important to know how others are doing, and where our help is needed. In a crisis, people need to close ranks. Everyone has to contribute what they can. That led to the Porsche Hilft ("Porsche helps") program. In Germany, we assisted the government crisis management teams of the states of Baden-Württemberg and Saxony and used our worldwide supply chains to help procure personal protective equipment. We substantially raised our level of donations in order to help people in trouble. Our employees also made a lot of donations. All kinds of initiatives were launched at our international sites. Our colleagues in the USA auctioned the last 991 Speedster and donated the proceeds to a good cause. Others provided home-cooked meals to seniors every day—there was a wonderfully wide range of activities.

So the Porsche company is not an end in itself, but instead has a function in society?

Blume: That's our basic mindset. Our idea of sustainability covers economic factors and environmental considerations, but also and especially social responsibility. For me personally, it's a huge motivation to make sure the world remains liveable for our society and future generations.

You're speaking not only as the CEO of Porsche but also as a human being. Can you tell us who helped to shape your values?

Blume: Primarily my parents, family and friends. For example, during the refugee crisis my wife decided to assist the people who were arriving in Germany with literally nothing. So she has been helping them get started, and she teaches German to children. The first ones have already completed high school or job training programs. Education is key. And every individual counts. That type of attitude influences me.

How did you get started in life?

Blume: I had a great childhood, and grew up under ordinary circumstances. My father worked at a supermarket, and my mother at a bank. They gave me a solid outlook on life. I take people the way they are. At the company it's irrelevant to me whether the person I'm talking with is a production worker, a fellow board member, or a supervisory board member. I respect everyone, and know I can learn from everyone. And that's how I'd like to be treated as well. Those are the basic values I was raised with. Respect and appreciation are very important to me.

Are you an optimist?

Blume: Absolutely! I'm always looking for opportunities and imagining what's possible. A positive attitude is half the battle. I learned that from playing sports. A confident team with a single-minded desire to win will ultimately end up on top.

How important is the leader, and how important is the team?

Blume: The quality of a team depends on how it's led. That's true in business as well as in sports. At

Porsche I see myself as the coach of a top-level team. For me, leadership is a service that is closely related to responsibility, organisation, and orientation. I set up clear guiding principles. But in a way that gives everyone enough room to exercise their own individuality, creativity, and flexibility. Like in sports, it starts with the team's lineup. Not everyone can play every position. What counts is that everyone can contribute their strengths in the best possible way. Then you have the formation and the tactics, which are similar to a company's processes and strategy. And the most important thing is team spirit. With a strong team I can move mountains.

Have you had inspiring role models?

Blume: I haven't had any specific role models. My inspiration comes from people with outstanding abilities, whether in my personal life, in society, sports or the business world. I've had very good superiors, and have learned from each one of them and benefited from their experience. I've always found it important to keep developing as a person and to remain authentic in the process. It doesn't work to copy other people. In sports I'm fascinated by coaches like Jürgen Klopp, who uses mental and emotional means to get his team members to give their all. That is what quality looks like in leadership. It's really inspiring.

Does that mean Oliver Blume is still developing as a human being?

Blume: Without a doubt. Personal development is a lifelong process. It never stops. A good thing about getting older is that you can integrate previous experiences with new ones. You become more mature, more insightful, and more thoughtful. And you can give a lot of this to other people. That's one of my biggest motivations in life.

We gain a lot of experience under pressure. How do you deal with these situations?

Blume: With a positive outlook, an inner balance and courage. Pressure creates a positive type of intensity in me. It's important for me not to pass the pressure on to the team. Obviously a road is never going to be completely straight. But with the right attitude, you can reach any goal.

Projects like the new 911 and the Taycan are good examples. There are always obstacles along the way that the team has to overcome. What's crucial is to be well prepared, to be fit at any given time, and to fight every step of the way—with each team member working for the benefit of everyone else.

How do you find your inner balance?

Blume: Playing sports and working out is my favorite way to relax. I go jogging and mountain biking, and also swim and play some tennis. That clears my mind and gives me energy, which makes it easier to reflect on things I maybe should be handling differently or on tasks that need to be prioritized and tackled. That great feeling you get after a workout is a real boost.

Has the COVID-19 crisis changed you personally?

Blume: My life feels more conscious and deliberate. Because I've been traveling less, I've had more time in the evenings for my family. My children were always there, and we've had a lot of opportunities to talk. People are what make life worth living, and that's even clearer to me now. And the fact that you only need a few rather simple things to be truly happy.

Have you missed your otherwise quite intensive travels?

Blume: Not really. On the contrary, it has even been a good experience. I'd never had as much time to concentrate on the core of the Porsche business, and I've been looking at details more intensively and comprehensively. I wasn't able to do that as much with my previous schedule and all the activities in the Volkswagen Group.

During the critical period you were basically alone at the factory in Zuffenhausen. What was that like?

Blume: I wasn't entirely alone because a few colleagues were there every day—at a safe distance, of course. But it was a strange feeling to walk through empty production halls. The heart of our work consists of making sports cars; that's what we live for. And then to be confronted with this void — it was like finding myself in a weird fantasy series, and sometimes I wondered whether it was real or just a bad dream.

COVID-19 prompted people to view cars as protected spaces again. Has that helped their image?

Blume: For me, cars have always been a symbol of freedom. A lot of people are feeling this freedom even more strongly now, along with the protective quality. I see a great future for cars as long as they're sustainable and environmentally friendly. Our shared mission is to make sure that happens.

Speaking of sustainability and the Taycan ... Do you remember your first moment in a Taycan?

Blume: Of course. It was during one of the early prototype stages, and we were full of suspense. How much of a sports-car sensation can you get with an electric drive? But when I experienced this electric Porsche feeling, the incredible acceleration and driving dynamics, I was exhilarated. The Taycan accelerates faster than the acceleration of gravity. It was like diving into a pool from the ten-metre platform. The Taycan is a milestone in high-performance electric vehicles and sustainable mobility.

And what does this milestone mean for the future of Porsche?

Blume: Electromobility is a huge opportunity for us. Creating the Taycan was a tough haul and a demonstration of our pioneering spirit. It was a big challenge, but we also learned a lot. It's tremendously motivating for our team to see how well the car has been received. In the future we'll have a flexible combination of powertrains. We'll be expanding our electric options, but also focusing equally on our emotive combustion engines and powerful hybrid powertrains. Our guiding principle is to provide the right sports car for the right purpose. So Porsche will always remain Porsche.

Info

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Consumption data

911 Turbo S
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 12.3 – 12.0 l/100 km
CO emissions* combined (WLTP) 278 – 271 g/km
CO2 class G Class

911 Targa 4S
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 11.1 – 10.4 l/100 km
CO emissions* combined (WLTP) 252 – 236 g/km
CO2 class G Class

911 Turbo S Cabriolet
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 12.5 – 12.1 l/100 km
CO emissions* combined (WLTP) 284 – 275 g/km
CO2 class G Class

911 Targa 4
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 10.9 – 10.5 l/100 km
CO emissions* combined (WLTP) 247 – 238 g/km
CO2 class G Class

*Further information on the official fuel consumption and the official specific CO emissions of new passenger cars can be found in the "Leitfaden über den Kraftstoffverbrauch, die CO-Emissionen und den Stromverbrauch neuer Personenkraftwagen" (Fuel Consumption, COEmissions and Electricity Consumption Guide for New Passenger Cars), which is available free of charge at all sales outlets and from DAT (Deutsche Automobil Treuhand GmbH, Helmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, www.dat.de).

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Title: Porsche victories in Le Mans, 2020, Porsche AG
Subline: Sporting spirit: commemorations of Porsche victories in Le Mans are testaments to teamwork.

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Subline: Porsche celebrated great success with the legendary 919 Hybrid.

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