

CARL H. HAHN

When **Carl Hahn** went to university in 1947, he remembers feeling that getting a degree should be only a small part of the project.

“He has a tremendous feel for Europe, its markets and its potential”

—Gerald Grinstein, Director, PACCAR



Hahn was determined to learn the ways of countries throughout Europe. So the German native studied in universities in England, France, Germany and Switzerland, where he earned a doctorate in economics.

“I decided the minimum was not just a university education, but to know intimately the major countries of Europe and speak their languages,” said Hahn, who speaks Italian, French, German and English.

That outlook led to a successful 10-year chairmanship of **Volkswagen**. It also led to invitations to serve on the

boards of U.S.-based **TRW**, **PACCAR** and **Perot Systems**. Fellow directors say the depth of his international experience, his judgment, his contacts — and not least, his old-world charm — are key in helping their companies globalize.

“He has a tremendous feel for Europe, its markets and its potential,” says **Gerald Grinstein**, a fellow director of PACCAR, the Washington-based truck maker.

Grinstein reports Hahn was instrumental in PACCAR’s successful, late 1996 purchase of Dutch truck builder **DAF**. “He was a principal in both the concept of acquiring it, and integrating it within the company.” The move bolstered PACCAR’s European operations.

His eye for global opportunities also gets a nod from TRW director **David Baker Lewis**. TRW has two basic business units: automotive parts and space and defense. Lewis credits Hahn with being instrumental in that firm’s recent purchase of British aerospace and auto-parts group **LucasVarity**.

The British entity was considering repatriating to the United States. Hahn foresaw that if the repatriation plan fell through, its officials might consider a merger to enhance shareholder value. The addition broadened TRW’s offerings to antilock brakes and traction control. In July, five months after the purchase, TRW reported second-quarter earnings of \$139.8 million, up from \$125.8 million a year earlier.

Lewis also credits Hahn’s advocacy to helping TRW become the first major foreign auto-parts player in China. “One of his natural tendencies is to scan the horizon of options,” explains Lewis. “He’s very good at penetrating beyond the visible horizon of options.”

But Hahn does far more than cast around far-reaching gazes over the world stage, fellow directors say.

BORN

July 1, 1926 in Chemnitz, Saxony

EDUCATION

Business administration, Universities of Cologne and Zurich; Economics, Bristol University; Certificat d’Etudes Politiques, Institut des Etudes Politiques, Paris; Doctorate in Economics, University of Berne

CAREER HISTORY

Currently chairman emeritus, Volkswagen; advisor to the prime minister of Kyrgyzstan

FAMILY

Married 39 years to Marisa, with three sons, one daughter and three grandchildren

HOME

Wolfsburg, Germany, Volkswagen headquarters. Additional home on a rock above the Mediterranean at Porto Rotondo, Italy.

MOST ADMIRED PERSON

Heinrich Nordhoff, the first post-war chairman of Volkswagen

HOBBIES

Horseback riding, sailing, bicycling, swimming, traveling

RECENT BOOK

Bismarck, by Christian von Krockow

CURRENT BOARDS

Perot Systems, PACCAR, Gerling, Sachsenring, Hawesko, Compass

He also keeps a firm grip on everyday essentials — an unswerving emphasis on product quality, punctilious board meeting attendance, and honesty.

“He’s extraordinarily direct and businesslike, yet he has a European civility that gives it a spoonful of sugar,” says **Lynn Martin**, another fellow TRW director. Martin reports that in the mid-1990’s Hahn suggested TRW might want to make front and side air bag systems, since the latest Japanese and European models were incorporating them.

“He was already into the next generation of products,” she declares. “Now, all the newest luxury cars have these protections.” While Hahn has subsequently stepped down from the TRW board, he still serves as an advisor to it.

Hahn was born in 1926 into a family of automotive industrialists rooted in Bohemia. He grew up with an ear to his father’s work as an executive at **DKW**, then the largest German motorcycle manufacturer. Today it exists as **Audi**, a Volkswagen subsidiary.

“I felt very attracted to the automobile, and the motorcycle,” he recalls.

Hahn briefly saw combat in World War II in a German tank division. After the war, his family moved from East to West Germany, and he pursued a university education.

He switched to the auto industry in 1954. Hahn started as a personal assistant to **Heinrich Nordhoff**, the Volkswagen chairman installed by West Germany’s British post-war occupiers. “I decided not to work for my father, because people would think I would succeed only because I was his son,” he asserts.

Hahn shot up through the ranks at Volkswagen, becoming a board member in 1965 after a five-year stint as chief executive officer of Volkswagen of America. But he was fired in 1972 after a disagreement with the chairman over whether Audi should remain a separate division. He then spent the next 10 years as chairman of **Continental Gummiwerke**, a rubber and tire manufacturer located in Hanover, Germany.

Volkswagen re-hired Hahn as chairman in 1982. The reason? “The chairman was sick,” Hahn recalls.

Pressed for details, he explains that he had attracted notice for rescuing Continental Gummiwerke from bankruptcy and aggressively globalizing the company.

Hahn started serving on additional boards as early as in 1968, when he joined that of **Gerling Insurance**, the third-biggest German insurer. “Volkswagen’s headquarters was remote from the rest of world, near the iron

curtain,” he points out. “I considered it valuable to be on a number of boards.”

Colleagues say he adds a valuable balance to boards not only because of his European perspective, but also because of his emphasis on products, in contrast to the more financially focused perspective of many other directors.

“I don’t think he’s a graduate engineer, but he liked the technical aspects of the trucks,” insists **Charles Pigott**, director at PACCAR. The company makes light-to-heavy-duty trucks under the brand names **Peterbilt**, **Kenworth**, **DAF** and **Foden**.

“When he would view our heavy duty trucks... he was always urging us to further increase our quality,” Pigott says. “He urged us to have in our trucks many of the amenities that are found in cars,” such as stereos, visibility improvements and attractiveness, he continues.

Fellow directors know Hahn as more than someone who boosts the bottom line. “I like him. I like his wife. He’s a man of so many interests, from skiing to music,” says Martin.

Asked to list his hobbies, he first says, “my work, basically.” Then he notes his family, horseback riding, bicycling, sailing, swimming and traveling. He also serves as advisor to the prime minister of the Republic of Kyrgyzstan, once part of the former Soviet Union.

Hahn quickly repays his American colleagues’ compliments, saying he’s struck with their open, down-to-earth attitudes compared to those of many European boards.

“In Germany, you must always mince your words,” he explains, partly because of powerful labor representation on the boards. In the United States, “the dialogues are more substantive. There’s a much deeper discussion of business as such.”

Hahn vacationing with family in Kyrgyzstan.

