



Business

Mercedes-Benz

MEANS BUSINESS

Arno van der Merwe is the CEO Mercedes-Benz South Africa and Executive Director Manufacturing. He is responsible for a tremendously multi-faceted business, thousands of people's livelihoods and the reputation of a world-renowned motor vehicle manufacturer. He is also a courageous and proudly South African man, with a clear love for his family and a devout keenness to tackle the challenges he faces every day, from business to raising his children.

Mercedes-Benz is one of those brands that we all know. We see their vehicles on the road and take pleasure in the world of luxury they offer consumers. But, it is also a business, a big business with operations spanning several continents and employing several hundred thousand individuals. The South African operation has grown extensively over the past two decades to a point where it now exports vehicles to international markets. To run a company of this magnitude takes a lot of patience, strategic thought, empathy and courage – attributes Arno van der Merwe exudes naturally.

After studying engineering at Stellenbosch University with a bursary from what was then known as Spoornet, Arno van der Merwe decided to return to his hometown of East London to be closer to his family. It was here where he applied for his first job at Mercedes-Benz and was hired as a logistics engineer. He very quickly moved up the ranks in Mercedes-Benz and landed his first managerial position at the tender age of 28. Jokingly, van

der Merwe says: "It was one of those jobs where, if the phone rang, you knew you were in trouble! It was a deep drop into a stressful part of the production process and as a result a great introduction into the challenges of leadership from early on in my career."

In 1998, van der Merwe went on to join the team which was responsible for taking Mercedes-Benz's local production from a low-volume sub-assembly operation, to a full manufacturing operation which imported the individual parts, and built the complete vehicle from the ground up. After a short stint in Germany at the heart of Daimler, where he also learned to speak German, he returned to South Africa to head up the team that launched the previous generation C-Class into the marketplace. In March 2014, he moved into the role of CEO.

Aptly dubbing the first year of his tenure as CEO as "the year of the C-Class", 2014 was a monumental year for Mercedes-Benz. Under van der Merwe's watchful eye they posted impressive results, with a 25 percent increase in sales.

The new-model C-Class was launched in four continents simultaneously namely, Germany, South Africa, the USA and China. Extremely proud of the Group's achievements, van der Merwe explains, "The new C-Class is a huge technology jump and in terms of its body construction is far ahead of its competitors. It has a high number of patents and specialised builds, and we as South Africa are a very important and integrated part of the Daimler group for the C-Class manufacturing process, making up one of four plants around the world."

Satisfied with the growth path of Mercedes-Benz, particularly in light of a difficult economic climate, van der Merwe is optimistic about the future, saying, "In order to look forward, we need to reflect. We have seen significant growth in our recent past and have brought in a number of models that are specifically targeting a younger segment. The C-Class has been a best seller as well, and this year we are looking at a strong AMG SUV offensive, starting with the introduction of the GLE Coupe and GLE range. These are exciting upcoming model introductions." He is mindful however, that the economic slowdown we are currently experiencing in South Africa needs to be addressed and reversed as soon as possible. Even



with the South African economy remaining relatively flat over the past year, van der Merwe has managed to keep Mercedes-Benz at the number one position and plans to maintain that this year, citing technology, development and innovation as key factors in making this a reality. "We want to bring to customers a product underpinned by its values, based on how we operate in the South African context, incorporating important aspects like green mobility and hybrid technology."

Even as CEO of Mercedes-Benz, van der Merwe admits he is impressed – and often surprised – at the level of technology and innovation within the Group. As much as he is aware that he has to expect a certain level of technological firsts, he explains that much of the technology being worked on by the team of engineers and designers is running three to seven years in advance, meaning, as a company, they constantly have to be thinking of future customers' wants and needs.

On venturing into the realm of autonomous driving, van der Merwe acknowledges that it is a very serious part of the company's future. He is confident that Mercedes-Benz has both the technology and development skills to roll something like this out on a production level, for now legislation and infrastructure are the only hindrances.

"Intelligent Drive" stands for the network of systems, sensors and algorithms for enhanced comfort and safety. Thanks to "Intelligent Drive", vehicles from Mercedes-Benz are already able to detect many hazardous situations in road traffic and react as the situation demands. With its autonomously driving research vehicle, F 015 Luxury in Motion, Mercedes-Benz provides an idea of what form "Intelligent Drive" might take in the future. The car's role is evolving from merely a means of transport towards that of a comfortable retreat, too. Drivers can choose at any time whether they wish to drive themselves, with support of intelligent systems or whether the car is to take them to their destination in autonomous mode. Time spent in the car thus acquires a totally new quality – as a result of the freedom to concern oneself with matters other than steering, accelerating and braking.

When asked what an average day as CEO of Mercedes-Benz comprises of, van der Merwe quips, "Well, it starts with a couple of press interviews..." However, when delving more seriously into what his role is, it is clear it is so multi-faceted it changes almost constantly. As much as he is the face of the South African operation, and reports to head office in Germany, he also needs to engage with his staff on the ground in South Africa and is cognisant of the impact that Mercedes-Benz has on the thousands of lives in their employ. Van der Merwe describes this as a responsibility but clearly states it is a responsibility that comes with the territory, explaining: "I need to identify with what needs to be done in order to

make that responsibility lighter, and that is a very important aspect in making this a sustainable company." A family man at heart, van der Merwe has been married for close to 20 years and is a proud father of two children. The best way for him to relax and take his mind off the pressures of running Mercedes-Benz SA, he says, is spending time with his family. "I treasure that time with my family and protect it fiercely. I think it is one of the most difficult jobs in the world to raise children, but one I feel is very important for every parent. A healthy society is a product of values, and those values can only come from home. You won't get them anywhere else." On asking van der Merwe what his favourite Mercedes-Benz is to drive, he retorts instantly, "That is an unfair question! It changes from day to day. I am currently driving an absolute favourite, which is the G-Class. I love the retro styling of it, but what I love most is its underlying capability which is not recognised at first glance. It is an incredible piece of technology that spans more than 30 years. It is a vehicle that, by its fundamental design, is by far the best there is.

I also love the C-Class, which I can stare at for hours, knowing it has been built in South Africa, by South Africans, and that makes me proud." Shortly before van der Merwe leaves us to continue his watchful eye over Mercedes-Benz South Africa, he turns back and concedes, "I have to be honest though - I love them all!" ■ Kevin Taylor

"We have an obsession with innovation that is not surprising, but always awesome to see."

