In GM's Boardroom, Kicking Tires And Taking Names
by GLENN C. ALTSCHULER

Applying, General Motors wasn't too big to fail. Once the largest automaker in the world, GM filed for bankruptcy in 2009. It remains uncertain when — or whether — the company, propped up by $50 billion in government loans, will stage a comeback.

In Sixty to Zero, Alex Taylor III, a senior editor at Fortune magazine, uses "fly on the wall reporting," including in-depth interviews with a half-dozen GM CEOs with whom he got pretty chummy, to provide a cogent kick-the-tires account of a disaster that was 40 years in the making. A gifted writer, Taylor is also refreshingly candid about himself as well as GM, acknowledging that on occasion he swallowed the line cast by company spinmeisters. His book is informative — and fun to read.

Amassing "a pile of benefits that would make a sultan blush," Taylor acknowledges, collective bargaining agreements with the United Automobile Workers severely hampered GM's ability to control labor costs. Nonetheless, he makes a compelling case that the corporation's collapse was "caused, pure and simple, by bad management combined with ego and conceit."

Taylor takes you inside GM's smug corporate culture, with its company-bred leaders who "resolutely resisted new ideas." It had too many marketing and purchasing divisions, too many brands, too many dealerships. Unlike Toyota, GM didn't consistently develop new models that shared common components. And "it couldn't make a decent small car to save itself."

With the economic meltdown of 2008, these chickens came home to roost. Already anemic, sales plummeted and GM lost fully 40 percent of its market capitalization. According to Taylor, CEO Rick Wagoner did a lot to set things right. He negotiated a historic agreement with the UAW to reduce pension and health care costs, worked mightily to consolidate North American operations and aggressively pursued expansion in China. But it wasn't enough.

Under its new post-bankruptcy structure, GM can now break even with sales of 10 million cars and trucks a year, a huge improvement over the 16 million units of the old days. But Taylor isn't ready to predict a turnaround. The new regime, he points out, canceled an ill-considered experiment to sell cars on eBay. GM's ad campaigns have fallen flat, its deal to sell Saturn to entrepreneur Roger Penske cratered, and off-loading the Opel became a casualty to management indecision and European politics.

In a poignant conclusion to an up-close-and-personal book, Taylor reminds us that the United States needs a robust automobile industry, but doesn't yet deserve one. Turmoil at Toyota is helping, in the short run. General Motors, however, has a long way to go before it will be able to put the pedal to the metal and leave competitors in the dust.

Excerpt: 'Sixty To Zero'

A faded GM sign at a dealership in Chicago. General Motors filed for bankruptcy protection last June.

Scott Olson/Getty Images

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