



LEE IACOCCA

1924–2019

Elected in 1986

“For outstanding engineering management and coordination of engineering, manufacturing, marketing, and corporate planning activities.”

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LIDO ANTHONY IACOCCA, engineer and industrial icon, passed away at the age of 94 on July 2, 2019, in Los Angeles. It might seem strange to lead with “engineer” for a man who was famous—both to fellow industrialists and to the public at large—as an automotive executive, because of his ubiquitous Chrysler commercials, but he was educated as an engineer. And his fellow engineers like to think that a sound foundation in how to approach problems, weigh conflicting evidence, consider cost and schedule, identify problems in need of a solution rather than solutions in need of a problem, and gauge the impact of a technical advance on the public—that this foundation was instrumental in Iacocca’s remarkable success as an executive.

Other factors no doubt played a role, too. Lee came from a strong and nurturing family, his father introduced him to entrepreneurship, and he learned from the deprivations of the Depression to hate waste. He also benefited from a twist of fate: He contracted rheumatic fever at 15 and the lingering effects of the disease led to his ineligibility for military service when he graduated from high school in 1942, when he would otherwise certainly have been drafted for duty in World War II.

He was born October 15, 1924, in Allentown, Pennsylvania, to Nicola and Antonietta Perrotta Iacocca, who had immigrated from San Marco dei Cavoti, Benevento, in Italy, and settled in

Pennsylvania's steel production belt. His father had opened a hotdog restaurant called the Orpheum Wiener House and was involved in a fledgling car rental business, which helped jumpstart Lee's interest in cars.

After graduating with honors from Allentown High School in 1942, he attended Lehigh University and got his degree in industrial engineering in 3 years. He won a Wallace Memorial Fellowship and attended Princeton University, where, a year later, he earned a master's degree in mechanical engineering.

He began working at Ford Motor Company in 1946. After a brief stint in engineering, he asked to be moved to sales and marketing—and his career took off. As assistant sales manager in the Philadelphia district, he gained national recognition with his "56 for '56" campaign, offering loans on 1956 model year cars with a 20 percent down payment and \$56 in monthly payments for 3 years. The campaign went national and he was called to the Ford headquarters in Dearborn, Michigan, where he rose through the ranks: vice president and general manager, Ford Division (1960); vice president, car and truck group (1965); executive vice president (1967); and president (1970).

Lee had a genius for introducing highly successful new cars. He participated in the design of the Ford Mustang, Continental Mark III, and Escort, and the revival of the Mercury brand in the late 1960s. Other ideas that he promoted did not reach the marketplace as Ford products, including cars ultimately introduced by his future employer, Chrysler (the K-Car and the minivan). He also convinced then-company president Henry Ford II to return to racing, resulting in wins at the Indianapolis 500, NASCAR, and the 24 Hours of Le Mans.

But despite his successes—the company posted a \$1.8 billion profit in 1978—he clashed with Henry Ford II and was fired in July that year.

He was courted by the Chrysler Corporation at a time when the company seemed to be on the verge of going out of business and had just sold its loss-making Chrysler Europe division to Peugeot, seeking to generate cash to compensate for huge losses in North America. He joined Chrysler in 1978 as

president and CEO and began rebuilding the company from the ground up, bringing in former associates from Ford.

Lee arrived shortly after Chrysler's introduction of the subcompact Dodge Omni and Plymouth Horizon. Bearing a strong resemblance to the Volkswagen Rabbit, these front-wheel drive cars were instantly popular, selling over 300,000 units each in their first year and showing what was to come for Chrysler. The Omni was a derivative of Chrysler Europe's Horizon, one of the first deliberately designed "world cars," which resulted in the American and European cars looking nearly identical externally, although there were significant differences in design and components internally.

Recognizing the need for a substantial infusion of cash to survive, Iacocca approached Congress in 1979 to request a loan guarantee, which was approved after an extraordinary series of contentious Congressional hearings. The guarantee required Chrysler to reduce costs and abandon some long-standing projects, such as the turbine engine, which was ready for consumer production after nearly 20 years of development.

Chrysler released the first of the K-Car line, the Dodge Aries and Plymouth Reliant, in 1981. Both were based on design proposals that Ford had rejected during Iacocca's tenure. Released in the middle of the 1980–82 recession, the small, efficient, and inexpensive front-wheel drive cars sold rapidly. In addition, Lee led the highly successful reintroduction of the big Imperial, buoyed by a fortuitous reduction in gasoline prices. The new model had all the newest technologies, including fully electronic fuel injection and an all-digital dashboard.

One of the company's singularly successful innovations was the minivan, a concept that Hal Sperlich, also fired from Ford and hired at Chrysler in 1977, had spearheaded at Ford, where it was rejected. In 1983 the Dodge Caravan and Plymouth Voyager minivans were introduced, a new type of family vehicle that led the automobile industry in sales for 25 years.

With the K-Cars and minivans, and reforms that Iacocca implemented, the company turned around quickly and repaid the government-backed loans 7 years earlier than expected.

Iacocca then led Chrysler's acquisition of AMC in 1987, bringing the profitable Jeep division under the corporate umbrella.

Ever the salesman, throughout the 1980s he appeared in a series of commercials for Chrysler vehicles, with the ad campaign "The pride is back," to signal the company's turnaround. He also introduced what was to become his trademark phrase: "If you can find a better car, buy it."

He retired as president, CEO, and chair of Chrysler at the end of 1992 and for the remainder of the decade dabbled in a variety of businesses, from gaming and casinos to an olive oil company, a restaurant chain, and electric bikes.

In July 2005 Iacocca returned to the airwaves as Chrysler's pitchman, along with celebrities such as Jason Alexander and Snoop Dogg, to promote the company's Employee Pricing Plus program; the ads reprised the "If you can find a better car, buy it" line. In return for his services, Lee and DaimlerChrysler agreed that his fees, plus a \$1 donation per vehicle sold through December 31, would go to the Iacocca Foundation for type 1 diabetes research, in recognition of his wife Mary (née McCleary), who died at age 57 from complications of diabetes in 1983, after 27 years of marriage.

Iacocca was a loyal and active Lehigh alumnus. He partnered with the university to found the Iacocca Institute in 1988. Its programs, such as Global Village and the Iacocca International Internship Program, provide students with opportunities and experiences to achieve a more well-rounded and enriched education and prepare them for global leadership. And he led the Lehigh fundraising campaign to purchase the 742-acre Mountaintop Campus from Bethlehem Steel. In honor of his contributions to the university, one of the buildings on the acquired campus was named Iacocca Hall and Lehigh established four Iacocca chairs in 1991—one in each college—as well as the Iacocca Scholarship. He was also an honorary cochair of the \$1 billion GO: The Campaign for Lehigh, the largest fundraising effort in the university's history.

In 1984 he coauthored (with William Novak) the best-selling *Iacocca: An Autobiography* (he donated the proceeds of the book's sales to type 1 diabetes research). It's a great

read. In addition to writing about his life and reflecting on the impact of his career on his family and on the workers at the companies he led, he devoted the last four chapters to his thoughts on issues of the time, which remain relevant today. Of the four issues, the need for mandatory seat belt laws is the only one effectively addressed in the decades since. The other three chapters foreshadow current debates about health care, unfair trade practices by other countries, and the reliance of the US economy on financial instruments rather than real goods and services. He saw well into the future in citing these issues, which are still hotly debated.

He also wrote *Talking Straight* (1988; coauthored with Sonny Kleinfeld) and *Where Have All the Leaders Gone?* (2007; with Catherine Whitney).

Because of his remarkable success in business—he was seen as a man who knew how to run things and how to get things done—and his wide and positive exposure to the public, Iacocca's name was floated as a potential candidate for president in 1984. It was not something he wanted to do, but his choice of tagline for his hopes for the future of the country expressed in one of the chapters of his autobiography—“Making America Great Again”—was remarkably prescient.

Lee Iacocca is survived by daughters Kathryn Iacocca Hentz (Cohasset, MA) and Lia Iacocca Assad (Laguna Beach, CA), and eight grandchildren.