

Steve Kroft: Was he a tough negotiator?

Steve Rattner: **Brutally tough, yeah.** He-- but that's part of **why he's successful.**

In the end, Marchionne and Fiat got a 20 percent stake in the brand new, slimmed down, debt free Chrysler plus a \$6 billion high interest loan from the U.S. Treasury, just for taking the auto company off the government's hands and running it. He used the \$6 billion to modernize Chrysler plants with state of the art equipment to improve quality, upgraded 16 existing models in just 18 months, and began integrating Chrysler and Fiat's operations.

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Marchionne: I think the world of American workers. What happened here at Chrysler would have been impossible without the commitment that they've shown. Absolutely impossible. When I was looking at this deal back in 2009, I snuck into Jefferson, our plant that now makes the Grand Cherokee. And, I'll tell you if I had any reservations about doing this deal, it was after I saw the state of that plant. And the people that fixed that plant are the guys on the shop floor. Like most of Detroit's automakers, Chrysler was **saddled with a stifling bureaucracy, which Marchionne quickly culled.** To change the management structure, he combed through the company and found 26 young leaders who would report directly to him.

Steve Kroft: Were they on the management fast track?

Sergio Marchionne: No. Some of these people were buried inside an incredibly hierarchical organization that, you know, all pointed to the top. This place was run by a chairman's office.

Sergio Marchionne: That's the Tower, right?

Steve Kroft: Uh-huh (affirm).

Sergio Marchionne: **And the chairman's office is the top floor. It's empty now.** We use it as a tourist trap. We bring people up there.

Steve Kroft: Why did you leave?

Sergio Marchionne: Because nothing happens there. **I'm on the floor here with all the engineers.**