

More oil company consolidations likely in the future 5E



Idea for Plymouth wine bar comes from TV 2E

For updated quotes, send text message with STOCK TICKER (e.g., MSFT) or FUND TICKER (e.g., AGTHX) to 44636 (4INFO).

Inside
Industry Report 2
Business List 2
Tip Sheet 4
Motley Fool 4

BUSINESS

Tuesday, Dec. 26, 2006 Business dept.: 313-222-8765, business@freepress.com

www.freep.com Detroit Free Press

E

FORD VP'S CHALLENGE



Photos by HUGH GRANNUM/Detroit Free Press

Engineer Bharat Pawa, second from left, and operator/team coordinator Charle Roach show Joe Hinrichs transmission parts for a Ford Focus at the Van Dyke Transmission Plant in Sterling Heights on Dec. 19. Hinrichs is in charge of North American manufacturing for Ford.

YOUNG EXEC, BIG MISSION

A prodigy, Joe Hinrichs is suited to task

By SARAH A. WEBSTER
FREE PRESS BUSINESS WRITER

Joe Hinrichs spent the early part of his life in the small, blue-collar town of Fostoria, Ohio, playing by the rules.

He was an altar boy. He had perfect attendance in school. He avoided rebellious teenage activities. He graduated as valedictorian of his Catholic high school, with a 4.0. He went to the University of Dayton on a president's scholarship.

Then, Hinrichs got into the automotive industry, where he started breaking with conventions he found ineffective and frustrating to get things done.

His first day on the job in a General Motors Corp. factory, back in 1989, the young engineer tried to clean the dirty windows in his office and was quickly cited "for doing organized work" — a union-covered task.

Hinrichs refused to fall in line, going on to earn 22 such grievances one day.

When he got to Ford Motor Co. in 2000, he transported transmission parts from one factory to another in his Explorer SUV, a breach of protocol that kept his assembly plant running.

Today, Hinrichs turns 40, and he's the youngest vice president at Ford — charged with the company's sprawling North American manufacturing operations, which include 42 factories in the United States, Canada and Mexico.

In these troubled times at Ford, that makes Hinrichs one part Grim Reaper, one part dei-



ty and, quite clearly, an unpredictable Whiz Kid to watch.

The 103-year-old automaker lost \$7 billion this year through September. Ford's Way Forward turnaround plan calls for a variety of actions to reverse that dive, such as cutting one-third of its North American workforce, about 44,000 hourly and salaried workers in all, and closing 16 factories by 2012.

That has put the task of downsizing Ford squarely in Hinrichs' hands, and his to-do list for 2007 is daunting:

- Close four plants and prepare to close three more in 2008.
- Execute 32,000 hourly buy-outs at factories, without com-

promising safety or quality.

■ Decide whether layoffs or temporary hires will be necessary.

■ Help launch five new cars and trucks.

■ Keep reducing costs in plants. And if all that weren't enough:

■ Help negotiate a new contract with the UAW.

"Next year will be one of the most challenging years that I've ever seen, at Ford or anywhere," the boyish-looking Hinrichs told the Free Press.

This might not have been the kind of responsibility Hinrichs

See HINRICHS, 3E

Joseph R. Hinrichs

Age: 40, today
Title: Vice president, North America manufacturing, Ford Motor Co.

Experience:
Oct. 2005 to Sept. 2006: Vice president, North America vehicle operations, responsible for 19 assembly and eight stamping and tool-and-die plants.
Jan. 2005 to Oct. 2005: President and CEO, Ford of Canada.

July 2003 to Jan. 2005: Director of manufacturing for vehicle operations, responsible for launch of vehicles at six assembly plants.

April 2002 to July 2003: Executive director, material planning and logistics.

Dec. 2000 to April 2002: Manager of the Van Dyke Transmission Plant.

Aug. 1998 to Dec. 2000: Partner and senior vice president of Ryan Enterprises Group, a manufacturing investment group in Chicago.

May 1989 to Aug. 1998: Worked at General Motors Corp.

Education:
Bachelor's degree in electrical engineering from the University of Dayton in 1989.

Master's degree in business administration from Harvard Business School in 1994.

Family: Wife, Maria, and children Anna, 12, Andrew, 10, and Sarah, 8.

Hobbies: Spending time with family, landscaping and reading business books.

Drives: Lincoln Navigator.

Delphi gets grant from state, NASA

Firm to develop welding method

By JASON ROBERSON
FREE PRESS BUSINESS WRITER

NASA and the Michigan Research Institute are to announce this week that they are giving Delphi Corp. nearly \$1 million to develop an advanced welding process that promises to be less expensive and more effective at welding dissimilar-shaped materials.

NASA will use what it learns from Delphi's deformation resistance welding procedure in developing spacecraft and terrestrial vehicles.

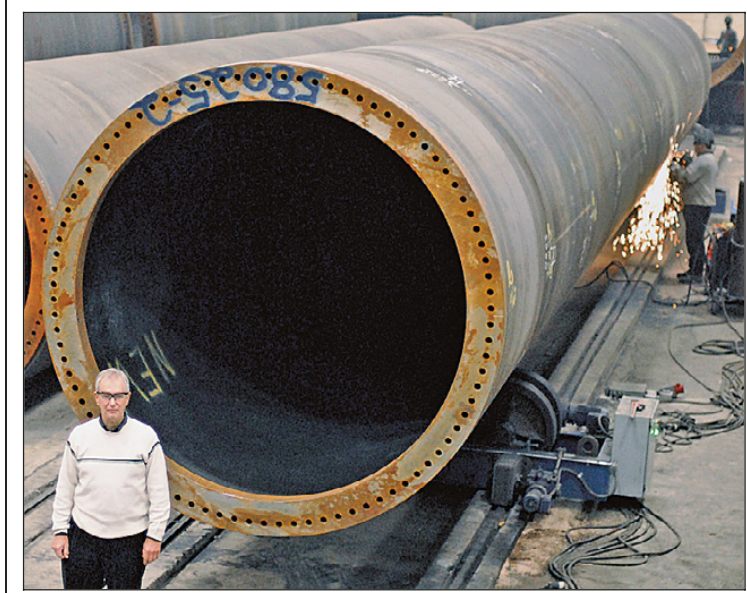
Deformation resistance welding is unique because it enables welding different materials and shapes for less money than conventional welding methods.

The \$950,000 grant underscores Delphi as a tale of two companies: While Delphi's traditional car-parts business, making items such as brake hoses and batteries, loses billions, Delphi also is an innovative manufacturer of highly profitable, highly technological products.

The welding process can be used in manufacturing heavy load-bearing structures, mobile medical products and automobiles because of its ability to handle tube-to-tube and tube-to-sheet welding.

"Delphi will be in a stronger position to provide innovative joining and structural solutions to a broader set of customers," said Jayson Pankin, Delphi's new venture creation specialist.

Contact JASON ROBERSON at 313-222-8763 or jroberson@freepress.com.



JASLYN GILBERT/Gannett News Service

Huge wind towers are built by Tower Tech Systems in Wisconsin. Alternate energy sources are likely to get Democratic support.

Congress likely to favor alternate fuel

Democrats ran against Big Oil

By ANA RADELAT
GANNETT NEWS SERVICE

Democrats campaigned on promises of making sweeping changes to the nation's energy policy, but it's unlikely they'll deliver on most of those promises.

The new Democratic-controlled Congress is expected to place greater emphasis on renewable energy sources and end the drive to open offshore areas to oil and natural gas production.

But Democrats who will have jurisdiction over energy issues indicated they aren't planning a big energy bill next year.

"We're going to have smaller, more manageable, more digestible" legislation, said Bill Wicker, spokesman for Sen. Jeff Bingaman of New Mexico, the new Democratic chairman of the Senate Energy and Natural Resources Committee.

The new Congress is expected to debate ways to cut green-

house gases to fight global warming and press for increased efficiency standards for cars and other gas-operated machines. Democrats also are expected to champion proposals that would require utilities to produce a percentage of their electricity output from renewable energy sources.

Producers of solar power, wind power, geothermal power and other technologies that use wood or waste products to generate energy also are expected to receive new tax breaks from the Democratic Congress.

But the biggest change in energy policy is expected to come through a farm bill Congress hopes to consider next year that would provide new incentives for the production of ethanol, a corn-derived fuel.

Many Democrats campaigned against Big Oil this year, tying Republicans to an industry that critics say pollutes the environment and manipulates prices.

If Democrats follow through

See FUEL, 2E

"He's a very strong leader. Some people just have that."

JIM BUFFALO SMYTHE, UAW Local 2280, on Ford Vice President Joe Hinrichs