being made on habit and loyalty, not merit.

Forgetting that quality controls had been introduced by Cadillac, Big Three managers shrugged their problems away. Instead of trying to improve their own processes, they simply muttered tha the strict company ethic and dedication to quality they saw in Japan and Germany could not be imposed on their work-force.

Then Honda and Toyota opened up transplant facilities in the United States. Using American labor, they still they out-performed the Big Three. It was time to think again.

When Detroit began to study its Japanese competition, it got a surprise. Instead of unthinking, soulless hierarchies, it found groups of enthusiasts motivated by a desire to do well -- people proud of their company and their product, and excited by the opportunity to contribute.

Detroit had been imposing its ideas from the top down. Now, it gave its front-line people power and responsibility, decentralizing decision-making and making its people want to achieve. Detro boomed, producing exciting, reliable automobiles that sold at competitive prices and earned the Big Three the quality reputation they had let slide. Confidence rose again, and sales and profits soared.

The irony was that Detroit hadn't needed to look to Japan for the secret of lean production. It wa on display at Dana, all the while.

The Chrysler big dipper

In July 1993, Robert Eaton, Chairman and CEO of Chrysler, gathered together 500 of his top people and announced that the company had just posted the best quarter-results in a decade. H read out loud extracts from newspaper articles, praising the remarkable turnaround at Chrysler. Eaton then informed his people that each of the articles was about past comebacks. They had appeared in 1956, 1965, 1976 and 1983.

Death-bed recovery was becoming a habit at Chrysler, and Eaton was determined to break it."I' got a better idea," he told his people."Let's stop getting sick."

Dana Credit Corporation

With the building of new, dedicated offices at the Dorr Street campus, Dana demonstrated its lo term commitment to the Dana Credit Corporation (DCC). The only part of the Venture Group to make an outstanding contribution to Dana, DCC celebrated 1994 by finally selling all discontinu Venture Group assets and winning an unprecedented ninth Dana Gold Star for performance.

By 1995 DCC had become one of the largest leasing companies in the United States. Including operations in Canada and England, DCC had over $1 billion in assets and 450 people. Its prima business was large ticket transactions, whereby DCC bought properties such as Bell Atlantic's H or a KLM 747, and leased them back to their operators. DCC also engaged in joint ventures, sm ticket lease financing, off-lease equipment disposal, asset management and real estate service

Dana, 1990s Style

The recession that hit the automotive world so hard in the early 1990s was inevitably felt by Dar even though Dana was better prepared than most for a downturn. Dana's overseas and aftermarket sales helped buffer the drop in demand for original equipment, as did Dana's dedication to continuous improvement, lean production, inventory control, just-in-time delivery, idea sharing and total quality assurance.

Southwood J. Morcott, named CEO in August 1989, led a new team of Dana people into the 1990s. One of the teams first acts was to devise and publish a ten-year mission strategy titled Dana 2000, which set out five clear targets for Dana people to hit by the end of the millennium. Along with Dana 2000, a fresh continuous improvement scheme was implemented, asking each