



Lively discussion between technical experts: Gerd-R. Lang (left) and Rupert Stadler.

**T**radition meets modernity in the shadow of the North Loop: the veil of a dull November morning is gradually lifted on an encounter between a thoroughbred sports car and its great-grandfather. And on a meeting between two men whose hearts beat faster at the mere mention of watches and whose pulses accelerate at the sound of race engines.

*You have both been driving extraordinary cars today: the Auto Union Grand Prix Type C racing car from 1936 and the ultramodern Audi R8\* sports car. What is the particular fascination of driving on the Nürburgring – does it tie in with your everyday lives?*

LANG: My experience of the Nürburgring goes back a long way: it was one of the places I worked at 30 years ago. I was a timekeeper in Formula 1 racing and got to know the Nürburgring as a circuit that demanded everything from a driver. It was possibly the most challenging racetrack in the world at that time. I truly admired the people who powered their cars around this circuit with such courage and dedication. That was a formative experience for me – recognising that you won't achieve anything half-heartedly.

STADLER: Every racetrack has its very own emotional appeal that arises from probing the limits. That also involves being a touch in front of the others. It's what gives you that feeling of butterflies in your belly. I'm convinced that the Audi brand's motor sport activities are a worthwhile investment. If a brand such as Audi lays claim to be sporty and progressive, and to embody Vorsprung

durch Technik, it has to do something to cement that claim authentically. That includes measuring up to the competition, which is what happens out here on the racetrack, but also every day in front of our customers.

*Do you believe that what Audi is doing today is the logical continuation of what was started with Auto Union's racing cars in the 1930s, Mr. Stadler? How important to you both is such a factor of tradition?*

STADLER: Every brand must be conscious of its own history. A company needs roots, and also larger-than-life characters. Bernd Rosemeyer in the 1930s, a Type C racing car with immense torque of more than 800 Nm at 2,500 rpm even in those days – these are some of the highlights of our corporate history. That's why I believe you should always be prepared to seek out the positives in your past. And you should repeatedly look to the past for guidance on how to shape the future responsibly.

LANG: Today I sat in the Auto Union Type C that was driven here before the war, giving a display of ultimate performance with Bernd Rosemeyer at the wheel. When you now look at the present day, at the new Audi R8, you can sense the genes of a progressive company. Then I see a connection between the R8 and my watches: I was the first to introduce the idea of watches with a glass base. Because I wanted to show people how beautiful the things we are making are. In essence exactly the same principle applies when I contemplate the >>





# Butterflies in your belly ...

**A meeting at the Nürburgring:  
what motivates Audi and Chronoswiss**

A mild rush of adrenalin on the circuit, and intensive shop-talk about cars and watches by the trackside: Rupert Stadler, Chairman of the Board of Management at AUDI AG, and Gerd-R. Lang, founder and owner of Chronoswiss Uhren GmbH, discuss what stirs markets and passions. Interview Markus Brake // Photos Michael Wiegmann

Two successful businessmen discuss the parallels between mechanical watches and modern sports cars.



**“If every bright idea is immediately dismissed on cost grounds, paralysis will be the consequence.”** Rupert Stadler

wonderful design of the R8 and view its engine compartment through a pane of glass.

*Maybe we can discover a few more parallels: Mr. Lang, what does it take to make a watch a market success? And what, Mr. Stadler, does it take to make a car “tick”?*

LANG: What people acknowledge today is the craftsmanship and complexity involved in making a watch. People once more want watches to be what they were for many years: part of our cultural heritage. They regard them as an item of jewellery for the owner, and a reflection of the customer’s character. You can gauge a person’s personality by the watch they wear. How they think, what makes them tick. These days, a watch is expected to keep time accurately as a matter of course. The mechanical watch, which has been around for almost 500 years, has reached the limits of its efficiency. By that, I mean 99.997 percent precision. The consumer doesn’t expect more than that, because the difference is no longer measurable.

STADLER: The biggest differentiating feature of our cars can only be that our team of engineers and workers declares: there is a part of me in every car, my personal contribution. This contribution is prefaced by our company’s ambition to offer customers highly sophisticated, sporty and powerful products that are also equipped as individually as possible. I believe this goes a long way towards making our cars so popular at present and explaining why they tick. The nature of their build quality, their look and feel, our design idiom

that has to resonate with customers – these are the key attributes that matter. But we also always have to put across the idea that the price you pay, dear customer, is one thing. The value you get in return is something you will sense every day. And that’s what matters.

*It is now commonplace for companies to move production operations to countries in Eastern Europe or Asia, where labour costs are lower, and droves of critics are forecasting the end of Germany as a production base. How do the Chronoswiss and Audi brands see matters?*

LANG: We laid the foundation stone for the first watchmaking factory in Bavaria in 2006. I think that answers your question! I believe we can still be successful while incurring high wage costs. But the result must then always be a product that other people all over the world crave to own. In other words, a high-tech product that arouses needs all over the world. It can’t afford to be a mass-produced product. It must be something that only we can make here in Germany. We will then have prospects of recruiting and employing people here, and making products that are also in demand in other countries.

STADLER: My impression is that we’re talking as if the prospects for the manufacturing industry in Germany are much bleaker than they are in reality. But we do need to provoke a kind of creative restlessness at German production locations, because you can easily run the risk of resting on your laurels once things are going well. But if we can succeed in permanently coaxing top per-

formance from our team, our workforce, we will ultimately also succeed in making a better job of the things that make our location more costly. German engineering enjoys an astonishingly high market value. But if we abandon our roots, thinking that we can transfer all our expertise to somewhere that’s cheaper, we’ll find that that simply isn’t enough.

LANG: This healthy restlessness that Mr. Stadler mentioned is what pushes both our companies, Audi and Chronoswiss, forward. It means that we are ultimately able to continue satisfying our customers’ requirements. Because they sense that things are happening here. In German, the word for restlessness, “Unruhe”, is almost identical to the word “Unruh”, which means balance spring in a watch. And this is a part that moves very fast. 28,600 times an hour, in fact. That restlessness sometimes also entails having doubts about what you are doing. As long as we feel that restlessness, I won’t fear for the future of manufacturing in Germany.

STADLER: Creative restlessness also expresses a passion for always finding the best solution, something that needs to be engendered within the company. And I want to see a permanent, healthy restlessness, because it will always act as the driving force of performance and success.

*Where are the limits of this creative restlessness? Or, to put it another way, isn’t there a conflict between creativity and costs? Customers aren’t prepared to buy everything that the engineers develop ...*



STADLER: We apply a very simple principle. You spend your mornings developing your ideas, and your afternoons calculating the costs. That guarantees that the issue of costs doesn't become the killer argument. If every bright idea is immediately dismissed on cost grounds, paralysis will be the consequence. That's why doing things in the right order and striking a balance are so important. Let me give you an example: we are the first car manufacturer in the world to be offering main headlights featuring LED technology. As well as for the daytime running lights, this innovative lighting technology will in future be used for the low-beam and high-beam headlights in our thoroughbred

sports car, the R8. If we had not given the creative process the space and time to unfold, we wouldn't have got so far so soon. In the final analysis, the costs of course also have to be within reason. But particularly in a creative process, it is possible to accomplish leaps in quality – every team knows that very well!

LANG: Inspiration needs space, and our country offers a good basis thanks to its well-qualified people. We need to be the ones providing the impetus in our industry...

STADLER: ... and we need to tackle matters with the right attitude. Resolutely, not timidly, and turning any alleged or actual weaknesses into strengths.

Ample room for manoeuvre is created when you are prepared to take on challenges. All that assumes that you are receptive to change as an inherent attribute of competition.

*The racetrack is a fitting venue at which to be discussing competition: how would you say you measure up to the competition?*

LANG: I believe competition to be of the utmost importance in life. Because I need competitors in order to generate progress. And because, by their actions, they are helping to promote the product I am making.

I have also helped other brands while they were being established. >>



Common ground: visual appeal and precision.



**“I believe competition to be of the utmost importance in life. Because I need competitors in order to generate progress.”** Gerd-R. Lang

It was important to do that, in order to increase the overall market of that product. But I have always done things differently. I have established a Swiss watchmaker in Germany. I have made watches with glass bases, and I have even listed our suppliers in our catalogue.

STADLER: I think the answer simply has to be that competition stimulates business! Without competition you are in a monopoly situation, and that encourages negligence. For me, competition always defines what the bare minimum is, thus helping you to discern how much better you need to be. Specifically at our company, we take our competitors very seriously. Not just the competitors we have long been familiar with, but above all new competitors who are in a position to bring about paradigm shifts with their business models.

*When I look at the ideals of both your companies, I can see striking similarities in a broader sense. Vorsprung durch Technik – and a fascination for mechanical precision. Is that purely coincidental?*

LANG: That’s an easy one to answer. Our customers have to enjoy the product, whether it’s a Chronoswiss watch or an Audi, and be captivated by its emotional appeal.

STADLER: Vorsprung durch Technik has something to do with pushing back the frontiers and repeatedly probing them, I think, in order to keep redefining and overcoming them.

*What are the biggest challenges that lie ahead for your companies?*

LANG: Our future must basically be about how we can improve our products and do interesting things. And not about how we can keep pushing the price down. I’m always the first to object to that, because I make watches the way I want them to be. Only when I am satisfied with them do they go on sale. In specific, I am currently preoccupied with my new watchmaking factory that

will represent a different way of doing things. It will be hosting training courses open to watchmakers from all over the world. There will be a permanent museum, where we will also be staging events. It’s all designed to promote the thing that we are proud of: watchmaking.

STADLER: Increasing globalisation will bring us into greater contact with other cultures in future. Our company will have to adjust to internationalism. We at Audi have a mid-corporate structure in terms of decision-making paths. I’m pleased at that, because it makes our decision-making processes much faster and our communication processes much more efficient. But we are going to have to deal with partners in China and customers in Australia and Russia – on every continent, in fact – in such a way that they understand us as a brand. Understand how we “tick”, what our values are and what drives us on. It’s a question of continuity, and also responsibility. If we can succeed at that, we can be sure of long-term success. 

### Chronoswiss – Swiss watches from Munich

Chronoswiss Uhren GmbH (Munich) was established by Gerd-R. Lang in 1982, at a time when everyone assumed the traditional wrist watch would become obsolete. In manufacturing exclusively mechanical watches, Chronoswiss has heralded in a Renaissance of the “fascination for mechanical precision”.

