RETHINKING INNOVATION AND DESIGN FOR EMERGING MARKETS

INSIDE THE RENAULT KWID PROJECT

CHRISTOPHE MIDLER
BERNARD JULLIEN
YANNICK LUNG

Preface by Carlos Ghosn

CRC Press
Taylor & Francis Group
Boca Raton London New York

CRC Press is an imprint of the Taylor & Francis Group, an Informa business
AN AUEBACH BOOK
Contents

About the Authors ix
Foreword xi
Introduction 1
Part I Incredible Kwid 5

Chapter 1 Upstream Exploration: April 2010–October 2011 7
1.1 A Growth Strategy with Echoes of 1995 7
1.2 The Need for Coordination Within the Renault-Nissan Alliance 8
1.3 The Key Role of an Integrated Exploratory Approach: LCI 11
1.4 The Alliance Converges on a Strategic Scenario 14
1.5 Convergence Driven by XBA 15

Chapter 2 From Definition to Confirmation: A Unique and Independent Approach (October 2011–July 2012) 19
2.1 Formation of the 2ASDU Team 21
2.2 Confirming the “2ASDU Way” 24

Chapter 3 Product-Process Development: Spring 2012, Autumn 2013 27
3.1 Target-Based Cost Control 28
3.2 Adjusting Specifications According to the Local Market 31
3.3 To Save a Few Rupees More 33
3.4 Hitting Deadlines Under “Design to Cost” 37
3.4.1 Converging on a Style: An Early but Adjustable Freeze 39
3.4.2 Extended Supplier Relationships; Key Dates Driven by Achieving Targets 41
7.2 Kwid's Indian Product Lineage 83
7.3 International Expansion Plans Confirmed 84
7.4 Brazil: The First International Deployment 85

Part II  Fractal Innovation, Frugal Engineering, and Emerging Countries Growth Strategy 91

Chapter 8  Fractal Innovation and Creative Product Development 93
8.1 Fractal Innovation 94
8.2 Organizational Conditions of Fractal Innovation 96
  8.2.1 Concurrent Engineering 96
  8.2.2 Intrusive Management 100
  8.2.3 Heavyweight Project Management 101
8.3 The Dynamics of Fractal Innovation and Design Processes:
The Return of Creative Product Development 102

Chapter 9  The Maturation of a “Trickle-Up” Approach of the Automobile at Renault 109
9.1 Renault: Built to be Ambivalent 113
9.2 From the Logan to the Kwid: A Marginality Less and Less Marginal 117
9.3 A Crew of Real Renault Fighters 120
9.4 The Emergence of Peaceful Co-Existence Between the Entry Range and the Rest of the Segment 123

Chapter 10  The Global Innovation Playing Field 127
10.1 Internationalization: The Hallmark of the Automotive Industry 128
10.2 The Entry Range: The Main Driver of Renault’s Delayed Internationalization 130
10.3 The Kwid: A Case of Reverse Innovation? 132
10.4 The Role of Proximity 137
10.5 Will India Be a Lead Market for the Kwid? 140

Conclusion 143

Bibliography 149

Appendix: List of People Interviewed 157

Index 161