

BMW NA 50th Anniversary | 50 Stories for 50 Years

Chapter 14.

California Style: BMW acquires DesignworksUSA

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It may be situated on the far edge of the country, but California has long been the center of the U.S. where car culture is concerned. In California, cars are more than just transportation; they're vehicles for self-expression. It's no wonder, then, that car companies look to California when they need something new and unexpected.

That's exactly what BMW did in 1990, when its design department was left rudderless in the wake of design director Claus Luthe's unexpected departure. Looking beyond Munich for an infusion of panache, BMW found it in a California design studio called Designworks/USA. Designworks/USA had been founded in 1972 by Chuck Pelly, who'd begun his career by penning the gorgeous Scarab race cars in 1958 followed by the first two Chaparrals in 1961. Pelly had started Designworks/USA in his Malibu garage, and the firm had expanded to fill spacious quarters in Newbury Park by the time BMW joined companies like Nokia, Compaq, and several transportation firms on its client roster.

Pelly had drawn BMW's attention with an innovative design for car seats, which integrated the safety belt with the seat back for easier entry and a tighter fit. The seats were used first by Volvo in 1985, then incorporated into BMW's new E31 8 Series in 1990.

The collaboration proved so fruitful that BMW purchased a 50 percent stake in Designworks/USA, giving the company an important outpost in the center of American car culture. On August 8, 1990, BMW announced the investment to the public, citing the "positive experiences" of its work with Pelly as well as the potential benefits to car buyers. "BMW's involvement in this creative venture means that the wishes of American

customers, the conditions and developments of the American market are taken more into account and that BMW's development activities can be accelerated and internationalized.”

The acquisition was part of a surge of investment in the US, one which would include the establishment of BMW Financial Services as well as the construction of an automobile plant in South Carolina. “It was a statement that we were in tune with the American market, that we now had a design affiliate in Southern California,” said Tom McGurn, then BMW NA’s General Manager for Corporate Communications.

At the Los Angeles Auto Show in January 1992, BMW showed its first car produced in collaboration with Designworks/USA and the first prototype manufactured entirely at Designworks. A follow-up to the E1 designed in Munich by BMW Technik GmbH, the battery-electric E2 combined forward-thinking efficiency with California cool.

The burgeoning relationship between BMW and Designworks/USA got an additional boost in 1992, when Chris Bangle was hired as head of BMW Design in Munich. The American-born Bangle had earned a degree in transportation design at Art Center College of Design in Pasadena, where he’d studied under none other than Chuck Pelly, himself a graduate of the highly-regarded program established in 1948. Recognizing the value of a design outpost in California as well as the studio’s capabilities, Bangle encouraged BMW to purchase the remaining 50 percent of Designworks/USA. In 1995, Designworks/USA became a wholly owned subsidiary of BMW AG and is renamed BMW Designworks/USA, with Pelly as president and CEO.

In taking complete ownership, BMW gained an important foothold at the center of California’s taste-making car culture. Equally important, the company would have a direct pipeline to new talent emerging from Art Center; many Art Center graduates were already going straight from the college to BMW Designworks/USA. Under BMW’s ownership, BMW

Designworks/USA could allow young designers to develop their skills far from the production-oriented studio in Munich, in an environment that would encourage exploration and experimentation.

Toward that end, Bangle asked BMW Designworks/USA personnel who'd been working on non-car projects in California to offer suggestions of what a car might be. Half a dozen were submitted, including a model from Fernando Pardo dubbed GINA. Pardo's model consisted of a metal framework covered by a nylon stocking, suggesting a covered wagon or dirigible. The idea was interesting enough to warrant a full-size prototype in 2001, at which point Pardo's aesthetics lost out to a design from his colleague Anders Warming. Warming's design would be developed for production on the Z4 roadster and coupe of 2002 and 2005, respectively; he'd also apply it to the BMW Concept Coupé Mille Miglia shown at Concorso d'Eleganza Villa d'Este in 2006.



While providing BMW with cutting-edge design studies, BMW Designworks/USA also became integral to BMW's production-car design process, submitting proposals to BMW's internal competitions. The first to be chosen was Erik Goplen's design for the E46 3 Series,

which launched in 1998. That car was followed in 1999 by the groundbreaking X5, BMW's first Sport Activity Vehicle. Aimed at the American market, the X5 was designed by Chris Chapman at Designworks/USA, with some elements contributed by Ivan Lampkin and Frank Stephenson.

While those vehicles were being readied for production, BMW Designworks/USA was engaged in the type of top-secret project that

could only be conducted outside Munich. Code-named “Deep Blue,” the project was convened by Bangle and Dr. Burkhard Göschel, head of the Special Vehicles department that was also responsible for the X5 and Z8. In the wake of the X5, Deep Blue’s goal was to define the “next phenomenon” for the U.S. market.



Deep Blue yielded six new-vehicle concepts, the first of which was the X coupé designed by Chapman with an interior by Warming. Shown to the public in 2001, the asymmetrical X coupé proved too controversial for production, and the outrage that ensued caused the Gina project to be sent into long-term storage. Other Deep Blue concepts met a more favorable reception: The X Activity Vehicle was realized as the X3, Chapman’s CS1 became the first-generation 1 Series, and a coupe-styled X5 derivative known as the Concept X6 went into production under that name.

In 2000, Pelly stepped down as president and CEO of BMW Designworks/USA. Though he remained a consultant to the company, operational responsibility was turned over to Henrik Fisker, who’d designed the Z07 roadster concept and the production Z8 at BMW Design in Munich. Fisker’s tenure at BMW Designworks/USA would be brief, lasting barely two years before he departed for a Ford design subsidiary in London.

As Fisker's replacement, Bangle appointed Adrian van Hooydonk, a ten-year veteran of BMW Design who'd been heading BMW Designworks/USA's exterior design department since 2000. Before leaving Munich for California, he'd penned the 1999 Z9 coupe and cabriolet concepts that would see production as the 2001 E65 7 Series and 2003 E63 6 Series. At BMW Designworks/USA, he designed the Mini Millenium concept, which pointed toward the future of the British brand acquired by BMW in 1994.

Van Hooydonk would remain at BMW Designworks/USA until 2005, when he returned to Munich as head of automotive design for BMW; four years later, he succeeded Bangle as head of BMW Group Design, a position he holds to this day.

Since 2005, the subsidiary has been led by a succession of BMW design luminaries: Verena Kloos (2004-2009), Laurenz Schaffer (2009-2016), Oliver Heilmer (2016-2017), Holger Hampf (2017-2023), and Julia de Bono (2023-present). In 1998, BMW Designworks/USA opened a branch in Munich, and in 2006 expanded to Singapore. In response to the tremendous growth of the Chinese automobile market, the Singapore office moved to Shanghai in 2011. In 2015, the subsidiary underwent another name change, becoming known simply as Designworks, and in 2023 its headquarters moved to Santa Monica.

Designworks completes about 300 projects per year, of which half are commissioned by outside clients in fields as far ranging as electronics, private aircraft, and yachts. BMW of North America on behalf of the US Olympic and Paralympic teams have commissioned Designworks to create racing wheelchairs and bobsleds, the latter designed by Michael Scully, currently the Head of BMW M design, who was responsible for the Formula BMW single-seater of 2002 as well as the current M Hybrid V8 competing in IMSA racing.

BMW considers Designworks' 130 employees the "Architects of the Future," and the subsidiary is more than just another design studio. It's also a think tank for developments



involving digitization and electrification. Designworks/USA played a major role in Project i, which resulted in the battery-electric i3 and hybrid i8 models, and it's doing the same for the all-electric Neue Klasse that will follow in 2025.

And after that? It's Designworks' job to look beyond the Neue Klasse for what comes next, "to raise and explore questions about the future of mobility that have not been asked, and to develop innovative approaches to topics and problems that the BMW Group is not yet actively addressing." As van Hooydonk puts it, "Designworks is able to do this because it constantly has its 'eyes and ears' on the pulse of the times at three locations. [It] gives us the creative energy we need to be really competitive."

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