

BMW NA 50th Anniversary | 50 Stories for 50 Years

Chapter 41: “The BMW X7: The U.S. Market Always Wants More.”

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In the 1990s, when so-called Soccer Moms began abandoning minivans in favor of SUVs, they found themselves missing the third row of seating that made minivans so ideal as family or team transportation. That was true whether the SUV in question was a Ford Explorer, Jeep Cherokee, or, after 1999, a BMW X5 Sports Activity Vehicle (E53).

When BMW's product planners, designers, and engineers began working on the

second-generation (E70) X5, they knew it would need more seating to remain competitive. "When we did the E70, we struggled to get a third row of seating in it," said Rich Brekus, then Head of Product Planning and Strategy for BMW of North America. "Albert Biermann [project leader] did a phenomenal job, but it became obvious that a third row in the E70 wasn't going to work very well."

Introduced in 2006, the E70 featured dimensions that had remained more or less unchanged from those of the first-generation E53 X5—the wheelbase had increased by just 4.5 inches, the overall length by 7.4 inches. BMW had added a third row of seating, but the space was too cramped for all but the smallest adults; even children had to fold themselves up to sit there, and the space received little light or ventilation.

"It was clear there was a market for a bigger X5, and we started asking for an X5L, like a \$3,000 upgrade," Brekus said. "Munich suggested an X7, but I said these families needed a third row of seating, not an X7."

Munich preferred a larger, more upscale vehicle, and so did BMW's U.S. dealers. "The dealers are always asking for a vehicle above the X5," said Ludwig Willisch shortly after he arrived in Woodcliff Lake as BMW NA CEO in October 2011. "Not a single day goes by that I don't get a phone call asking when the new X7 will be available."

Indeed, the lack of proper three-row SAV meant that BMW was losing customers not only to its traditional German rivals but to domestic automakers whose large SUVs were designed expressly for active families and could seat six or seven passengers comfortably. "A consumer who preferred European cars would never consider an American car if he or she wanted a BMW, a Porsche, or a Mercedes, but that isn't true when it comes to SUVs," Willisch said. "And if you weren't ready to deliver, you'd lose out."

In December 2011, Willisch made his case for an X7 to the BMW board. "I stated how well others were selling in that bracket, and we weren't, because we didn't have a product. And so the chairman [Dr. Norbert Reithofer] said, 'Ludwig, you have a point, and I will fight with you for that product. It's going to happen.'"



The X7 took a major step closer to reality in late 2014, when BMW announced a \$1 billion expansion of its Spartanburg plant. At the time, Spartanburg was BMW's only factory assembling large SAVs, and it was running flat-out to meet global demand for X5s and X3s. The expansion would allow BMW's "center of competence" for Sports Activity Vehicles to assemble a new model identified as the X7, for which BMW NA announced a rather optimistic on-sale date of February 2017.

The X7 project had been initiated thanks to U.S. demand, and BMW NA would play a key role in its development. In 2009, Brekus had been replaced as Head of Product Planning by Paul Ferraiolo; in December 2014, Ferraiolo tapped Kate Alini to manage U.S.-market development of a new series of luxury models: the increasingly upscale 7 Series sedan as well as the new 8 Series and X7. Where the X7 was concerned, Alini was a perfect fit for the vehicle's intended demographic.

"I was driving an E70 X5, and I had three young kids that I had to drop off at school every day," Alini said. "In the US, you have to get in and out of the drop-off zone really quickly, and I was holding up the line because it took so long to wrestle my kids out of their car seats, especially the one all the way in the back. They made me pull over into the bus zone."

Since the school drop-off—not to mention large SUVs—is virtually unknown in Europe, Alini sent videos of the scene to her colleagues in Munich, to convince them of the need not only for more spacious third-row seating but for easier ingress and egress throughout the vehicle. In that, the domestic SUVs had an inherent advantage, since they shared their chassis with full-size pickup trucks. The E70 X5's unit-construction chassis was much smaller, and so was the F15 X5 introduced in 2013.

BMW had tried to build an X7 atop the X5 chassis, but it simply didn't work. "They tried to work with the existing [F15] X5, but the wheelhouses were too small," Willisch

said. "With the size of the car, the small wheels looked awful. Aesthetically, it had to wait for the next platform."



That platform was the unit-construction Cluster Architecture (CLAR) platform that debuted with BMW's G11 7 Series sedan in 2015, and which would provide the foundation for subsequent large BMWs, including the fourth-generation G05 X5 that debuted in 2018. CLAR gave BMW more flexibility where size and configuration were concerned, and it would allow the company to finally build an X7 with fully-accessible third-row seating. It would be BMW's largest SAV to date, but it would still be fairly compact compared to full-size SUVs from other manufacturers.

"The X7 is quite a bit narrower than a Mercedes G-class, for example, not to mention the Lincoln Navigator or Cadillac Escalade," said Rich Steinberg, who succeeded Ferraiolo as Head of Product Planning in 2015. "Those cars offered a fair amount of room to get to the third row, so we had a lot of discussion about how to maximize the

interior layout to allow access to the third row of seats."

Even as it approached those vehicles in size, it needed to retain BMW's signature performance, particularly where handling was concerned. "It had to be a BMW," Steinberg said. "We were losing customers who like driving BMWs but needed more space, and who were switching to other marques to get it. It was important that the X7 keep the BMW DNA intact, that it have the sporting driving experience that's typical of any BMW."

As its nomenclature indicated, the X7 would be positioned upscale compared to the rough-and-ready X5. "We were switching the 6 Series Coupe to the 8 Series, and the idea was to command a higher premium [price] based on higher levels of premium features," Steinberg said.

"In terms of the overall concept, the X7 wasn't just a bigger X5. It's a luxury vehicle, and it's got to have presence," Alini said. "The kidney grille on the X7 concept vehicle was enormous, and when I first saw the car in Munich I was like, 'Whoa! That's a lot of chrome!' They decreased the size of the grille slightly for production, but the verticality of the kidney combined with the horizontal headlights was very modern, very contemporary. It gave the X7 real presence."

The X7's kidney grille was the largest ever designed for a BMW, and it was flanked by slim headlights that emphasized the car's width in relation to its height. BMW's press release highlighted its "harmonious proportions," as well as "a new use of forms dominated by clearly structured surfaces and precise lines [that] lend the X7 its modern aura." Those surfaces and lines had a slimming effect, making the X7 appear both neater and lighter than its X5 stablemate, even though it was slightly larger; so did BMW's first-ever 22-inch wheels, which rectified the aesthetic problems that Willisch had identified years earlier.

Following a long gestation period, the X7 was revealed to the public as the "Concept X7 iPerformance" at the Frankfurt auto show in September 2017.

Along with the CLAR platform, the X7 concept shared much of the 7 Series' design language, including the sedan's large, vertically-oriented kidney grille.

In accordance with its original mission, the X7 could accommodate seven full-sized adults, or six if the customer chose to replace the standard second-row bench seating with a pair of optional captain's chairs. That idea came from Alini, who'd seen them on



her friends' domestic SUVs.

"They were the coolest things, because the kids could just jump right through to the third row," Alini said. "I had to convince Munich to make them optional, which I did by showing them how kids got to the third row in an X5: They climb over the seats, and their sneakers scratch up the headliner."

Since the U.S. would represent more than half the worldwide market for X7s, Alini's opinions carried plenty of weight at the FIZ, the engineering and design center in Munich where the car was being developed. So did those of her Chinese counterpart, who also represented a substantial market for this luxury SAV.

"I wanted captain's chairs with a pass-through, and they wanted captain's chairs with huge bolsters and a giant console in the middle, because they're always being chauffeured," she said. "They didn't care about the third row, but we needed it, and we needed the ability to get back there. The car's only so wide, so how do we make it so that a human can get through? I remember being in the seating buck, and our counterparts from other countries just didn't get it."

Alini got the captain's chairs—"It was a compromise, but it works!"—and she also ensured that the X7 was well equipped with another feature essential to American customers: cupholders. "We need a cupholder for every passenger in the U.S.," she said. "But when you have the captain's chairs, you lose two cupholders. You can put a bottle in the door pocket, but you can't put a coffee or a fountain soda in there. Munich wanted to put the cupholders on the floor between the captain's chairs, but that was a tripping hazard on the way to the third row. I was fighting for everything I could to make life as easy as possible."

Alini's advocacy was backed up by CEO Willisch, who accompanied her to Munich to



check on the X7's progress. "He was super-supportive," she said. "He really got it, and the fact that he would go to the FIZ and check out a seating buck, knowing that I'm fighting for cupholders and pass-throughs... I don't know if CEOs normally get involved with those kinds of things, but Willisch was super-involved."

The X7 would never be as wide as its American counterparts, but access to the second- and third-row seating was improved by making the X7's rear doors longer than those up front. In addition, all of the X7's seats were electrically adjustable fore and aft as well as for seat-back angle, and they could even be adjusted from the driver's seat or from the cargo area via redundant controls.

In addition to ensuring the X7's passengers easy access and comfortable seating, Alini also had to make sure the X7 could accommodate their stuff, whether that was

sports equipment, groceries, or luggage for a long trip. "Munich wanted to get rid of the split tailgate we had on the X5, but I said we cannot lose that," she said. "It wasn't just a market differentiator (at the time, only Range Rover offered a split tailgate). It was also highly functional. If we're going to have a smaller trunk than our competitors we better make it more accessible and easy to use." The X7 got its split tailgate, an electric one that could be opened or closed at the touch of a button.

Along with new exterior design language, the X7 was part of an interior design revolution that brought more light into the interior. According to the press release, the X7's "large windows and a long, flowing roofline" created "a spacious interior bathed in light." A panoramic sunroof was standard, along with electrically controlled headliner shades that could be deployed from any seating position. That included the third row, where an additional overhead glass panel let in natural light, and where a new five-zone climate control system could moderate temperatures. "That was another thing that other markets didn't care about," Alini said, "but a lot of Americans put pets in the back of the car as well as people, and they need AC back there. So, the third row has natural light, its own AC, and its own cupholders, and that changes the whole experience. You're not sitting in the trunk anymore, but in the third row of a beautiful and comfortable vehicle."

Beyond new functionality, the X7 interior brought an unprecedented degree of luxury to BMW's SAV lineup, with elegant touches like ambient lighting, aromatherapy, and cut crystal for some of the control knobs and the gear shift. "I remember thinking it seemed a bit over the top at the time, but then I saw it, and it really did elevate the interior," Alini said. "We still aimed to be the sportiest, most dynamic vehicle in the segment, and adding those elements didn't compromise drivability in any way. It was still a BMW—just a more elevated expression of it."

In 2018, prospective customers finally had the opportunity to preview the X7 in some

125 “closed room” events around the U.S.. “We created a lot of excitement around the vehicle, and when pre-orders started we got several hundred in the first 24 hours,” Alini said.

The X7 was the first vehicle that customers could pre-order online through the BMW USA website before taking delivery at their local dealer. Once their vehicles arrived, customers were treated to a suitably luxurious level of service, one that surpassed the premium experience for which BMW was already known. “We were just getting into the luxury space—we were launching ten new models in the luxury segment, all larger



cars at a higher price point—and we wanted to elevate the whole experience so that it reflected the nuances of luxury, not premium,” Alini said. “We developed a program that allowed dealers to offer conveniences like vehicle pick-up and drop-off, expedited service appointment scheduling, and other time-saving benefits.

X7 assembly began at Spartanburg in December 2018, and all of those customer-service details had been worked out by the time BMW's new luxury SAV went on sale in the US in March 2019. Two models were offered initially: the six-cylinder X7 xDrive40i and the V8-powered X7 xDrive50i, priced at \$73,900 and \$92,600, respectively. An eight-speed Steptronic automatic transmission was standard in both models, as was Dynamic Damper Control air suspension. The X7 would be offered only with all-wheel drive, another element of the X7's premium positioning, and limiting the drivetrain options reduced the cost of bringing the X7 to market. Finally, the X7 was available with BMW's top-shelf driver aids and connectivity/infotainment features, and a full slate of comfort and convenience options.

As a luxury SAV whose final retail price can easily exceed six figures, the X7 would never be a high-volume vehicle like the smaller and more affordable X5 or X3. Even so, it's been a strong performer throughout its lifecycle.

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