



Official name: *Škoda Auto.*

Owned by: Volkswagen.

Current situation: After once being viewed as an antiquated joke, Škoda Auto is now the most skilful manufacturer within the Volkswagen group.

All modern Škodas are simply Volkswagens with a few changes and a different badge. Škodas are generally better assembled than the Volkswagens they are based on.

Škoda has done well in Europe by identifying itself as a budget European model. However, the Škoda brand has near-zero recognition in much of the world, making expansion into new markets much more difficult. To break into a new market the cars have to be either very desirable or very cheap, and Škodas are neither.

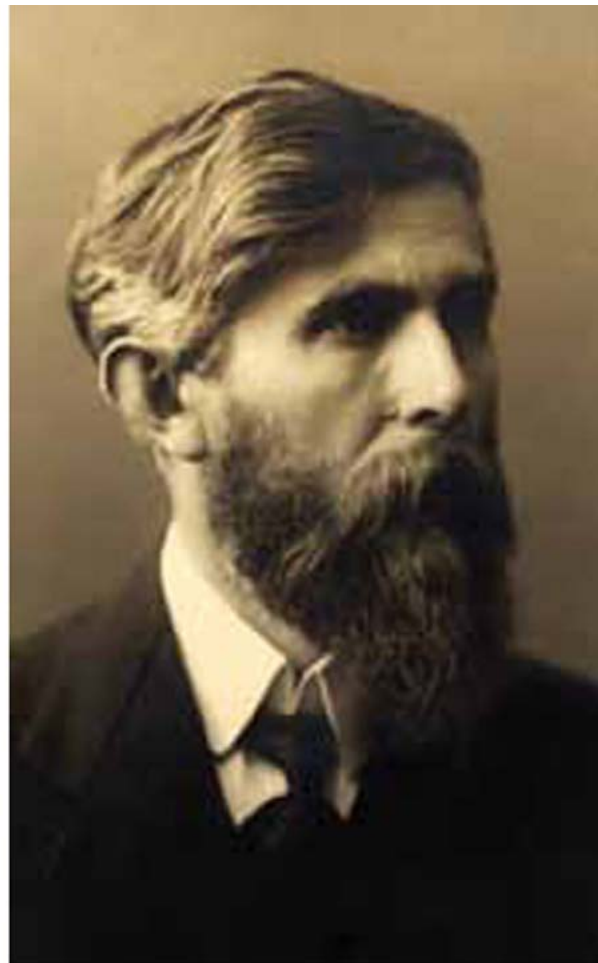
Chances of survival: okay. Škoda has done very well for itself, but it's still a very small fish in a very big sea. Škoda's future is tied to that of its owner, Volkswagen, and it must share VW's pleasure and pain •



A brief history of Škoda

IN 1894, Václav Klement, a 26-year-old bookseller in Czechoslovakia, had a German bicycle. He had trouble getting parts for it, and the patronising attitude of the German company that built it, angered him.

Klement was not the only disgruntled bike owner in his town, and, sensing a commercial opportunity, Klement teamed up with a local bike shop owner Václav Laurin. They began manufacturing bikes for the Czech market, using the patriotic brand *Slavia*.



Škoda founders Václav Laurin (left) and Václav Klement.
They took life very seriously.





The bicycles sold well, so Laurin and Klement decided to add motors.





Laurin & Klement began building motorbikes in 1899, then cars from 1905.



1905 L&K Voiturette Type A



And sometimes their vehicles were bike/car hybrids.



1911 L&K Type LW motor tricycle.

Although car production was beginning to take over by 1911, L&K still enjoyed high demand for its more affordable motorcycles and motor tricycles. Customers included the Mexican postal service, which ordered a special fleet and had them shipped to South America.

After cars, Laurin & Klement began building trucks as well. However, by 1925, times were tough and, after a disastrous fire, the firm of Laurin & Klement was taken over by the Škoda Works.

Škoda was a successful arms manufacturer and engineering conglomerate. Škoda had recently started manufacturing a small number of cars and wanted to expand this part of its business. The firm of Laurin & Klement was a natural fit within the Škoda empire.



By the 1930s, the planet was gripped by the Great Depression. Many car companies went bankrupt, but the Škoda works saw that the future lay in making cars simpler and in greater numbers, at affordable prices.

Thus, despite crushing economic challenges, Škoda released a successful range of cars in the 1930s.



Škoda Rapid (1935-1947).

After being forced to build war equipment for the Nazis in World War II, the English and American air forces bombed the Škoda works repeatedly.

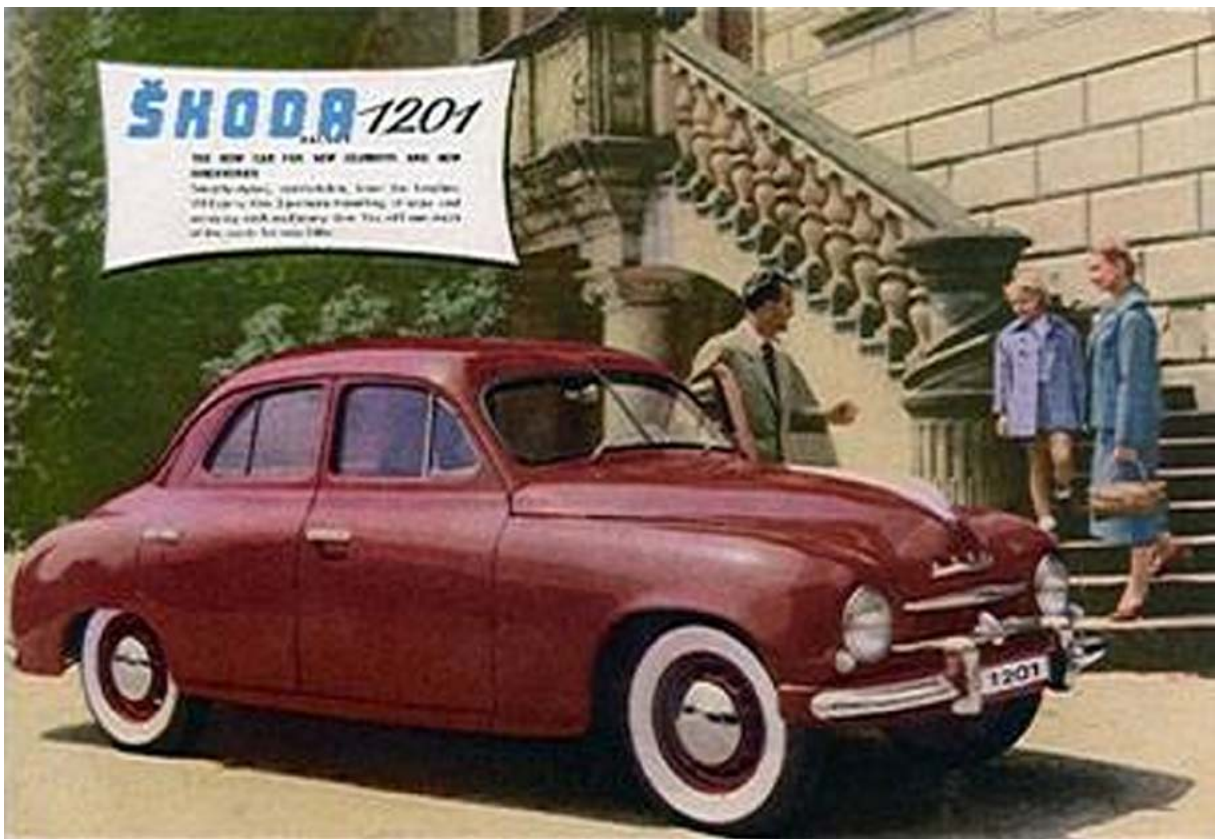
The final air raid on 25 April 1945 completely destroyed the Škoda armament works, along with about 1000 workers, who were killed or injured.

But, with the conclusion of the war, the plant was rebuilt.



However, after the war, Czechoslovakia had become a part of the part of the Russian Soviet empire. As such, the Czechoslovakian economy was expected to follow the Russian economic planning rules.

Under these rules, Škoda began building successful budget models throughout the 1950s and '60s, such as the 1958 *1201* below.



By the standards of the 1950s, cars like the 1201 (above) and the *Octavia* (below) weren't so terrible, but under Soviet Russian management, Škoda did not move with the times.





By the 1970s, Škodas like the *110* model (below) were regarded as something of a joke outside of Eastern Europe. They were sold overseas at rock-bottom prices in a desperate attempt to gain foreign exchange for Russia.



But they were poorly built, handled dangerously and were notoriously unreliable. Škodas became a poignant metaphor for everything that was wrong with Russia and her Eastern Bloc neighbours .



Faced with ever-declining market share, Škoda turned to Italian design company Bertone. The resultant car – the Škoda *Favorit* – was a mild success.



Like Soviet Russia, Czechoslovakia was in crisis at the time, with a crumbling economy and a collapsing political structure.

Outside of Eastern Europe and a handful of Third World countries, the Favorit was still regarded as a bit of a joke.

However, Eastern Europe, together with countries like Argentina, Chile, Colombia, Ecuador, Perú and Turkey, were desperately short of both cash and cars, so the Favorit's low price and economical engine made it a modest success.

The Favorit was the last car actually designed by Škoda.



After the collapse of Soviet Russia, Czechoslovakia became the Czech Republic, and Škoda was taken over by Volkswagen. The resultant car, the 1994 *Felicia*, was essentially a remodelled VW Polo.



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There is one twist to the story, however: Škoda proved better at building Volkswagens than Volkswagen. In survey after survey, Škoda models surpass their Volkswagen siblings for reliability and customer satisfaction. However, Škodas are only reliable compared to their Volkswagen siblings.

Compared to the average Toyota, they're not even in the running, sorry •

