

Mercedes announces innovation lab as it opens Sandy Springs HQ

By J. Scott Trubey - The Atlanta Journal-Constitution - March 15, 2018

Mercedes-Benz will open an innovation lab in metro Atlanta to dream up new products and business lines, a surprise announcement Thursday that came as the German automaker opened its glistening new North American headquarters in Sandy Springs.

Lab1886, a reference to the year the founders of Mercedes' parent company, Daimler Group, built the first automobile powered by an internal combustion engine, will help fast-track projects and services from design to market.

Metro Atlanta, thanks in large part to talent and research from area universities including Georgia Tech, Emory, Georgia State, and the Atlanta University Center, is a center of research for connected car and autonomous vehicle technology.

The Atlanta area in recent years also has claimed innovation and software development centers from global brands including GE, NCR, Honeywell and Anthem.

The Mercedes center won't design vehicles, but it is expected to develop technologies that could go into its vehicles, as well as mobile apps and other digital products. The facility also could help launch new business lines such as ridesharing services or other future mobility products, officials said.

The innovation lab will open this summer and be the automaker's fourth globally following outposts in Beijing, Berlin and Stuttgart. But is not the first such project for metro Atlanta. General Motors has a software center in Roswell, where it employs more than 1,000.

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Dietmar Exler, left, CEO of Mercedes-Benz USA, shows off an original 1886 Benz Patent Motor Car, during the grand opening event

“This just solidifies us as a leader in technology for the future,” said Eloisa Klementich, the president and CEO of Invest Atlanta, the city’s development agency.

Mercedes did not announce a location for the new lab, but said it won’t be based in the Sandy Springs headquarters. Midtown could be a natural fit as a number of top companies have located their labs near Georgia Tech.

The headquarters opening and announcement of Lab1886 also is a coda of sorts for one of Gov. Nathan Deal’s highest profile corporate recruitments. Mercedes announced plans to move to the Atlanta area from New Jersey in early 2015, and the opening comes as his second term nears its end, and as the state competes for another high-profile prize: Amazon’s second headquarters and 50,000 promised jobs.

“It’s pretty difficult to top the seal of approval to the business community of the world any better than to have Mercedes-Benz decide that Georgia is where they want to have their North American headquarters,” Deal said.

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Dietmar Exler, the CEO of Mercedes-Benz USA, addresses the crowd at the grand opening of the German automaker’s North American headquarters

The Mercedes lab adds another feather to the region’s automotive cap, which includes the North American headquarters for Mercedes, Porsche and most recently, Peugeot parent company Groupe PSA.

The walls of the new headquarters for Mercedes-Benz USA are lined with memorabilia, car parts and other mementos. On Thursday, March ... [read more](#)

“It certainly speaks to the fact the center of gravity in the U.S. auto industry has shifted from the industrial Midwest to the Southeast,” said John Boyd, a New Jersey site consultant. “Atlanta is the epicenter of the Southeast in terms of logistics, in terms of skill sets and in terms of growth.”

Axel Harries, Mercedes vice president of product management and sales. hailed Atlanta’s ecosystem of startups, entrepreneurs, universities and tech talent.

“Connectivity, autonomous driving, sharing and electrification are the four major trends that will radically change our industry in the coming years,” he said. “We call that CASE. Each of these letters has the power to turn our entire industry upside-down.”

Lab1886 will be “separate from the operations of the mothership,” said Mercedes USA CEO Dietmar Exler on Thursday, “with more autonomy to go after promising ideas wherever they come from, internally or externally.”

The company did not announce a total of new jobs to be created or an expected value of its future investment. But officials said it will start small — perhaps a few dozen workers — and grow in size. Additional details will be revealed in coming months.

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Mercedes-Benz USA opened its new headquarters in Sandy Springs where the company will eventually house about 1,000 workers

Lab1886 won't report to the U.S. hub but to the global headquarters in Stuttgart. The innovation lab can call upon the U.S. division for expertise and resources, as well as the U.S. dealer network to test ideas it wants to bring to market.

Parent Daimler also will endow the lab with some venture capital-type capabilities in case it finds ideas or businesses outside the company that it would want to acquire or join in partnership.

"We want to give our customers convenient, intuitive products and services that make their lives and personal mobility easier," Harries said.

Mercedes will begin moving personnel into the new Sandy Springs headquarters next week, though Exler said he's already occupying his new offices.

The \$93 million complex is a calling card for company, a symbol of the company's new start in metro Atlanta after it announced plans in early 2015 to move from New Jersey.

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The campus comprises more than 200,000 square feet of office space on 12 acres, and features a conference center, child care facility, cafeteria, coffee bar and a walking trail.

The project, Exler said, prioritizes collaborative spaces and embodies a new corporate ethos within Mercedes for a flatter corporate culture that puts more emphasis on faster action and thinking.

Few new companies in metro Atlanta have made as much of a marketing splash as Mercedes since it moved to Georgia, signing a deal to put its name on the new Atlanta Falcons stadium, which opened this past summer.

Mercedes has about 600 employees in metro Atlanta today.

A number of employees from the company's information technology unit, dealer support operations and 24-hour roadside assistance call center remain in New Jersey and are expected to relocate to Sandy Springs mid-year. Those parts of the business are the most sensitive and the company wanted to keep disruption to a minimum.