



FORD – An Approach to the Organization Model

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Abstract: Ford Motor Company, often known simply as Ford, is a globally iconic and influential automaker. Established by Henry Ford on June 16, 1903, in Dearborn, Michigan, the company has significantly shaped the worldwide automotive industry. Its history is marked by innovation, the revolution of manufacturing techniques, and the creation of vehicles that have become synonymous with American mobility. The choice of Ford as a subject for study is well-justified for several reasons. Firstly, it holds historical significance as the pioneer of assembly line production, transforming manufacturing processes and making cars more accessible to the general population. Secondly, Ford's global reach, diverse product range, and market strategies provide valuable insights. Thirdly, its commitment to innovation, sustainability, and technological trends align with the shift towards eco-friendly transportation. Lastly, Ford's economic impact extends to employment, supply chains, and regional economies, offering insights into broader economic dynamics. The study's objectives can include analyzing Ford's business strategies, assessing its innovations in electric and autonomous vehicles, understanding its environmental impact and sustainability initiatives, analyzing its economic contributions, exploring its historical context, and conducting market research in the automotive industry to comprehend consumer preferences and challenges that Ford addresses.

Key Words: Ford; Organization; Strategy; SWOT

I. About the company:

Historical Perspective:

The early years of Ford Motor Company were marked by Henry Ford's determination to make the automobile accessible to the masses. While the first automobiles were predominantly reserved for the wealthy, Ford had a vision of creating a car that ordinary people could afford. In 1908, Ford introduced the Model T, an automobile that became a symbol of affordable and reliable transportation. It

was famously offered in "any color you want, as long as it's black," emphasizing the focus on mass production and cost-efficiency. However, it was the introduction of the assembly line in 1913 that revolutionized not only Ford's manufacturing processes but also the entire industrial landscape. The moving assembly line allowed Ford to produce cars more efficiently and at a lower cost. This innovation marked the birth of modern mass production techniques and paved the way for Ford to produce cars on a scale never before seen. The impact of the assembly line extended far beyond the automotive industry, influencing manufacturing processes in various sectors and contributing to the concept of consumerism. Over the years, Ford's impact on American society and the world at large became increasingly evident. The company's growth and success reflected the economic prosperity and technological advancements of the 20th century. As the United States went through periods of expansion, recession, and war, Ford adapted to the changing times, becoming a symbol of American resilience.

Challenges and Transformations:

Despite its historical successes, Ford Motor Company faced numerous challenges and transformations over the years. Economic downturns, changing consumer preferences, and environmental concerns forced the company to adapt and evolve to remain competitive. In the mid-20th century, Ford faced increasing competition from domestic and foreign automakers. Japanese car manufacturers like Toyota and Honda introduced smaller, more fuel-efficient cars that gained popularity during the oil crisis of the 1970s. This prompted Ford to shift its focus to smaller, more fuel-efficient models, like the Ford Pinto, and invest in improving fuel economy and emissions control technologies. In the 21st century, the automotive industry witnessed significant changes with the emergence of electric vehicles (EVs) and autonomous driving technology. Ford, like other major automakers, had to respond to these disruptions to stay relevant. The company invested



in research and development, announcing its commitment to electric and autonomous vehicles. In 2020, Ford unveiled the Mustang Mach-E, an all-electric SUV, and announced plans for the electric Ford F-150 Lightning, showing its commitment to embracing a sustainable future. The 2008 financial crisis hit the automotive industry hard, and Ford was no exception. However, the company managed to survive without the government bailouts that some of its competitors required. Ford's leadership, under Alan Mulally, made strategic decisions to restructure the company, reduce debt, and refocus on core brands, helping Ford navigate the crisis and emerge stronger.

Current Position and Key Initiatives:

Today, Ford Motor Company remains a significant player in the global automotive industry. It operates in numerous countries, with manufacturing plants, subsidiaries, and a diverse range of products, including automobiles, trucks, and commercial vehicles. Here are key aspects of Ford's current position and its strategic initiatives:

- **Electric Vehicles (EVs):** Ford is making substantial investments in EVs to align with the growing demand for clean and sustainable transportation. The Mustang Mach-E and the upcoming Ford F-150 Lightning represent the company's foray into electric mobility. These vehicles aim to compete with Tesla and other EV manufacturers in the emerging electric market.
- **Technological Innovations:** Ford is actively engaged in developing autonomous driving technology. It is investing in research and development to create safe and efficient self-driving vehicles. These advancements in technology are crucial for staying competitive in a rapidly evolving automotive landscape.
- **Global Presence:** Ford continues to have a substantial global presence. Its products are tailored to meet local market demands and regulations in various countries. This global reach allows Ford to access diverse customer bases and respond to regional market fluctuations.
- **Environmental Sustainability:** As concerns about climate change and environmental sustainability grow, Ford has made commitments to reducing its carbon footprint. The company is working to reduce greenhouse gas emissions and enhance the fuel efficiency of its vehicles.
- **Diverse Vehicle Portfolio:** Ford offers a wide range of vehicles, including sedans, SUVs, trucks, and commercial vehicles. The diverse portfolio allows Ford to cater to a broad spectrum of

consumers, ensuring a competitive position in the market.

- **Economic Impact:** Ford's operations continue to have a significant economic impact, contributing to job creation and economic development in regions where it has manufacturing facilities. As a major employer and economic contributor, Ford's success ripples through the communities it serves.
- **Social Responsibility:** Beyond its core business, Ford actively participates in various social and environmental initiatives. The company aims to be a responsible corporate citizen, promoting sustainability and philanthropy.

II. SWOT:

Strengths:

- **Strong Brand Recognition:** Ford has a long history dating back over a century and is a globally recognized brand, known for its reliability and quality.
- **Diverse Product Portfolio:** Ford offers a wide range of vehicles, including sedans, SUVs, trucks, and electric vehicles, which allows the company to cater to a broad and varied customer base.
- **Global Presence:** With operations in numerous countries, Ford has a significant global footprint, enabling access to diverse markets and opportunities for growth.
- **Innovation:** Ford has a history of innovation, from pioneering the assembly line to its ongoing commitment to electric vehicles (EVs) and autonomous driving technology. The legacy of innovation is a valuable asset.
- **Economic Impact:** Ford is a major employer and contributor to the economy in regions where it operates manufacturing facilities, creating jobs and stimulating economic development.
- **Strong Dealer Network:** The company has a well-established network of dealerships and service centers, enhancing customer access and support.

Weaknesses:

- **Legacy Costs:** Ford, like other long-established automakers, faces the financial burden of legacy costs, including pension obligations and healthcare expenses, which can affect profitability.
- **Environmental Concerns:** The automotive industry is under increasing pressure to reduce greenhouse gas emissions and improve fuel efficiency. Meeting these requirements may be challenging and costly for established companies.



- **Competition:** Ford faces intense competition from both traditional automakers and new entrants in the EV market. Staying competitive requires substantial investments in research and development.
- **Supply Chain Disruptions:** Global events and supply chain disruptions, such as those caused by the COVID-19 pandemic, can lead to production delays and financial losses.
- **Dependence on the North American Market:** A significant portion of Ford's revenue is generated in the North American market. A heavy reliance on a single market can make the company vulnerable to regional economic downturns.
- **Changing Consumer Preferences:** The trend toward shared mobility, urbanization, and a preference for ride-sharing services can impact the demand for traditional vehicle ownership.

Opportunities:

- **Electric Vehicles:** The growing interest in EVs presents a significant opportunity for Ford. The company's commitment to electric mobility aligns with the evolving market trends.
- **Autonomous Vehicles:** The development and commercialization of autonomous driving technology offer opportunities for new revenue streams and services.
- **Emerging Markets:** Untapped markets in emerging economies where demand for automobiles is rising provide room for expansion and growth.
- **Collaborations and Partnerships:** Collaborations with technology companies and mobility providers can enhance Ford's competitive edge in an increasingly tech-driven industry.
- **Environmental Sustainability:** Focusing on sustainability and environmental responsibility can improve Ford's public image and attract eco-conscious consumers.
- **Digital Transformation:** Embracing digital technologies for marketing, customer experience, and vehicle connectivity can enhance customer engagement and product offerings.

Threats:

- **Competition:** The automotive industry, particularly the electric vehicle segment, is experiencing fierce competition from both traditional and new entrants, potentially eroding Ford's market share and profitability.
- **Regulations:** Stringent environmental and safety regulations can lead to higher compliance costs and impact the production and sale of traditional combustion engine vehicles.

- **Economic Downturn:** Economic recessions and downturns can negatively affect the demand for automobiles, impacting Ford's revenue and profitability.
- **Supply Chain Disruptions:** Disruptions in the supply chain due to geopolitical issues, natural disasters, or global events can disrupt production and lead to delays.
- **Changing Consumer Preferences:** The shift in consumer preferences toward shared mobility, ride-sharing, and autonomous vehicles may impact the demand for traditional vehicle ownership.
- **Geopolitical Risks:** Trade tensions, tariffs, and political instability in regions where Ford operates can affect international operations and profitability.
- **Technological Advancements:** Rapid technological advancements in the automotive industry require ongoing investments and adaptation to stay competitive.
- **Cybersecurity Risks:** With the increasing connectivity of vehicles, cybersecurity threats pose a risk to the safety and reliability of Ford's products.

III. Ford strategy:

Ford Motor Company's current strategy encompasses various aspects of its business to address the challenges and opportunities in the ever-evolving automotive industry. Ford's current strategic focus:

1. Electrification and Sustainable Mobility:

- **Transition to Electric Vehicles (EVs):** Ford is committed to a substantial shift toward electric mobility. The company has announced significant investments in electric vehicles and aims to electrify its most iconic models. The introduction of the Mustang Mach-E and the Ford F-150 Lightning electric truck demonstrates this commitment.
- **Green Manufacturing:** Ford is working on making its manufacturing processes more sustainable, with an emphasis on reducing carbon emissions and waste.
- **Hybrid and Plug-In Hybrid Vehicles:** Ford is not only focusing on fully electric vehicles but also on hybrid and plug-in hybrid models, catering to a broader range of customers and providing a transition from traditional internal combustion engines to full electrification.

2. Autonomous Driving Technology:

- **Investment in Autonomous Vehicles:** Ford is actively investing in research and development of autonomous driving technology. The company aims to play a significant role in the future of self-driving cars and mobility services.



3. Digital Transformation:

- **Connectivity:** Ford is actively integrating technology and connectivity into its vehicles. Features like FordPass, over-the-air updates, and advanced infotainment systems are part of the digital transformation.
- **Data Analytics:** Ford is harnessing data analytics to gain insights into customer preferences and vehicle performance, enabling better decision-making and product development.

4. Sustainability and Environmental Responsibility:

- **Carbon Neutrality:** Ford has set a goal to achieve carbon neutrality by 2050. This involves reducing the carbon footprint of its vehicles and manufacturing processes.
- **Reducing Waste:** The company is working on reducing waste and increasing the use of sustainable materials in its vehicles.

5. Mobility Services:

- **Ford Smart Mobility:** Ford has established a subsidiary called Ford Smart Mobility to explore and invest in mobility services, including ride-sharing and urban mobility solutions.

6. Global Expansion:

- **Emerging Markets:** Ford is looking to expand its presence in emerging markets, capitalizing on the growing demand for automobiles in regions like China and India.

7. Partnerships and Alliances:

- **Collaborations:** Ford is forming partnerships and alliances with tech companies and other industry players to accelerate the development of electric and autonomous vehicles. This includes collaborations with companies like Google on in-vehicle technology.

8. Customer-Centric Approach:

- **Customer Experience:** Ford is placing a strong emphasis on enhancing the customer experience, from the purchase process to after-sales support. This includes online sales platforms and improved customer service.

9. Financial Resilience:

- **Cost Efficiency:** To ensure financial resilience and sustainability, Ford has been implementing cost-efficiency measures and restructuring, including reducing labor costs and optimizing its product lineup.

10. Safety and Quality:

- **Advanced Safety Features:** Ford is committed to improving vehicle safety and is actively introducing advanced driver-assistance

systems and technologies to enhance vehicle quality and safety.

IV. Leadership

Jim Farley served as the CEO and President of Ford Motor Company. Jim Farley took over as CEO on October 1, 2020, succeeding Jim Hackett. During his time at Ford, he played a crucial role in marketing, communications, and electrification efforts. He served as Executive Vice President and President of Global Markets, overseeing operations worldwide. In 2020, he became the CEO and President of Ford, succeeding Jim Hackett. Jim Farley is well-known for his vision of innovation and sustainability. He has led Ford's commitment to electric vehicles and autonomous driving technology, introducing the Mustang Mach-E and the electric Ford F-150 Lightning. His emphasis on partnerships with tech companies like Google demonstrates his drive to enhance in-vehicle connectivity and digital services. He has made several key decisions and played a crucial role in shaping Ford's strategy and direction. Here are some of the notable leadership decisions and initiatives under Jim Farley's leadership:

1. **Accelerated Focus on Electric Vehicles (EVs):** Under Jim Farley's leadership, Ford has accelerated its commitment to electric mobility. The company announced plans to invest \$11 billion in electric vehicles through 2022, aiming to launch several new electric models, including the Mustang Mach-E and the electric Ford F-150 Lightning.

2. **Electric Ford F-150 Lightning:** One of the significant decisions was the introduction of the electric Ford F-150 Lightning, an all-electric version of the iconic F-150 truck. This move signals Ford's commitment to electrifying its most popular and profitable models.

3. **Strategic Alliances:** Jim Farley has emphasized the importance of strategic partnerships and alliances. Ford announced collaborations with tech giants like Google to leverage their cloud computing capabilities for vehicle connectivity and digital services.

4. **Increased Investment in Autonomous Driving:** Ford has continued to invest in autonomous driving technology. Jim Farley recognizes the importance of self-driving cars in the future of mobility and is actively pursuing autonomous vehicle development.

5. **Commitment to Sustainability:** Under Farley's leadership, Ford set a goal to achieve carbon neutrality by 2050. The company is taking significant steps to reduce its environmental footprint and focus on sustainability in manufacturing and vehicle design.



6. **Customer-Centric Approach:** Jim Farley has highlighted the importance of improving the customer experience. This includes embracing online sales platforms and enhancing customer service, making it easier for consumers to interact with Ford.

7. **Cost Efficiency and Restructuring:** To ensure financial resilience and sustainability, Farley has overseen cost-efficiency measures and restructuring, including reducing labor costs and streamlining the product lineup.

8. **Expansion into Emerging Markets:** Ford has been exploring opportunities in emerging markets like China and India, recognizing the potential for growth and expansion in these regions.

9. **Pandemic Response:** Under Jim Farley's leadership, Ford has navigated the challenges posed by the COVID-19 pandemic. The company implemented safety measures, adjusted production schedules, and supported the production of medical equipment, such as ventilators, during the pandemic.

V. Conclusion:

Ford Motor Company, a global automotive giant, has a rich history, marked by innovation, challenges, and adaptation. The company's journey began with Henry Ford's vision to make automobiles accessible to the masses, exemplified by the introduction of the Model T and the revolutionary assembly line production. Over the years, Ford has grown into a symbol of American resilience, adapting to changing economic landscapes, consumer preferences, and global events. As the automotive industry faces transformative changes in the 21st century, Ford's strategy under the leadership of Jim Farley reflects a commitment to innovation, sustainability, and a customer-centric approach. Key strategic pillars include a significant focus on electric vehicles (EVs), investment in autonomous driving technology, digital transformation, global expansion, partnerships, and a strong emphasis on environmental responsibility. These strategic initiatives aim to position Ford as a leader in the evolving automotive landscape. The SWOT analysis reveals Ford's strengths, including a strong brand, diverse product portfolio, and global presence, while acknowledging its weaknesses, such as legacy costs and environmental concerns. Ford's opportunities lie in the growing EV market, autonomous driving, emerging economies, and partnerships. However, it faces threats from intense competition, regulations, economic downturns, and changing consumer preferences. Jim Farley's leadership has been pivotal in shaping Ford's current direction, marked by accelerated efforts in electrification, strategic

alliances, and a commitment to environmental sustainability. His vision has led to the introduction of the electric Ford F-150 Lightning, collaboration with tech giants like Google, and a strong emphasis on improving the customer experience. In conclusion, Ford's historical significance, global reach, and ongoing commitment to innovation and sustainability make it a compelling subject for study. The company's strategy and leadership decisions under Jim Farley reflect its dedication to remaining at the forefront of the automotive industry. Ford's ability to adapt to change and invest in the future positions it well for the challenges and opportunities that lie ahead in the automotive sector.

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