

One ford plan case study

Business



**ASSIGN
BUSTER**

Along with that they get financial puts as well, like in the case of Ford which secured large loans.

These loans were put to good use to get the many positioned to make changes. The problems that Ford faced were in the subsystems and to some degree in the product outputs. The company had been spread thin over several different name plates as Ford had acquired other car companies. In doing this Ford was not able to concentrate on its own car brand.

Quality of the cars declined, the design of the cars began to suffer and the overall performance deteriorated. The company began to lose its fit with the environment and Ford needed to find ways to correct that. In order to remain in business.

Many of the changes that Ford made were in the subsystems of the company and how they conducted business. First off the CEO of the company stepped down and they hired a new CEO. One of the ideas that he brought with him was the One Ford plan. It was a way to get everyone in the company on the same page.

Basically it was a mission statement or vision statement that gave the employees at Ford an idea of where the company was going. Ford also began to lose many of the other car manufactures that it carried which in turn allowed the company to focus on its core brands.

This gave Ford the opportunity to look at its Internal Subsystem Effectiveness and begin to find ways to improve its efficiency within the

company turning input into outputs. Ford not only began to increase the quality of its cars but It also started to bring new models from other markets.

By Introducing cars from overseas markets into the U. S. It was able produce cars that the consumers wanted. It also gave Ford the ability to standardize Its product line.

This meant that all the cars they produced would be the same around the world and they could simplify the production by not making different cars for different markets. It also meant that suppliers would streamline he materials needed rather than making different parts for cars in different markets and creating better relationships with some of it stakeholders.

Another internal process Ford improved is the labor cost required for the production of its cars by working with the United Auto Workers union. Over the years the Union had secured large contracts for the workers with high wages, health care benefits and retirement pay. In doing so this had increased the labor cost of the vehicles produced and made it tough to compete with foreign auto makers.

By working with the union Ford was able to negotiate wage concessions and moved the spontaneously for retirement pay to the union.

This meant that Ford could bring down the cost of labor for production to a level that made It competitive with rival companies. While Ford was forced to lay people off and close some of Its factories, by working with the union it was able to improve its relations with a major stakeholder. I Nils meant Tanat For a was addle to De competitive Ana Nell Keep ten company operating,

possibly being able to rehire some of the lost workers. Other stakeholders that benefited were the parts manufacturers as they were able to continue to supply parts to the company.