

# Ford motor company swot analysis



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## **(S)trengths**

Ford is a well-known brand in the automobile industry and global markets, due to huge amounts of marketing and advertising. Ford is the one of the best known brands in the world. Ford has a greater amount of customer loyalty, and its individual brands have been enjoying the benefits of the good reputation.

Ford has brands and models of cars that appeal to every kind of demographic group and cater for the needs and wants of consumers. Ford uses a unique concept of virtual assembly lines in their models through which they are able to reuse the same spare in their diversified model of cars. This enables Ford to lessen cost on production of new spares and competition market price. Ford provides the consumer more variety of cars and commercial vehicles, so consumer has more choices. Ford also supports racing teams which include NASCAR, Formula One and others.

Through online marketing, Ford has the capability to provide the online consumer a selection of cars. Online, the consumer can customize the engine, colour, interiors and exteriors.

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Furthermore, Ford is maintaining the relations with high profiled companies like Suzuki and Isuzu to develop quality vehicles, in the part due to technological alliances between the companies.

Ford is rich in operations and distribution efficiency. This is because manufacturing facilities operate its business in more than thirty countries and it enhances its manufacturing process in around 90 plants and facilities worldwide. The company always develops cars on standardized procedures and invest heavily in alternate fuel sources.

Ford recruits qualified and skilled employees, maintaining a good relationship with them, by offering better work environments and competitive wages. Ford is more concerned about the working environment and safety aspects of the employees.

### **(W)eaknesses**

The company has a lot of suffered due to product recalls, harming Ford's brand image. This has been a huge cost to the company, tarnishing the brand image and damaging Ford's sales.

Large unfunded pensions and various obligations are termed as the weakness of Ford automobile company. Ford takes more responsibilities in unfunded pensions, health care and life insurance obligations of the employee. Ford invests more money on maintaining a good working environment.

Ford expanded its business operations in diversified geographical areas, so management is missing focus on performance and struggles with low productivity.

Ford has kept increasing the productivity, while decreasing the cost and simultaneously counting the number of employees' exit, decreasing employee loyalty towards the company.

Ford does not have an effective cost management system and have not taken considerable efforts to overcome this, since they believed paying premiums in single supplier model.

Ford does not concentrate and invest much for design phase and lack innovative design structures on their new paddle of cars.

### **(O)pportunities**

The current Ford automobile company is producing the cars with low mileage and pick up. Ford has a great opportunity to produce fuel efficient cars and commercial vehicles. For example, the company produced vehicles that run on different forms of energy outside the petrol and diesel whereas cars can run on renewable energies like solar power and bio fuels. This can help the company to become pioneers in the industry.

Ford has to expand more options in designing the cars and commercial vehicles are expected to switch toward the hybrid electric engines due to the limited petroleum. If the cars are designed based on electricity engines the consumers will show more interest to buy the cars, this is because when the car is run on electricity, the car repair charge will cheaper. Besides this, Ford

has a chance to become more environment friendly company with cleaner engine emissions because hybrid engines are more fuel efficient and less polluting than conventional gasoline and diesel engines.

Ford tried to diversify their market towards India and China in order to diversify their revenues because the two countries are well-known countries with large geographical markets and high populations. Most people in these two countries are interested in owning a four wheeler for their family.

Ford launched a restructuring plan to improve the performance of its automotive business in North America. This plan aims to make the North American business more customer-focused, product-driven and efficient. The North American capacity is likely to be realigned to match demand, with 14 manufacturing facilities to be idled, resulting in significant cost savings and reduced employment. The way forward plan focuses on restoring Ford's North American automotive operations to profitability.

## **(T)hreats**

Increase the raw material like hard steel price and roll steel coil price will affect the margin price of the car. As a whole it will obviously affect the company's profit margin of the ford because of low margin price.

Ford growth and development may effected by rapid growth in number of competitors in the automobile company. From the beginning America demanded automobile industry. Ford's main competitors are General motors, Toyota, Honda, BMW, etc.

Ford capital spending low on its operations and research development expenditure which could influence the company from going forward when compared to its competitors. The competitors are spending big amount on R&D programmes.

Although global warming turning out to be greatest threat and individual use of automobile vehicle increase the risk of further, the cars and other private vehicle are the part of basic necessity on a common man's view. Therefore this is believed that no real threat of substitutes exists today, but it is believed that choosing other forms of transport such as bicycles, public transport's and sharing mobility would soon be imported in to the mind of people.