

Profitability of ford motor company

Business



One of the strategies that Ford can adopt to raise profitability by reducing cost is by optimizing its supply chain. This may also be of greatest importance to the company. The first part of this is by finding ways in which it may reduce the costs that are associated with the receipt of raw materials and component parts.

One of the ways in which it may do this is by finding ways in which most of the components that go into the manufacturing process are sourced from a single supplier. This will minimize the cost that is associated with the supply of these components. These factories may also be located near the firm to minimize the transportation costs involved. The company should also seek to find less expensive options as far as moving their cars to markets around the world. This may include finding ways in which most of the production is centralized.