

Ford motor company strategic management issues

[Business](#), [Company](#)



Ford Motors faces a number of strategic management challenges that needs to be addressed if there has to be any success for the turnaround to succeed. Evidently, the firm recorded loss of US\$ 12.7 billion at December 2006 financial years. This loss alone is the largest to be imagined in its operations history. Furthermore the market share statistics indicates that by the end of this year 2008, Ford Motors is expected to have a market share of 14 percent as compared to what it had in the 1990s of about 25 percent (Kerwin 2006: 67, Huston 2003: 196).

This is just a tip of ice burg submerged in great problematic ocean. Furthermore, the leadership presents a complex hierarchy and bureaucracy, which had created a lethargic environment within the company. Business wise, there is a relative decline in the sales recorded from \$134,442 million to \$135,249 million, assets base declined from \$315,920 million to \$270,249 million, shareholders equity reduces to \$27,604 million to \$11,601 million the year 2000 to the year 2003.

Whereas recording a loss of US\$ 1.4 billion in 2006 to a loss of US\$ 282 million in the first quarter of 2007. In this regard, the cause for these challenges lies with firm's strategic management issues. Therefore the solution to this and more challenges that faces the organization is in the overhaul of its strategic management planning. This is because the firm formalizes the process of strategic management, thus reacting or acting to any emergency of managerial crisis within the motor industry, whereby its main competitors prove too good and forward looking.

Thus the topic of strategic management issues examination for the Ford Motor Company deems a timely one for this once giant US motor
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manufacturer is a timely one in attempts to reengineer the company. So that it can be able to integrate the brands it had acquired over a period of time and to evolve a comprehensive winning strategy. In order to be able to examine the situation and come up with a viable, valid and reliable solution to the crisis, the approach taken shall be;

- a) Diagnosis of the situation facing a company and management team.
- b) Identification of what problems/issues need to be addressed.
- c) Determination of which school of strategic thought applies to the situation.
- d) Discussion and justification of the analysis to resolve identified problems/issues.
- e) An evaluation of courses of action, or strategic alternatives (within the recognized means and capabilities) of the company or management team.
- f) Competently framed figures, tables, models and references from primary refereed sources