

Ford motors company analysis

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



Ford Motors Company (Ford) was incorporated in 1919 with an aim of manufacturing and assembling of automobiles for passengers, trucks, commercial buses and cars, and motor vehicles for special purposes that can be used in the highway. Its main business is that of producing cars and trucks. It is the second largest dealer in manufacture of cars and trucks. The parent as well as the subsidiaries also deals in other businesses such as vehicle financing. Its operations are under two segments namely financial and automotives services. The company sells cars worldwide dealing in brands like Mercury, Volvo, Lincoln and Ford.

Through the help of dealers and well established retailer network, the company is in a position to reach to a large number of customers in addition to providing a wide range of after sales services for the vehicles and related services. On top of this, it offers services that help in motor vehicle financing products, making use of the worldwide automotives dealers. They do retail and wholesale financing (GlobalData, 2010). Innovation refers to introduction, advancement and the implementation of a new product, service or process with the main aim being to improve on effectiveness, competitiveness and efficiency of an organization.

Innovation can be to the products, manufacturing process, services or techniques used by the management or the overall design of the organization. At the product level, innovation should be in a position to satisfy the needs of the customer and in terms of process innovations, efficiency and effectiveness should be projected. Innovation is about coming up with new ideas and being in a position to make these ideas a reality by invention, research, and advancement of the new product (Drucker, 1985).

Ford motors and innovations Hesselbein, Goldsmith & Lain (2002) argues that all human beings are innovators.

Leaders must work often to introduce any development capacity and the necessary adaptations while still making sure that the value remains constant or improves. With these they need to put in mind the capability of individuals as everyone has his or her own innate power which can be used for innovations. This capacity is what helps human beings to deal with the complexities and interconnections that are associated with developments. They should insist on the need to invite on board, individuals who are useful in making developments.

According to Stamm (2003) Ford Motor Company has realized the need to welcome on board individuals who are helpful in development of ideas. This is seen by their efforts to put in place a global design team that has the mandate of coordinating all company's efforts across all the lines of production. The team is composed of knowledgeable people in the division of design including those with academic and practical experience who help in generating development ideas. The design team is coming with idea of introducing 100% post industrial material into the interiors of the vehicles which is currently on Ford's luxury production line.

Hesselbein, Lain & Marshall (2002) too recognizes the need of collaboration between the big firms which are the elephants and the small firms referred to as the fleas. Working closely with these small industries can go a long way as most of them are close to the customers. GlobalData (2010) recognizes that Ford Motors has not been left behind in this; it is best seen by their working together with Coulomb Technologies in providing free of charge in <https://assignbuster.com/ford-motors-company-analysis/>

home Charging stations, Charge Points that are Networked for the automakers first electric motor vehicles customers which are provided under Ford Blue Oval Point Program.

It has partnered with other companies like DEWALT and ThingMagic, Inc so as to provide vans, cars and pickups that are fitted with tracking system. Other partners that enable Ford Motors to pursue its development goals include DTEE energy foundation and ONCOR. Though some of these partnerships are not necessarily for innovation purposes, they are helpful strategies for innovation as they are used to popularize Ford Motors which is good when it comes to improving image of the company (Ford, 2009).

In creating an environment that is good for innovation the organization should be in a position to accept its mistakes and correct them where possible. Organizations should be open to errors and be ready to employ the trial and error method which is a major character of innovation (Hesselbein, Lain & Marshall, 2002). Their acceptance to take back or recall 236, 643 sedans in china is a sign of the company recognizing its mistake and its readiness to correct. They were recalled as they had a problem that was associated to engine failure when exposed to certain circumstances.

This is not the only case as they too recalled 33, 000 mid sized vehicles, SUVs in US. This was due to a problem attributed to the front seat recliners and still as they were not in accordance to federal requirements in regard to head restraints. This shows how the management has created an environment for errors so as to enable innovations. Through this the employees are encouraged to make helpful innovations even if there will be

errors as this is the only way that great ideas can be born and developed into reality.

This too helps in improving the confidence of public as they can be assured of quality and when the services or goods do not meet the quality the company is ready to correct. Better corporate image is useful in response towards new product. If the customers view the company in a positive way they are likely to try out the new product very fast more than how they would if another company introduced it (Ford, 2009). The need to live value rather than merely state it is emphasized by Pottruck (2002). He portrays the importance of delivering what is important.

Good relationship is necessary for both the supplier and the customer (Hesselbein, Lain & Marshall, 2002). Stiff competition is exhibited in the motor industry as the demand by consumers' rises and the similarity of vehicles. In this industry uniqueness of feature available in any other vehicle is emphasized. Ford Motors can boast of unique automobiles due to the making of strong, heavy trucks and sedans that are efficient when it comes to saving of gas, in addition to the unique appearance and structures of the automobiles.

The company has assured the customers that it will continue to meet their demands with improved designs, generation of new ideas as they too develop new features to the automobiles. This clearly shows their concern for the customers and the need to provide quality. It is also portrayed when they recall 33, 000 middle sized automobiles due to the problems of head restraint and also the Sedans from China due to engine related problems. This is in line with what Pottruck (2002) says about the organization being

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mindful of the customers and therefore producing what is qualitative and constant improvement of the product (Ford, 2009).

Organizations should encourage innovation by constantly reviewing and changing perspectives and the patterns of innovation. This shows the need for searching for new techniques for innovations or using new approaches to innovations (Hesselbein, Lain & Marshall, 2002). Ford Motors take different approaches to innovation. Taking advantage of technological advancement that is compatible to the motor vehicle industry is one of them. Hybrid advances have mostly been used to make Ford sports hybrid utility vehicle.

Advancements were made from ideas that were meant for small vehicles, which allowed SUV to continue producing the same resource saving results as this advancement allows the vehicle to use the electric motor alone for operations or the gasoline engine alone or both of them together. These vehicles are in response to global call to go green. Further advantage to consumers is that there is tax deduction and reduced usage of the gas. The all while drivetechnologywill help the vehicles maintain their stability which in turn reduces risks associated to unfavorable weather.

Design of new Ford model that are in line with market trends shows their commitment to changing approaches of their innovations. This is being done by comparing the available alternatives and selecting the best and exploring new opportunities and taking a risk of experimenting on new technology. Ford Company has worked with blind spots mirrors which are useful in reducing amount of invisible space when using the side mirror. Most of the techniques that are applied on innovation mostly focus on safety of

customers and creating new solutions for safety problems that are said to recur in respect to all automobiles (Ford, 2009).

Need for managing innovations is also brought out in this book. Majority of innovative ideas spring forth, not because of being led by a god leader but because of emphasis on careful management of the process of innovation. Management of innovation is not the only aspect of innovation but it is critical to control the costs of innovation and to speed the innovation to the market. Looped learning method of innovation is given much weight (Hesselbein, Lain & Marshall, 2002). The management system of Ford Motors has made it their duty to ensure that the employees feel proud of working for the company.

In this way they ensure that they get the best and brightest in the realization that innovation can only be done if the workplace is socially appealing to all. The team that is given the mandate of innovation world wide comprises of individuals who are knowledgeable in innovations and can direct process of innovation. The team should come up with helpful ideas that can help in improving quality of products or services offered by the company. Through proper management of the process of innovation, the company is in a position to schedule the project cycles in the most efficient way.

These way different phases of projects will be undertaken in the correct order while avoiding those costs that do not have to be incurred while at the same time allocating the resources optimally so as to speed the process. New ideas will be introduced as the company advances and this is evidenced in the company. With well managed projects, the company is being in a

position to come up with ideas that are compatible to existing ideas and which too can help in advancing them.

An example is the use of home charging battery, manufacture of auto mobiles that can be fitted with tracking system among others. The ideas not only help in advancing the previous technology but they are also compatible which a good sign of proper innovation management (Ford, 2009). In conclusion, innovation is a must for every company if it has to advance and keep in pace with the technological developments. Day in day the motor industry is becoming more competitive as the taste of customers change and as their purchasing power increases.

This has necessitated the companies to be on guard so as to have a better competitive edge. Bearing this in mind, the company should be in a position to have a better management team that will be in a position to pt up with the changing trends of society while at the same time responding to the needs of the customers. Ford Motors Company is portraying a good picture of its interest to the community when it is trying its best to come u with new ideas that compliment old ones and which are up to date with technology.

Management willingness to accept the mistakes of the company is a step further as far as innovation is concerned as it helps in building trust of the community. Showing that the company is interested in providing only what is qualitative to its client goes a long way as far as innovation is concerned as this makes the customers to readily accept products or services provided by company as the company's image is already good. Ford Motors should continue in making innovations that are up date with technology and which are customers oriented.

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