

History of ford motor company

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



To say that Henry Ford dilly-dallied around before finally establishing a serious car company would be invalid. The 40 year old man had been acquiring valuable knowledge regarding business, engines, management, and most importantly cars. Now it was time to take a leap of faith. In 1903 the Ford Motor Company came to be. Ford, along with other investors including John and Horace Dodge raised \$28, 000 and in the first 15 months produced 1700 Model A cars. These cars were known for their reliability, yet were still too expensive for the average American.

Over the next five years Ford and his engineers produced models with the letters B through S, the most successful of which was the Model N (priced at \$500) , and the least successful was the Model K (priced at \$2500). It was obvious from the Model N that the key to the companies success lay in inexpensive cars for a mass market. The answer that Ford and the American consumer were looking for was the Model T. The Model T, a small, sturdy four-cylinder car with an attractive design and a top speed of 45 mph, hit the market in 1908. It" s success came from it" s attractive price, at \$850, and more than 10, 000 were sold in the first year alone.

It was easy to operate, maintain, handle on rough roads, and immediately became a success. Along with success came expansion, and in 1910 he established another assembly plant in Highland Park, Michigan. Through interchangeable parts, standard manufacturing, and a division labor, the demand greatly increased for the Model T. It was at this time in 1913 that Ford introduced the assembly line and forever changed our economy, our industry, and our culture. Ford" s concept of an assembly line sprang from

the thought that a car could be produced much quicker if each person did one, single task.

He applied this in his Highland Park plant, and cut down production time of one Model T to a fraction on the time. The carefully timed pace of a conveyer belt moving the parts along further speeded the process. With these new tactics, a factory could produce 40%-60% more cars per month. By late 1913 he had established assembly plants in Canada, Europe, Australia, South America, and Japan. At this point, the Ford Motor Company was the largest manufacturer of cars in the world. In 1914 Ford astonished the business world by more than doubling the minimum wage for his workers, raising it from about \$2.00 to \$5.

He argued that if his employees earned more, the company would sell more cars to them and reduce employee turnover. He said in regards to this economical move "The high wage begins down in the shop. If it is not created there it cannot get into pay envelopes. There will never be a system invented which will do away with the necessity for work." At this point the company had made \$30 million in profits, mainly due to his economical and industrial scheme. It was now that he started focusing not only on cars, but on other world issues such as peace in the wake of World War I.

He had a "peace ship," called the Oscar II, sent to Norway on an expedition to end the war. This would contribute to his future project, the Ford Foundation. Ford displayed his true motives of pleasing the middle class consumer, when he lowered the cost of the Model T to \$350 in 1916. In 1917 Ford started the construction of a industrial complex on the Rouge River in

Dearborn, Michigan. The idea was to produce everything a car needed to run in one compact area. They had a steel mill, glass factory, and automobile assembly line. This plant was the utopia of Ford's mass production scheme.

In 1918 Ford unsuccessfully ran for senate, and a year later he named his son Edsel Ford, the president of the Ford Motor Company. He also started a publication called "The Dearborn Independent." This journal, produced weekly, was at first anti-Semitic. Statements against Jews were boldly printed. He said that the Jews were trying to "wipe out of public life every sign of the predominant Christian character of the United States," as well as other demeaning remarks. After much public protest, Ford discontinued further publication, and made a public apology to the Jewish people.

At this point the popularity started shifting from the Model T to larger more luxurious cars, and in 1927 the production of Model T's ceased and six months later the Model A was introduced. This model included such improvements as hydraulic shock absorbers, automatic windshield wipers, a gas gauge, and a speedometer. The success of these was limited to 5 million, 10 million short of the Model T. It was at this time that the Ford Foundation was introduced. It was established "for scientific, educational, and charitable purposes, all for the public welfare. This organization basically attempted to further nurture the world in any aspect possible.

This was made possible through all the money acquired through sales, primarily of the model T. Yet this utopia could only be temporary. As more and more large corporations started to pop up, so did labor unions. Ford was the only major manufacturer of cars in the Detroit area that had not

recognized a labor union. In 1937 a band of supporters of unionization were physically beaten near a Ford plant by people suspected to work for the President of Ford. As a result, they were accused of unfair labor practices by the National Labor Relations Board.

In 1941, following a massive workers strike, Henry Ford agreed to sign a contract that met workers demands. It was only two years later in 1943 when Henry Ford's son, Edsel Ford died at age 49, and the president of the company. Henry himself was incapable of running the plants and managing business. He died in 1947 at the age of 83 in his hometown. He died a rich man; his fortune ranged somewhere between \$500 and \$700 million. Yet more importantly he died an accomplished man, who had left an imprint on the very definition of the word " American. "