

## Taking The Assembly Line Online

Interview with Chairman and CEO Jacques Nasser

2000

### **Q. What does the Ford "trustmark" represent, and how does its value relate to your overall corporate strategy?**

A. The Ford trustmark provides a real opportunity for our brands, our themes and our many different products and services to grow independently under our corporate umbrella. As a company that is almost 100 years old, we have traditions and standards and policies that are not negotiable. But it's worth noting that the Ford Motor Company as a corporate trustmark is more valuable today than it was a few years back. We now have Jaguar, Aston-Martin, Volvo, Land Rover, Mazda and a wide variety of product brands and logos. We have values developed over nearly a century, along with the global impact and economies of scale of a very large company, and at the same time the passion and focus of each of our individual brands. There's not only the sense of being able to communicate with our customers and resonate with them, but also to have a team spirit within the brand so that every single person who works with, say, Jaguar knows exactly what's right for Jaguar and their company. Yet, they also have the sense that they belong to the Ford Motor Company family. We want our people to feel that they are part of a small business, with the entrepreneurial spirit of a tightly focused team, but also has the capital strength, the volume strength and the global footprint of one of the largest companies in the world.

### **Q. Do you plan to maintain each brand independently and keep their names?**

A. One of our advantages is our strategy of leveraging strong brands, which really means that even if the market position wasn't strong at a given point, the brands were powerful. I think of Aston-Martin, not very well known or well recognized, but a very strong brand in terms of what it stands for. The year that we acquired it was one of their best years ever; they sold 92 vehicles worldwide, and they were very proud. And we've done very well with them. They're all the way up to 700 this year. That's an example of a brand that clearly had focused appeal to a limited number of people. Yet it was a strong brand. We were really buying a brand and a culture. We believe strongly in the power of these brands, what they stand for and what consumers think about them. If we were to change the names, it would become confusing both inside and outside the company. And there are things to learn from some of the companies Ford acquired. Take Jaguar. They understood their brand with an intensity that was special to them. They understood teamwork and creating a passion around the business and around the product. They understood nimbleness and how to be very efficient with their investments. And they were a global organization even before we were.

### **Q. How do you apply your over-all branding and communications strategies to the Internet?**

A. For us, the Internet and e-commerce strategy means technology. We're a very strong technology company, and probably one of the most literate technology enterprises in the



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world. That's not the reputation that the automotive industry has, but Ford Motor Company has something like 150,000 electronic workstations around the world. We look at the Internet and at e-commerce as a technology that helps us transform our business to be more efficient, to be better connected and do a better job for our customers. It allows us, probably for the first time ever, to take a very large and complex company and start to integrate every aspect of the business processes—everything from the design of the product to the recycling of the product. It gives us an openness and transparency for everything that goes on in the functional processes.

Let me give you an example in business-to-business and supply-chain management. There are clearly great opportunities there in terms of supply and purchasing capability within the company. When you start to go more vertical, at first line of supply, then second tier of supply, and so on, you get a different view, and you can get a lot of waste out of the system. That's important, but it's not enough. This new technology also permits us to get instant feedback from our customers and find out what they really want. This allows us to determine exactly where vehicles and materials are in the supply chain, whether they are at the supplier or with us, where they are in the collection schedule, in the distribution system or at the dealer. So it's a tremendous advantage because we'll be able to develop vehicles more quickly; there'll be more precise knowledge about what customers really want; we won't carry all that excess weight; we'll be able to deliver to customers more quickly, and we won't have all that stuff out there that's aging all the time.

**Q. Let's talk about brand as it relates to the Internet.**

A. I don't see it as an additional brand. I see it as a way of communicating the brand, making it more accessible and more open, and enabling us to communicate what the brand stands for. It helps you actually design products closer to what customers really want. But I don't see the Internet or e-commerce making us wake up one day and say that because we have this new technology, we have a new brand.

**Q. Can the new technology help you better satisfy your customers?**

A. Absolutely. That's what drives us. Whether you're looking at business-to-business applications or business-to-consumer applications, these new initiatives will improve customer satisfaction. Business-to-business will allow us to develop products more quickly, to be more efficient, to deliver products within a more precise time frame, and to develop a broader range of products. Business-to-consumer will allow more efficient distribution systems and much more open communication with customers so that we'll know not only what they bought, but what they really want. And that will allow consumers to have a much greater level of features in their vehicles, such as safety, communications, entertainment, navigation. When we look at the Internet and e-commerce, we look at it through the filter of the consumer. And if there isn't a significant consumer benefit there, then we have to question whether we should do it, or whether we are doing it correctly.

**Q. You have said you want to be pro-active in using the**



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**Internet and communicating with your customers. What do you mean by that?**

A. I'll give you an example. We've done joint ventures with probably the best companies in the business. We could have gone in another direction, working out the details internally first before going outside. But we chose not to do that. When you think of e-commerce and the Internet, there isn't one particular strategy, there are myriad strategies. Second, it's impossible for anyone to really be at the leading edge of all that technology and of the application of that technology. So we partner with the best. And guess what? Our partners also think we're the best. It's a mutual-admiration society.

In every case, we look for the edge in what is the advantage to the consumer and what is the advantage to us? What can we offer the consumer and our shareholders that would be difficult for other companies to duplicate? We want to be discernibly different, and, of course, discernibly better, so people recognize why we're different and what we're doing, whether it's our individual automotive strategy or whether it's at the highest level of our corporate vision to be the world's leading consumer company for automotive products and services. In every aspect, we want to be different and we want to position ourselves differently for our consumers. The Internet provides us with the opportunity to do that more effectively.

I'm not saying we're leaving our roots. I'm talking about maintaining the tremendous technical, marketing and financial skills that the Ford Motor Company has developed and refined over the past hundred years. We don't want to lose that. We don't want to lose our world-class manufacturing capabilities, our design innovation, engineering skills, marketing and business acumen. We want to continue to build on all of those. Now there is a tremendous opportunity to accelerate all of those skills and also get an advantage in the marketplace in terms of connecting with consumers and sharing those benefits with our consumers and shareholders. There's the benefit.

**Q. Owner loyalty is a key to success in the auto industry. How can the Internet help you on that?**

A. It has two roles. It can help you maintain the highest level of loyalty. That's sort of a defensive role, and it's important because it enables you to communicate with customers and learn about who they are and what they are. That's kind of basic marketing. Then there's another area, where the major leverage applies, and that is using the Internet and the technology to better design products up front to what customers really want—or will want. And that way you develop products that in themselves build strong loyalty because they're discernibly different and they are connected to true customer desires.

**Q. What measures have you taken to align your customers' on-line brand experience with their experience in other media?**

A. We're still in the very early stages. Someday, people in every industry will look back at the web sites that were in existence today and say these were like the comic books of the '50s. We're at the very primitive stages. When I look at all the surveys that rate web sites, we do pretty well, but I'm not sure we're yet connected to what customers really want. If you measure hits, they're in the millions. But we haven't got down

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to the point of whether we are providing the information and services that customers want, and whether it's seamless for them. For example, when they're talking to a particular brand, can they be connected to a dealer? Can they learn about the service capability of every dealer? How good is that dealer? What is the customer satisfaction ranking of that particular dealership? I think that will happen. But we're still in the first stages.