

### WRITING ASSIGNMENT #3 (Due in Module 7)

Correct all of the issues noted in Writing Assignments 1 and 2, then append the following to the end:

(NOTE: This should be at least 5-10 pages).

1. Revise your company's STATED mission and vision so that they better suit your company's ACTUAL mission and vision. Provide a logical explanation as to why you did this.
2. Perform a basic SWOT analysis, which should result in a list of at LEAST 2 or 3 of each of the 4 types of strategic choices (SO, ST, WO, and WT), with at least a full sentence or two of explanation for each of them so that one can understand the basic action that you are describing that the company can take. (NOTE: These are the SWOT output functions. That is, these are the actions that your company CAN take in response to combinations of input factors).
3. Prepare a table of strategic actions a company can take in a format similar to the following:

#	Factors	Description
SO1	Ex. S1, S4, O3, O9	Ex. Take XYZ action in ABC market
SO2		
ST1		
ST2		
WO1		
WO2		
WT1		
WT2		

4. Plainly restate your firm's current major business strategies and strategic objectives (hint. This is normally given in the annual report documents and you should have listed these in your first Writing Assignment submission). Based on your SWOT analysis, along with the revised mission and vision statements you just gave, recommend one specific action that the company could undertake. Describe the change in detail and explain clearly why you chose this one in particular. (NOTE: This should be at least a page or so.)

S1. Powerful company brand image	W1. Unable to match Volkswagen's sales volume
S2. Strong customer base with a high loyalty level	W2. Inferior products compared to competitor's luxury products
S3. Implementation of technology to produce quality vehicles	W3. The decrease in sales in Europe
S4. Support of supply chain through global expansion	W4. Pickup truck sales appealing mainly to U.S. consumers
S5. Displays a good financial position	W5. Conservative brand image not relatable for younger consumers
S6. Strong competence in R&D	W6. Mass recall of products
S7. Proven manufacturing skills	W7. The closing of production facilities
S8. The United States is one of the biggest markets for Ford	W8. Turnover of company executives resulting in vacant positions
S9. Extensive dealership system	W9. A decrease in Ford's stock prices
S10. Variety of vehicles satisfies consumer demands	W10. Weaker sales in Mexico
S11. Strong market position	W11. Lower revenue compared to some competitors
S12. The production of safer vehicle features	W12. Higher cost structure
S13. The production of environmentally-friendly vehicles	W13. Poor relations with Chinese partners
S14. The high volume of sales of F-Series vehicles	W14. Unreliable Ford Focus vehicle
S15. Successful consumer financial services	W15. Struggling operations in South America
S16. Implementation of One Ford approach	W16. Shortage of spare parts
S17. Higher return on equity	W17. Low exposure to Asia-Pacific region
S18. Production of light commercial vehicles	W18. Dependence on United States market
S19. Oldest car manufacturer reputation	W19. Excess products in the global market
S20. Good marketing and advertising skills	W20. Increase in commodity costs affecting company profitability

### Writing Assignment 3

#### Ford Motor Company's Revised Vision and Mission Statement

Ford Motor Company's revised vision statement will include what the company wants to accomplish and what the company wants to become. Ford's vision statement states, "People working together as a lean, global enterprise to make people's lives better through automotive and mobility leadership" (Ford Motor Company, 2018). The rewritten vision statement is as

follows, “Our vision is to meet consumer demands worldwide by continuously looking for ways to enhance products, and develop new products and features while maintaining a leadership position in the automobile industry.” This revision of the vision statement involves the company keeping up with competitors by enhancing existing products to keep existing consumers satisfied and developing new products that meet consumer demands. Consumers are always on the move to find new products and features that suit their needs and expectations, so it is important to keep these consumers satisfied. Ford Motor Company is continuously looking for ways to produce more efficient and innovative products and this is why the vision statement incorporates the need to meet consumer demands. Ford Motor Company is a leader in the automobile industry and it is important that the company maintain the position that it has in the market, while seeking ways to improve its position too. One way to do this is by meeting consumer demands, which has the ability to improve sales and profits.

Ford Motor Company’s revised mission statement will better suit the company regarding company information and plans that the company has to meet its goals. Ford’s mission statement states, “One team. One plan. One goal.” (Ford Motor Company, 2018). The company’s rewritten mission statement is as follows, “Our mission is to operate as one team to serve consumers, society, and stakeholders/shareholders by delivering effective, top-quality service in an efficient and ethical manner.” The revision of this mission statement incorporates the fact that consumers, stakeholders, and shareholders, as well as society, are Ford Motor Company’s priority. The mission statement shows that the company strives to be as effective and efficient as possible while delivering quality service. The company does all this while operating in an ethical manner. Ford Motor Company wants consumers to know that they incorporate ethical business practices into their daily routines so that consumers will continue to give the company

their business. It also makes consumers feel more at ease when dealing with the company, as well as brings new business to the company and keeps existing consumers or shareholders around. It is important that Ford Motor Company consider corporate social responsibility to give back to society. Therefore, the mentioning of the company giving back to society in the mission statement shows that Ford Motor Company wants the best, not only for consumers but also for society as a whole. The revised mission statement involves the company functioning as one team while meeting the company's goals.

### **Strengths/Opportunities Strategies**

As seen in S7, Ford Motor Company has a proven skill in manufacturing. O1 shows that China is a good country to open a manufacturing facility because of the political stability and low tariffs in that country to decrease production costs. In addition, O3 shows that China is experiencing an increase in economic growth rates which makes this country an attractive opportunity. The cutting of tariffs makes opening a manufacturing facility in China an attractive opportunity (Branstetter & Lardy, 2006). This opportunity opens the door for Ford Motor Company to increase profits by producing more products and decreasing the production costs associated with making those products. S10 involves Ford producing a variety of vehicles that meet consumer demands. The opening of a manufacturing facility in China will ensure that the company can proceed with producing a variety of vehicles with features that satisfy consumers.

Social norms have influenced consumers to purchase more fuel-efficient vehicles, as seen in O6. O9 shows that environmental awareness is increasing in consumers and O10 shows that there is a rise in the production of lower-emission vehicles. As seen in S13, Ford produces environmentally friendly vehicles. This opens Ford Motor Company up to extend their line of hybrid cars. The production of more environmentally friendly vehicle options that satisfy more

consumers proves to be beneficial to the company. Hybrid vehicles, or more environmentally friendly vehicles that reduce emissions, are becoming an increasingly attractive option for consumers (Chan, 2007). O7 shows that there is an increase in technology that is capable of producing fuel-efficient vehicle parts, which makes this opportunity for Ford possible.

The growth of older consumers that are willing to spend more money on luxury vehicles, as seen in O5, paired with S2 that shows that Ford Motor Company has a strong customer base with a high level of loyalty could enable Ford to produce a line of more luxury vehicles. O20 shows that consumers see owning their own vehicle as a symbol of status, which ensures that older consumers that display loyalty to Ford will spend their money on the company's line of luxury vehicles. The company's powerful brand image, which is S1, can display an even powerful brand image by producing a line of luxury vehicles that appeal to older consumers or consumers wanting to own a luxury vehicle.

Ford Motor Company has exceptional marketing and advertising skills according to S20. Ford also has an extensive dealership system that is easily accessible by consumers, as stated in S9. This allows Ford to use their skills in marketing and advertising to promote the dealership system and sales. O9 discusses how Ford Motor Company uses innovative technology to produce vehicle features that reduce the number of wrecks, which supports O17 that states that consumers display a preference for heavily integrated technology in products. Ford Motor Company can use their good marketing and advertising skills to show the safety features that specific vehicles have. Advertising these features shows consumers that the company is using technology during the production of products, which will increase their satisfaction with the company. The advertisement of these safety features will attract consumers, especially the ones

purchasing vehicles for their children or elderly consumers since these features can protect drivers and reduce the number of vehicle-related accidents.

### **Strengths/Threats Strategies**

T7 displays the fact that cultural conformity influences consumers wanting certain vehicle features and T20 shows that competition requires companies to produce top-quality, differentiated products and features. This requires Ford Motor Company to stay ahead of the game by implementing technology that enables the production of quality vehicles with different features. According to S3, Ford implements innovative technology to increase the production of quality vehicles. The company also has a strong competence in research and development, as seen in S6, which allows the company to continue finding and using technology that will produce what the consumers want. The implementation of research and development combats challenges for companies to stay innovative (Von Zedtwitz & Gassmann, 2002). Increasing investments in research and development will ensure that the company continues to produce innovative vehicles with differentiated features. The competence that Ford obtains in research and development is not only beneficial for Ford Motor Company and its products, but for Ford's consumers too.

T11 discusses buyers having the ability to switch to other brands without experiencing high switching costs. This enables consumers to switch to competitors if they are not satisfied with their product from Ford Motor Company or if they feel like experimenting with another company's brand or product. Ford has a strong customer base that displays a high level of loyalty, as stated in S2. This keeps Ford's existing consumers around to continue to do business with the company. Ford Motor Company's reputation for being one of the oldest car manufacturers, seen in S19, also ensures that the company remains popular with existing consumers while attracting new consumers. It is crucial for Ford to maintain this reputation and

promote the fact that the company has been around for years. This reputation increases consumer loyalty and proves to be an advantage for the company because this reputation shows that the company obtains extensive knowledge about vehicles.

According to T19, the number of available substitutes is increasing in urban areas. Urban areas support the use of public transportation systems to reduce congestion that is associated with large cities. The demand for public transportation has also been increasing over the years (Buehler & Pucher, 2012). The demand for public transportation can decrease consumer spending on vehicles in urban areas for Ford. S18 shows that Ford Motor Company has a competence in the production of light commercial vehicles, such as vans, that meet transportation demands. These vans can provide public transportation options for consumers. These vans can also serve as a method of transportation for businesses and their employees that are required to travel. The production of these commercial vans provides businesses and communities with an option to keep up with the increasing demand of public transportation, which benefits Ford and enables them to keep up with the changing demands of consumers in particular areas. Ford Motor Company could continue to produce these vans and expand their line of commercial vehicles.

Ford Motor Company has a good market position, discussed in S11, and has a high volume of sales when it comes to the F-Series vehicles. The F-Series vehicles are one of Ford's best-selling and popular products among consumers. T17 shows increasing competition in the automobile industry due to the fewer number of firms. Ford Motor Company experiences intensive competition but the company can continue to promote the F-Series vehicles, especially in different global markets. The company can use its strong market position to gain a

competitive advantage and assert its position. Continual advertising and marketing, S20, will also allow for the promotion of the company and make its strong market position known

### **Weaknesses/Opportunities Strategies**

W13 shows that Ford Motor Company has poor relations with Chinese partners. Ford could increase their relationship with Chinese partners to obtain the benefits associated with China. China has an increased number of suppliers, as seen in O12, which will allow the company to choose which suppliers that they want to use and that works best. This is an important factor, especially paired with O1. O1 involves China having low tariffs and decreased production costs. China also wants to start using factories that have not been used enough to allow for increased production with lower costs compared to production in the United States (Bradsher, 2017). The company can make every effort to improve this relationship by displaying a higher level of trust and making their presence stronger in China. O3 shows that China has a growing economy, so Ford can increase their presence in this country to see an increase in production and profits.

Pickup truck sales are a big portion of Ford Motor Company's profits. As seen in W4, pickup truck sales mainly appeal to consumers in the United States. O4 shows that India is experiencing economic reforms, while O3 shows that India is experiencing an increase in economic and population growth rates. There has been a steady growth in India over the years and the country continuing to grow, which makes India's market a great opportunity for Ford Motor Company to take advantage of (Laudon & Laudon, 2011). W1 involves Ford having a hard time being able to meet Volkswagen's sales volume. Ford can open more production facilities in India and increase their presence within that country to promote the sale of more pickup trucks overseas. This would also decrease the company's dependence on the United

States market mentioned in W18, which would give Ford an advantage. This would have the potential to increase Ford's sales volume, which can help the company meet Volkswagen's sales volume, as well as other competitors' sales volume.

W3 shows that there is a decrease in sales for Ford Motor Company in Europe. Ford has a low exposure to the Asia-Pacific region, according to W17. O3 and O4 show the possible profitability associated with India and China because of the two countries' growth rates. Ford Motor Company can pull out of Europe and cease production in that country. This will allow the company to focus on emerging markets in India and China and increase the exposure in these regions. The increase in exposure will allow Ford Motor Company to save money and costs associated with low sales in Europe and put the money into markets that are more promising. W19 shows that Ford Motor Company has an excess of products in the global market. Ford halting production in Europe and closing down unpromising facilities that are costing the company money and decreasing overall sales can prevent the overcapacity of products from happening.

Ford Motor Company is experiencing a shortage of spare parts according to W16. A shortage of spare parts puts the company at a disadvantage because they are lacking an important aspect that the company needs. O13 shows that suppliers are willing to meet demands. This is because there are a large number of suppliers in the automobile industry and they all want to work with companies so these suppliers will meet demands to earn business. The globalization of suppliers reduces costs for the company, O14, so the company has the advantage of being able to choose which suppliers to outsource while keeping costs low. Outsourcing benefits the company by not allowing the company to experience increased costs to produce products. Ford

can outsource more production facilities, especially in China, to increase the production of spare parts.

### **Weaknesses/Threats Strategies**

W14 describes how the Ford Focus vehicle proves to be unreliable for consumers. T13 regards consumers preferring new products and expect new products, which require Ford Motor Company to meet these demands and expectations in a timely manner. The mentioned weakness is unsatisfying for consumers because they expect Ford to meet their needs and wants in vehicle preferences. When consumers are not satisfied with a product, they will consider switching brands. T11 shows that switching costs are not high for the buyer in the automobile industry, so it is not hard for consumers to take their business to a different company to purchase a vehicle. This could harm Ford Motor Company's reputation and decrease sales and profits for the company. Ford can take action and restructure the Ford Focus vehicle, or change production facilities where the vehicle is produced, to fix the issues that customers are complaining about and improve the model overall. This action also applies to taking care of the mass recall of products that are not working properly, as mentioned in W6.

Young consumers prefer vehicle qualities that suit their age and have certain preferences when purchasing a vehicle. W5 shows that Ford's products are not relatable to younger consumers because of the company's conventional brand image. There is also a presence of cultural conformity among consumers regarding certain vehicle features as mentioned in T7. Ford should consider younger consumers' preferences to find out what they look for the most when considering vehicle options. Ford Motor Company can add produce a line of vehicles, and improve upon existing vehicles, with features that appeal to the younger generations. This would have a positive influence on the brand's image and attract more consumers. This would also

show that the company cares about what their consumers want, which only increases their reputation.

T9 mentions the depletion of oil, which causes a decline in natural resources. This threatens the company because they produce many vehicles that require fuel to function properly. W20 shows that an increase in commodity costs is experienced that negatively affects profitability. Another threat is the fact that consumers are experiencing a rise in gas prices, stated in T5. Gas prices have increased in 2018 by over 40 cents from 2017 and prices might continue to rise even more (Price, 2018). Ford can increase the production and promotion of hybrid vehicles. The production costs might be a bit more expensive, but the company could save on commodity costs. The promotion of the product through increased advertising can outline how the hybrid car can decrease spending on gas for consumers in the end. Hybrid vehicles improve the environment, which causes the depletion of oil to slow down and causes an improvement in the decline of natural resources.

The closing of production facilities, mentioned in W7, can cause Ford Motor Company to lose money invested in these facilities. Therefore, T16 discusses the unchangeable investments put into production facilities. There are high costs associated with opening up global production facilities. If the facilities are successful, the company saves money. Unsuccessful production facilities can cost the company a large sum of money. Therefore, Ford can use funds wisely to improve the successful production facilities instead of focusing on opening up production facilities in markets that are not proving to be profitable. Improving existing and successful production facilities can increase profitability and sales volume, which could allow the company to make up for lost costs associated with the closing of production facilities. It is crucial that Ford Motor Company continues to invest in the markets and facilities that are increasing sales

for the company and halts investments in markets and production facilities not known for being profitable. It is also important that the company obtain extensive knowledge on these markets before investing to find any present attributes that can allow for increased profitability in the future, or hinder profitability.

Table 5

*Strategic Actions and SWOT Analysis Input and Output Factors*

#	Factors	Description
SO1	S7, S10, O1, O3	Ford Motor Company opens a manufacturing facility in China.
SO2	S13, O6, O7, O9, O10	Ford extending and improving their line of hybrid vehicles.
SO3	S1, S2, O5, O20	Ford producing a line of more luxury-type vehicles.
SO4	S9, S20, O9, O17	The company using their advertising and marketing skills to promote the safety features in vehicles and the use of technology during production.
ST1	S3, S6, T7, T20	Ford continues their competence in R&D by increasing investments to produce top-quality vehicles that meet changing consumer demands and keep the company ahead.
ST2	S2, S19, T11	Ford promotes their reputation of being one of the oldest car manufacturers to combat low switching costs for buyers and maintaining a strong customer base.
ST3	S18, T19	The production of vans by Ford, and expanding their commercial vehicle line, meet increasing public transportation demands.
ST4	S11, S20, T17	Ford can use its market position and the popularity of the F-Series vehicles, especially through continuous advertising, to combat competition.
WO1	W13, O1, O3, O12	Improve relations with Chinese partners to obtain benefits such as low tariffs and reduced production costs.
WO2	W1, W4, W18 O3, O4	Ford opening more production facilities in India to increase sales volume.
WO3	W3, W17, W19, O3, O4	Cease production in Europe to save costs and reduce the overcapacity of products to allow the company to focus on markets that are more promising in different countries.
WO4	W16, O13, O14	Outsource more production facilities, especially in China, to increase the production of spare parts while maintaining low production costs.
WT1	W6, W14, T11, T13	Ford can revamp the Ford Focus model and other vehicles with recalls to improve customer satisfaction and maintain their reputation.

WT2	W5, T7	Ford adds features to existing vehicles and produces a line of vehicles that appeal more to younger consumers.
WT3	T5, T9, W20	The company can increase the production and promotion of hybrid cars to reduce commodity costs and consumer spending on gas.
WT4	W7, T16	Ford focuses on investing in markets and production facilities that continue to be profitable and increase sales for the company to recover the loss of profits associated with closing production facilities.

### **Ford's Strategies and Strategic Objectives**

Ford Motor Company implements five principles. According to Ford Motor Company's Annual 10-K Filing (2018), "To that end we have identified five priorities: 1. Rapidly improving our fitness to lower costs, release capital, and finance growth. 2. Accelerating the introduction of connected, smart vehicles and services. 3. Re-allocating capital to where we can win in the future. 4. Continuously innovating to create the most human-centered mobility solutions. 5. Empowering our team to work together effectively to compete and win" (p. 29). Ford Motor Company has significant plans for the future. Ford plans to increase investments into electrification so the company will see an increase in battery electric vehicles, as well as improved logistics and taking advantage of the transportation operating system (Ford Motor Company, 2018). The principles implemented by Ford, along with the company's plans, will improve company strategies, and give the company a competitive advantage. These improved strategies will open up vast opportunities for Ford Motor Company.

Ford's principles or objectives implement a cost leadership strategy that lowers consumer costs and restores the business to participate and win in future endeavors (Ford Motor Company, 2017). Ford also implements a sustainability strategy to improve their operations and have a better influence on the environment. The increase in electrification investments made by the company supports this strategy. Ford is using a product development strategy and a

differentiation strategy because they are developing more innovative vehicles options for consumers.

### **Recommended Actions**

A recommendation for Ford Motor Company is to stop investing in markets that are unprofitable, such as operations of the company in Europe. The recommending of this action allows the company to focus on investments in more profitable areas. This will allow Ford to use its profits and investments more effectively. An example would be continuous investments into more innovative technologies that produce differentiated products that will allow the company to keep up with the constant change of consumer demand. Removing or ceasing operations in areas with lower sales and profits will also reduce spending for the company since Ford is not making up for the loss of sales in profits and the company is spending money to keep these facilities running. The recommended action will allow Ford Motor Company to maintain a competitive advantage and leadership position in the industry by allowing the company to use profits for more profitable and beneficial ventures.

## **Writing Assignment 4**

### **Expected Financial Results**

The expected financial results for Ford Motor Company involve measurable aspects. From the financial analysis, Ford will meet the industry average for net income, quick ratio, and total revenue. These are Ford Motor Company's weaker areas in the financial aspect of the company. It is important that the company meet industry averages, as well as at least meeting competitors to keep the company strong since competition is high in this industry. The expected financial results revolve around meeting the automobile industry average, as well as at least meeting competitors' financial numbers. Financially, the company is in a decent state but Ford