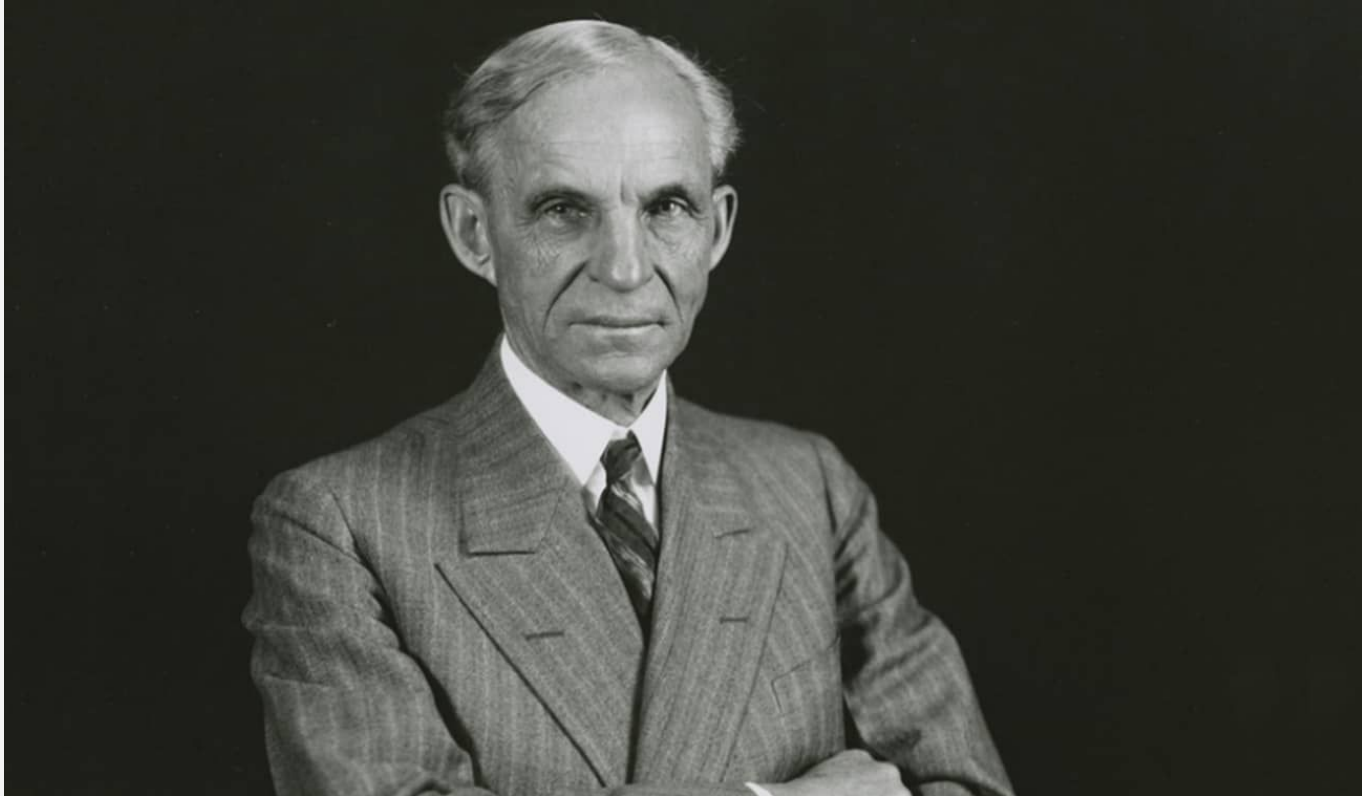




**Business Case Study  
of  
FORD, THE AUTOMOBILE  
REVOLUTION**

By  
Oishik Biswas

# Henry Ford, The Founder of Ford



# Henry Ford, The Man With a Vision

- From \$28000 investment, he has turned Ford motor company into a billion dollar company in just 22 years.
- When other companies were paying worker \$2.5 a day, Henry Ford was paying them \$5 a day.
- When other car companies sold their cars at \$700 price point, the Ford model T was being sold at just \$360.

# Henry Ford, The Man With a Vision

- If he keeps selling cars only to the rich, with the existing competition in play, he will never be able to scale up his company.
- Ford model T price in 1911 → \$950, 1913 → \$600, 1917 → \$360.
- Ford sales skyrocketed by 4100%, most profitable automobile manufacturer in the world.

# Ford Model T





# Division of Labour

***Each worker has  
a specific task***



# Division of Labour

- Instead of asking one craftsman to make one entire engine body, he divided the body into three parts.
- He made separate machines for each part such that only one worker will be in charge of an entire machine.
- Enter process was divided to 84 small different steps.
- Ford motors achieved an incentive of 60% increase in pay for a productivity increase of 300%.



# Division of Labour

- Ford asks his workers to work for 5 days a week, to give them rest and spend the money they earned, which will motivate them further to work better.
- He passed on the profits to both his employees and customers.
- 1914, Henry Ford doubled the pay at his workers paying \$5 per day.
- Workers flooded from all across the world to work for Henry Ford, worked with absolute dedication, which further increased both efficiency and profits.

# Division of Labour



# Concept of Assembly Line

- The body of car was moving station to station.
- One worker who did his job very well did his job and the cars started moving to the next station.
- More productivity and profit.
- Only 93 minutes for the Ford workers to assemble a completely new model T.
- Highly skilled workers could be substituted by unskilled workers very very easily.

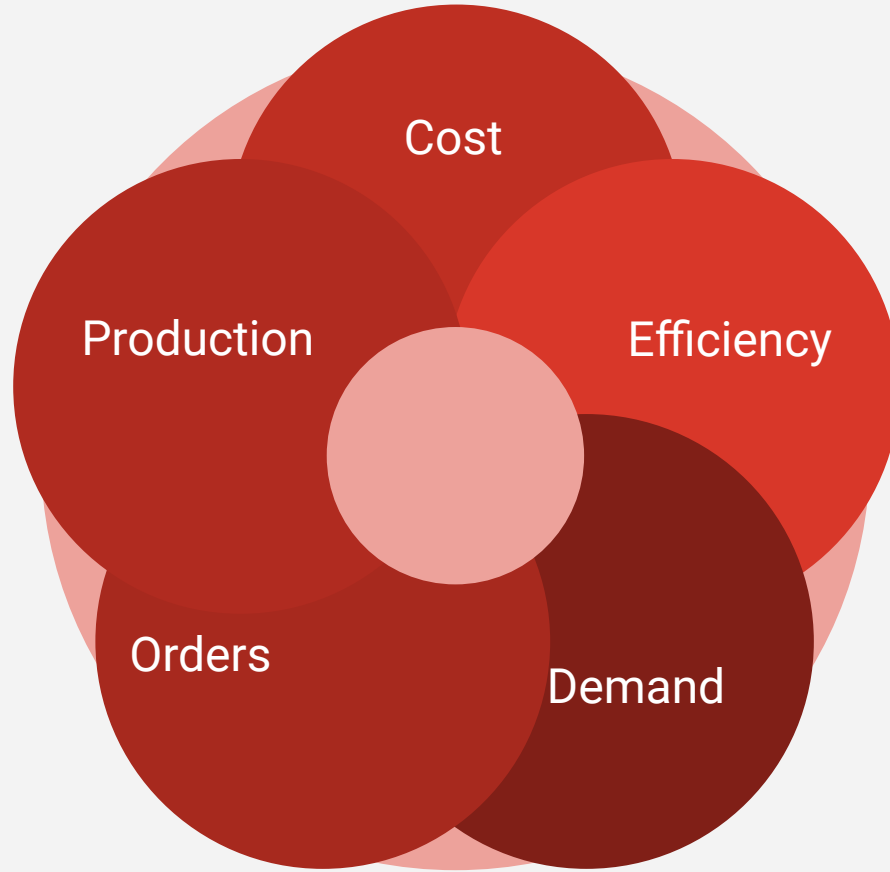
# Concept of Assembly Line

- Saved up wages, reduction in cost shot up the productivity by a large extent.

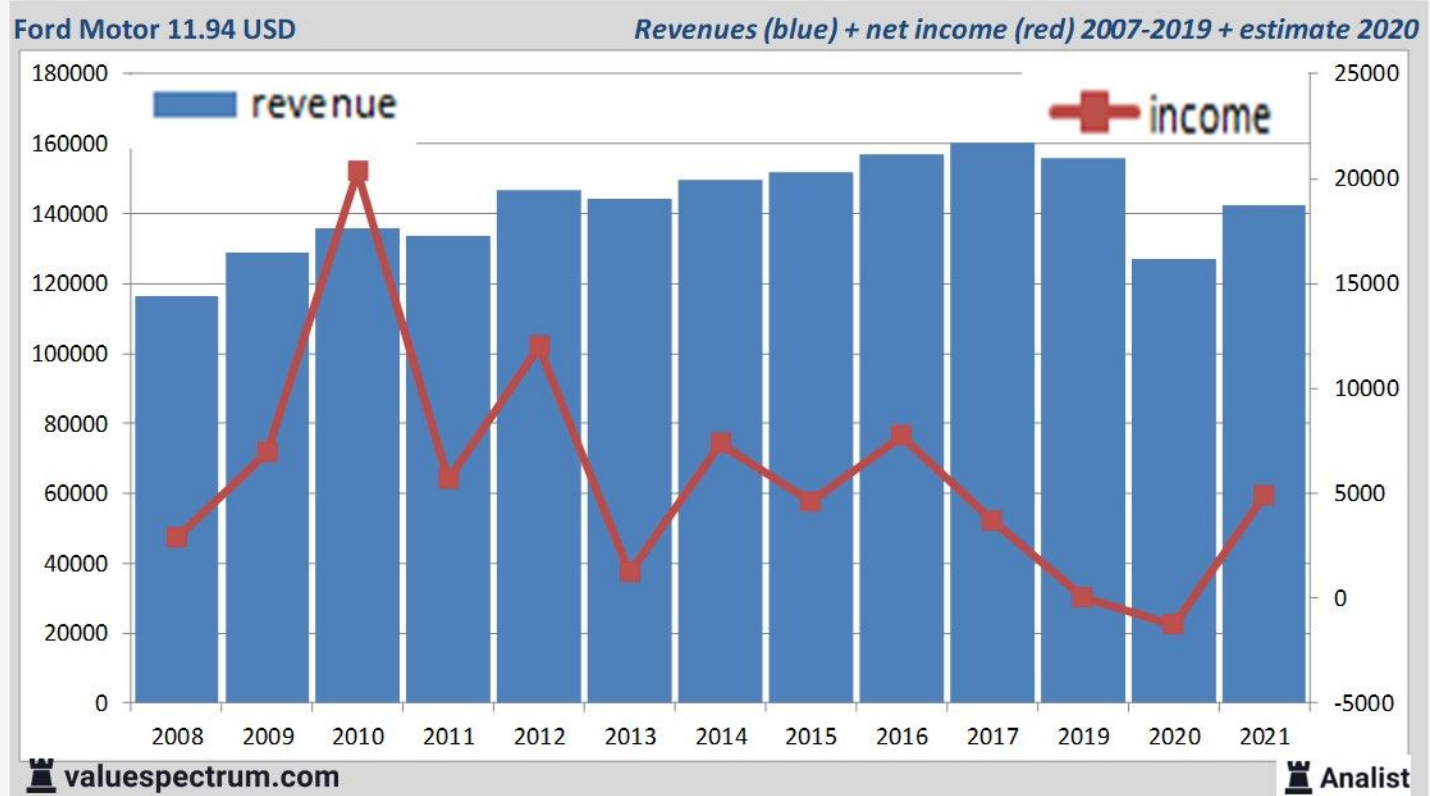
# Assembly Line



# Benefits

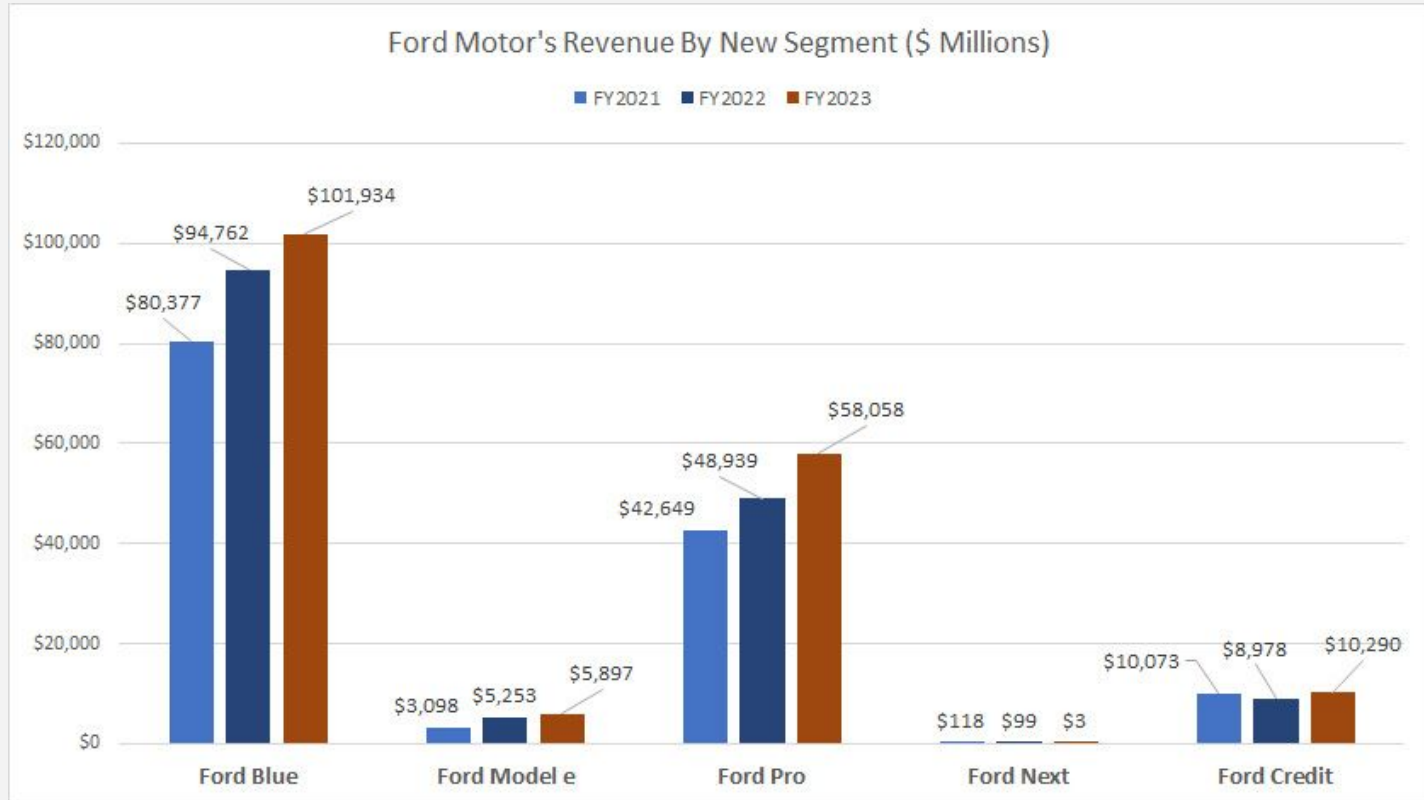


# Ford Revenue Growth





# Ford Revenue Breakdown



# Ford Business Model



# Ford SWOT Analysis

## SWOT ANALYSIS OF

# S



### Strengths

- Strong Workforce
- Strong Financial Position
- Manufacturing expertise
- Global Presence
- Quality and Reliability
- Diverse Product Portfolio

# W



### Weaknesses

- Wide Network Problems
- Brand Perception Challenges
- Overreliance on the North American market
- Legacy Pension and Healthcare
- High Production Costs

# O



### Opportunities

- Sustainable Mobility Solutions
- Enhancing Customer Experience
- Strategic Partnerships and Collaborations
- Expansion into Emerging Markets
- Development of Autonomous Vehicles

# T



### Threats

- Cybersecurity Risks
- Fierce Competition
- Government Regulations
- Fluctuations in raw material costs
- Shifts in Mobility Patterns
- Consumer Changing Preferences

# Business Lessons

- Always be open to learning from industries even if they do not belong to your domain.
- Those industry might have concepts that is basic to him, but could be revolutionary in your industry.
- Inefficiency is a natural element that will keep creeping in regardless of what you do. But if you spot it and fix it, you can outperform your competitors by a large margin.

# Business Lessons

- There are two ways to outperform your competitions, either make a product that's far superior than your competitor, or change the market segment altogether and go to the zero competition zone.
- Extremely superior product or change the target audience.