# BUS 225 Milestone One Template

## Executive Summary

[Date]

### Description of Problem

Understanding Ford Motor Company's current standing in the traditional U.S. automotive industry and evaluating the potential for Ford's entry into the electric vehicle (EV) market are the objectives of this task. The study is based on qualitative and quantitative data. Qualitative data includes reports from the industry, academic research, and the opinions of industry experts, and quantitative data, includes sales statistics, market share percentages, and growth rates.

### Description of Ford in the Current U.S. Automotive Industry

Ford, a renowned player in the American automobile sector with a staggering valuation exceeding $900 billion, has consistently showcased its ability to evolve and embrace change throughout its history (*Statista*, 2023). Ford continues to hold a substantial market share, despite fluctuations in sales across different regions and fuel types. However, it is worth noting that gas-powered vehicles continue to dominate sales in the Midwest.

### Current Automotive Market Trends

Ford has witnessed a significant shift toward environmentally friendly autos as well as an increase in the demand for trucks and SUVs among customers (“BloombergNEF,” 2023). Personalized vehicles that come standard with upgraded security features and new vehicle technology are becoming more and more popular among car buyers, which is a trend that is gaining steam in the automotive industry.

### Description of Ford in the New Industry

Ford is entering the quickly growing market for electric vehicles (EVs), which is experiencing significant growth and observing a shift in the preferences of consumers. To be successful in this industry, you need to have an effective combination of ground-breaking ideas, a wide variety of options for electric vehicles, and a pricing strategy that is both compelling and competitive.

### Current Market Trends in the New Industry

As Ford continues to investigate the world of electric vehicles (EVs), the company is required to take into account established trends, such as the expanding need for EVs that have both high performance and a long range (*IBISWorld*, 2023). Consumers are showing a growing interest in automobiles that have the ability to charge at a faster rate, have a longer driving range, and come equipped with the most cutting-edge technology for the interior.

## Appendix A Explanation from Porter’s Five Forces Analysis of Ford in the New Industry

Ford faces moderate entry barriers in the electric vehicle (EV) industry, primarily attributed to its well-established manufacturing capabilities (Porter, 2008). The power of suppliers is significantly elevated as a result of the presence of crucial components such as batteries. The potential for substitutes is deemed moderate due to the emergence of hybrid and fuel cell vehicles, which offer alternative options. The power of buyers is on the rise as the availability of product choices continues to expand. The EV market is witnessing intense competition, as both established and emerging automakers strive to secure their position in this lucrative industry.

## Appendix B Summary of Findings from Porter’s Five Forces Analysis Comparing Both Industries

The automotive sector, in which Ford holds a significant position, is an established industry characterized by fierce competition and significant difficulties at entry points. On the other hand, the electric vehicle (EV) sector, in which Ford is a recent entrant, is experiencing rapid growth. However, it is also characterized by growing rivalry and significant difficulties for new players seeking to enter the market. The influence of suppliers is substantial in both sectors. As a result of their reliance on various components.

## Appendix A

**Articulation of Response**

According to the analysis, it is recommended that Ford continues to maintain its presence in the conventional automotive industry while simultaneously enhancing its efforts in the rapidly growing electric vehicle (EV) market. By adopting this well-balanced strategy, Ford can effectively utilize its current advantages while capitalizing on the prospects offered by the electric vehicle (EV) industry.

## Appendix B

**References**

BloombergNEF. (2023). *BloombergNEF - EVO Report 2023 | BloombergNEF | Bloomberg Finance LP*. https://about.bnef.com/electric-vehicle-outlook/

*IBISWorld*. (2023). IBISWorld - Hybrid & Electric Vehicle Manufacturing in the US. https://www.ibisworld.com/default.aspx

Porter, M. E. (2008, January 1). The Five Competitive Forces That Shape Strategy. *Harvard Business Review*. https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy

*Statista*. (2023). Statista - Ford’s Market Share in the U.S. https://www.statista.com/statistics/648422/vehicle-sales-of-selected-manufacturers-in-united-states/