

# **Chapter- 3**

## **Organisation Profile**

### **3.1 Company Profile:**

#### **3.1.1 Introduction:**

Ford Motor Company designs, develops, manufactures, and services cars and trucks worldwide. It operates in two sectors, Automotive and Financial Services. The Automotive sector sells vehicles under Ford, Mercury, Lincoln, and Volvo brand names. This sector markets cars, trucks, and parts through retail dealers in North America, and through distributors and dealers outside of North America. It also sells cars and trucks to cars and trucks to dealers for sale to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies, and governments. In addition, this sector provides retail customers with a range of after-the-sale vehicle services and products in areas, such as maintenance and light repair, heavy repair, collision, vehicle accessories, and extended service warranty under the Genuine Ford, Lincoln-Mercury Parts and Service, Ford Custom Accessories, Ford Extended Service Plan, and Motorcraft brand names. The Financial Services sector offers various automotive financing products to and through automotive dealers. It offers retail financing, which includes purchasing retail instalment sale contracts and retail lease contracts from dealers, and financing to commercial customers to purchase or lease vehicle fleets; wholesale financing that comprises making loans to dealers to finance the purchase of vehicle inventory; and other financing, which consists of making loans to dealers for working capital, improvements to dealership facilities, and to purchase or finance dealership real estate. This sector also services the finance receivables and leases that it originates and purchases, makes loans to its affiliates, purchases receivables, and provides insurance services related to its financing programs. Ford Motor Company was founded in 1903 and is based in Dearborn, Michigan.

#### **3.1.2 Hendry Ford and Family:**

The story of Henry Ford is not of a prodigy entrepreneur or an overnight success. Ford grew up on a farm and might have easily have remained in agriculture. But something stronger pulled at Ford's imagination, mechanics, and machinery, understanding how things worked and what new possibilities lay in store. As a young boy, he took apart everything he got his hands on. He quickly became known around the neighbourhood for fixing people's watches.

In 1896, Ford invented the Quadricycle. It was the first "horseless carriage" that he actually built. It's a far cry from today's cars and even from what he produced a few years later, but in a way, it was the starting point of Ford's career as a businessman. Until the Quadricycle, Ford's tinkering was experimental, theoretical-like the gas engine he built on his kitchen table in the 1890's, which was just an engine with nothing to power. The Quadricycle showed enough beginning of Ford's business ventures.

#### **3.1.3 Ideas into Business:**

Ford Motor Company was founded on June 16, 1903. The first Ford, the model A, was being sold in Detroit a few months later. When founded the Ford Motor Company was just one of 15 car manufacturers in Michigan and 88 in the US. But as it began to turn a profit within its first few months, it became clear that Henry Ford's vision for the automotive industry was going to work and work in a big way. During the first five years of Ford Motor Company's existence, Henry Ford, as chief engineer and later as president, directed a potential that it launched the development and production program that started in a converted wagon shop.

Henry Ford's insistence that the company's future lay in the production of affordable cars for a mass market caused increasing friction between him and the other investors. As some left, Ford acquired

enough stock to increase its own holdings to 58.5 percent. Henry Ford became president in 1906, replacing John. S. Gray, a Detroit banker who had served as the company's first president.

### **3.1.4 Ford Family through the Years:**

The years between the world wars were a period of hectic expansion. In 1917, Ford Motor Company began producing trucks and tractors. In 1919, a conflict with stockholders over the millions to be spent building the giant Rouge manufacturing complex in Dearborn, Michigan led to the company becoming wholly owned by Henry Ford and his son, Edsel, who then succeeded his father as president. After Edsel Ford passed away in 1943, a saddened Henry Ford resumed the presidency.

Henry Ford resigned for the second time at the end of World War II. His eldest grandson, Henry Ford II, became president on Sept 21, 1945. Even as Henry Ford II drove the industry's first post-war car off the assembly line, he was making plans to reorganize and decentralize the company to resume its pre-war position as a major force in a fiercely competitive auto industry.

Henry Ford II provided strong leadership for Ford Motor Company from the post-war era into the 1980s. He was president from 1945 until 1960 and chief executive officer from 1945 until 1979. He was chairman of the board of directors from 1960 until 1980 and removed as chairman of the finance committee from 1980 until his death in 1987. Now, at the beginning of its second century, another Ford family member has been named CEO of Ford.

Motor Company, the first family member to hold the position in more than 20 years. Like his uncle, Henry Ford I, William Clay Ford Jr. (great grandson of Henry Ford) leads a company where "family" has a much broader meaning, referring to far more than just those with the last name "Ford". Today, the Ford family comprises of employees, dealers, suppliers, shareholders, customers and more—all those who help fulfil the vision Bill Ford has defined for the company: to create great products that benefit customers, shareholders and society.

## **3.2 HISTORY:**

### **3.2.1 The Dream Becomes a Business:**

Ford Motor Company entered the business world on June 16, 1903, when Henry Ford and 11 business associates signed the company's articles of incorporation. With \$28,000 in cash, the pioneering industrialists gave birth to what was to become one of the world's largest corporations. Few companies are as closely identified with the history and development of industry and society throughout the 20th century as Ford Motor Company.

As with most great enterprises, Ford Motor Company's beginnings were modest. The company had anxious moments in its infancy. The earliest record of a shipment is July 20, 1903, approximately one month after incorporation, to a Detroit physician. With the company's first sale came hope—a young Ford Motor Company had taken its first steps.

### **3.2.2 Mass Production on The Line:**

Perhaps Ford Motor Company's single greatest contribution to automotive manufacturing was the moving assembly line. First implemented at the Highland Park plant (in Michigan, US) in 1913, the new technique allowed individual workers to stay in one place and the same tasks performed repeatedly on multiple vehicles that passed them. This proved tremendously efficient, helping the company far surpass the production levels of their competitors—and making the vehicles more affordable.

### **3.2.3 The First Vehicles:**

Henry Ford insisted that the company's future lay in the production of affordable cars for a mass market. Beginning in 1903, the company began using the first 19 letters of the alphabet to name new cars. In 1908, the Model T was born. 19 years and 15 million Model T's later, Ford Motor Company was a giant industrial complex that spanned the globe. In 1925, Ford Motor Company acquired the Lincoln Motor Company, thus branching out into luxury cars, and in the 1930's, the Mercury division was created to establish a division centred on mid-priced cars. Ford Motor Company was growing.

### **3.2.4 Becoming a Global Company:**

In the 50's came the Thunderbird and the chance to own a part of Ford Motor Company. The company went public and, on Feb 24, 1959, had about 350,000 new stockholders. Henry Ford II's keen perception of political and economic trends in the 50's led to the global expansion of FMC in the 60's, and the establishment of Ford of Europe in 1967, 20 years ahead of the European Economic Community's arrival. The company established its North American Automotive Operations in 1971, consolidating U.S., Canadian and Mexican operations more than two decades ahead of the North American Free Trade Agreement.

Ford Motor Company started the last century with a single man envisioning product that would meet the needs of people in a world on the verge of high gear industrialization. Today, Ford Motor Company is a family of automotive brands consisting of: Ford, Lincoln, Mercury, Mazda, Jaguar, Land Rover, Aston Martin and Volvo. The company is beginning its second century of existence with a worldwide organization that retains and expands Henry Ford's heritage by developing products that serve the varying and ever-changing needs of people in the global community.

## **3.3 OVERVIEW:**

### **3.3.1 Their Vision:**

- To become the world's leading Consumer Company for automotive products and services.

### **3.3.2 Their Mission:**

- We are a global family with a proud heritage passionately committed to providing personal mobility for people around the world.
- We anticipate consumer need and deliver outstanding products and services that improve people's lives.

### **3.3.3 Their Values:**

- Our business is driven by their consumer focus, creativity, resourcefulness, and entrepreneurial spirit.
- We are an inspired, diverse team. We respect and value everyone's contribution. The health and safety of our people are paramount.
- We are a leader in environmental responsibility. Our integrity is never compromised and they make a positive contribution to society.
- We constantly strive to improve in everything they do. Guided by these values, we provide superior returns to their shareholders.

### **3.3.4 FORD (Genuine, Progressive, Smart):**

Ford Motor Company offers reliable, affordable vehicles for the world's varying lifestyles. From the Model T-the car that first brought driving to the masses, to more recent favourite like the Escape, Ford vehicles have been among the world's most popular cars and trucks.

### **3.3.5 Major Competitors (Global and Indian):**

- |                               |                              |
|-------------------------------|------------------------------|
| 1. Daimler Automobiles.       | 6. Toyota Motors.            |
| 2. Fiat Chrysler Automobiles. | 7. Volkswagen.               |
| 3. General Motors Company.    | 8. Hyundai Motors.           |
| 4. Honda Motor Company.       | 9. Tata Motors.              |
| 5. Renault Group.             | 10. Nissan Group.            |
|                               | 11. Maruti Suzuki India Ltd. |

### **3.4 FORD INDIA PRIVATE LIMITED (FIPL):**

Ford India Private Limited is a wholly owned subsidiary of the Ford Motor Company in India. Ford India Private Limited's headquarters are located in Chengalpattu, 37 Tamil Nadu. It currently is the 8th largest car maker in India after Maruti Suzuki, Hyundai, Tata Motors, Mahindra, Chevrolet, Honda and Toyota.

The modern Ford India Private Limited began production in 1996, although the roots trace back to 1907 when the Model A was launched. Its manufacturing facilities are in Maraimalai Nagar near Chennai. Ford India Private Limited began production in 1926, but was shut down in 1954. Production began again with the joint venture Mahindra Ford India Limited (MFIL) in October 1995, a 50-50 venture with Mahindra & Mahindra Limited. Ford Motor Company increased its interest to 72% in March 1998 and renamed the company Ford India Private Limited.

FIPL's main manufacturing plant had a capacity of 100,000 vehicles annually and is located in Maraimalai Nagar, 45 kms. From Chennai. As its new hatchback Figo was launched in March 2010, Ford Motor Company had invested \$500 million to double capacity of the plant to 200,000 vehicles and 250,000 engines annually. Presently, Ford has more than 376 sales and service outlets in 209 cities across India. As of December 2020, Ford has 485 sales and service touchpoints in 266 cities across India.

#### **3.4.1 Current Models:**

1. Ford Mustang.
2. Ford Endeavour.
3. Ford EcoSport.
4. Ford Figo Aspire and Figo NEXT-GEN.
5. Ford Freestyle.

#### **3.4.2 Discontinued Models:**

1. Ford Icon (1999-2010).
2. Ford Escort (1996 -2000).
3. Ford Mondeo (2001-2006).
4. Ford Fusion MPV (2004-2010).
5. Ford Classic (2005-2015).

### **3.4.3 Sales Performance:**

Ford India Pvt. Ltd. (FIPL) posted tremendous record sale, witnessing a 272 per cent growth in year-on year sales for the month of May when compared to May 2009. Ford Figo continued to drive record sales for Ford India for the third consecutive month since its launch in the Indian market.

Ford India also saw an increase in its month-on-month sales with May posting higher sales than April, achieving a 7.6 per cent high against last month's sale of 7509 units. Other Ford brands also saw a rise in demands which added to the overall volume for May with all the brands performing well. Ford India will commence its second production shift at its manufacturing plant in Maraimalai Nagar from July, with training of new employees already underway, to meet strong demands for its products especially the Figo.

### **3.4.5 Exports:**

Ford India currently exports 40 percent of its engine production and 25 percent of its car production to 35 countries, some of them are, Saudi Arabia, South Africa, Nepal, Mexico, Kenya, Bahrain, Angola, Bermuda, Ghana, Iraq, Liberia, Lebanon, Malawi, Madagascar, Mauritius, Nigeria, Senegal, Tanzania, UAE, Zambia and Zimbabwe.

### **3.4.6 Profit Earning:**

Ford India has been earning 4.19% net profit till the month of September in the 3<sup>rd</sup> quarter of the 2018 and with a gross profit margin of 8.44% in the 3<sup>rd</sup> quarter of 2018.

## **3.5 Organisation Profile:**

TI Ford was the first ford dealer in the North Eastern Region, being the first dealer of Ford cars in the region and we are experienced than any other dealer in the area. The experience and expertise we have earned throughout these years help in satisfying customers by suggesting them the best Ford cars. Depending on the budget of customers, we also assist in choosing most profitable and convenience insurance and finance plans.

### **3.5.1 Awards and Certificates of the Company:**

- President's Award 2010.
- Dealer of the month, December 2014.
- Market Share Endeavour, 2014.
- Super Star Awards for Ford Authorised Sales Excellences in Tier II, 2017.
- Retail Champion, 2017.
- Top Performer, 2017.

### **3.5.2 Contact Info:**

#### **Dealer Address:**

TI Ford Motors Pvt. Ltd.

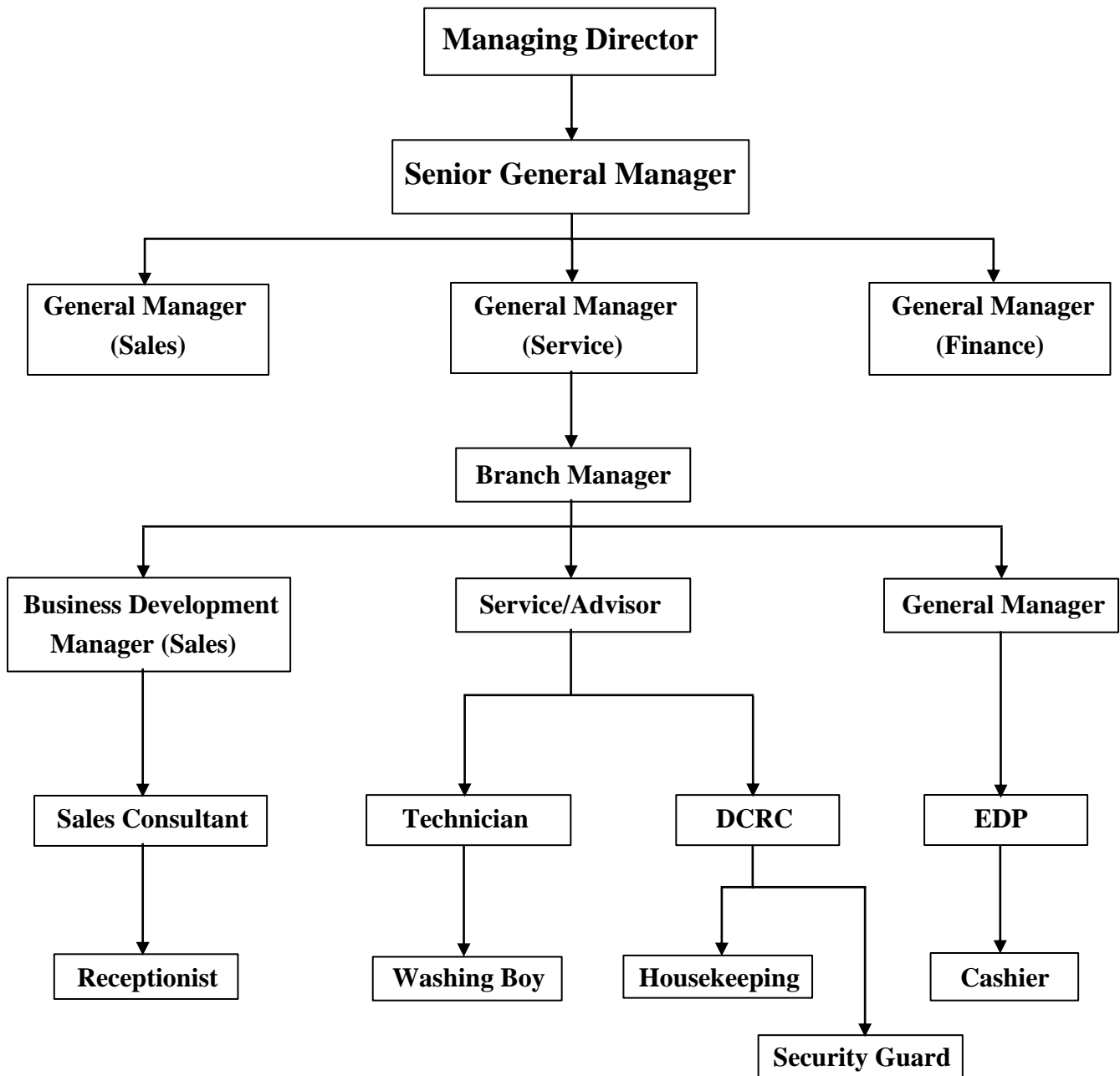
Mahapurush Damodardev Path, Bharalumukh, Guwahati, Assam.

Contact No.: 0361-273 3709.

Email: showroom@tiassam.com.

Website: <https://www.tiford.in>.

### 3.6 Organisation Hierarchy:



**Fig 3.1:** Organisational Hierarchy.