

M5L18. Ford Motor Company First Mover and Fast Follower

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ATM
TEXAS A&M UNIVERSITY
Engineering

Ford Motor Company
First Mover and Fast Follower

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TCMT 612 | Technical Management
Decision Making

MASTERS OF ENGINEERING TECHNICAL MANAGEMENT

A company can adopt both a first mover approach and a fast follower strategy for different products and in separate markets to develop competitive positions.

We will use Ford Motor Company as an example to explain how strategic decisions work.

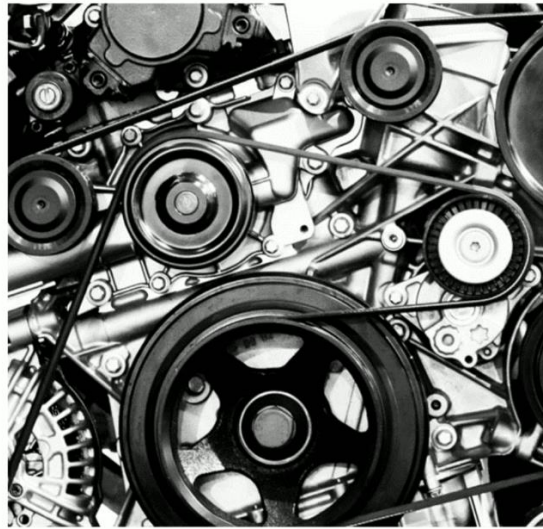
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Competitive Advantages

Ford Motor has progressively evolved to create

- First mover competitive advantage
- Fast follower strength

The company created different market positions for different products.



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Ford Motor was the market pioneer of the mass production method of automobiles, and over the past several decades, the company has progressively evolved to create first mover advantages and fast follower competitive strengths, particularly because the auto giant has multiple products and several brands in global markets.

The company has created different market positions for different products.

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2023 Ford F-150® Lightning® Pro

The 2023 Ford F-150® Lightning Pro has the strength to tackle your toughest jobs. The Pro Power Onboard feature can power the tools on your job site for up to three days^{1,4} and its Mega Power Frunk is the largest front trunk on any all-electric pickup.



2024 Ford E-Transit™

The 2024 Ford E-Transit van requires no gas usage and offers potentially lower scheduled maintenance costs.² With three different roof heights, two body lengths, and three models to choose from – Chassis Cab, Cutaway and Cargo van models—it's easy to find the right E-Transit for your business.

First Mover

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Ford takes a first mover approach to maintain its competitive advantage in its commercial vehicle business and the pickup business, which generate greater profits and brand value than the smaller vehicles business.

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First Mover Advantage Examples



Ford introduced first all-electric pickup, F-150® Lightning Pro, in 2023



Ford introduced first electric commercial van, E-transit in 2024



Ford was the first automaker to reach a tentative agreement with the UAW in 2023

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For example, the Ford F-Series pickup remains the most respected commercial truck available on the U.S. market and across the world.

The company introduced the Ford F-150 Lightning Pro, the first all-electric pickup, in 2023 ahead of Tesla and other automakers.

The company is also launching its first electric commercial van, the E-transit in 2024.

Ford was the first automaker to reach a tentative agreement with the United auto workers on October 25, 2023.

The agreement ended the union's strike against the automaker, marking a crucial step toward resolving a nationwide work stoppage that continued against two other Detroit automakers.

Stellantis and GM followed Ford's approach and reached agreements with the union soon after Ford's.

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However, Ford takes a fast follower approach to developing competitive strength for its smaller vehicles, which typically yield lower profit margins.

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Fast Follower Strength Examples



Ford introduced Ford Pro system, a productivity accelerator for fleet operators



Ford affordable electric vehicles in Europe ride on the same Volkswagen platform

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For example, Ford worked with technology partners to introduce the Ford Pro software system, a productivity accelerator for fleet operators.

The Ford Affordable Electric Vehicles project is being led by Alan Clark, who oversaw the engineering of Tesla Model Y before moving to Ford.

The company is also releasing small electric crossover models in Europe this year that wear the Explorer name and ride on the same Volkswagen platform.

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Strategic Approach Summary

Take specific approach, first mover or fast follower, tailored for different products and markets.

First mover	Commercial vehicles	Pickup trucks	Labor union relationship
Faster follower	Small vehicles	Global market	Technologies

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In summary, it is common for a global company to take different strategic approaches to developing strong competitive advantages over its competitors in the market.

Just like Ford Motor, which takes a combined first mover and fast follower approach for different vehicles and in separate markets.