

## TCMT612\_05M\_100T\_Ford-as-first-mover-and-fast-follower

### 1. Main

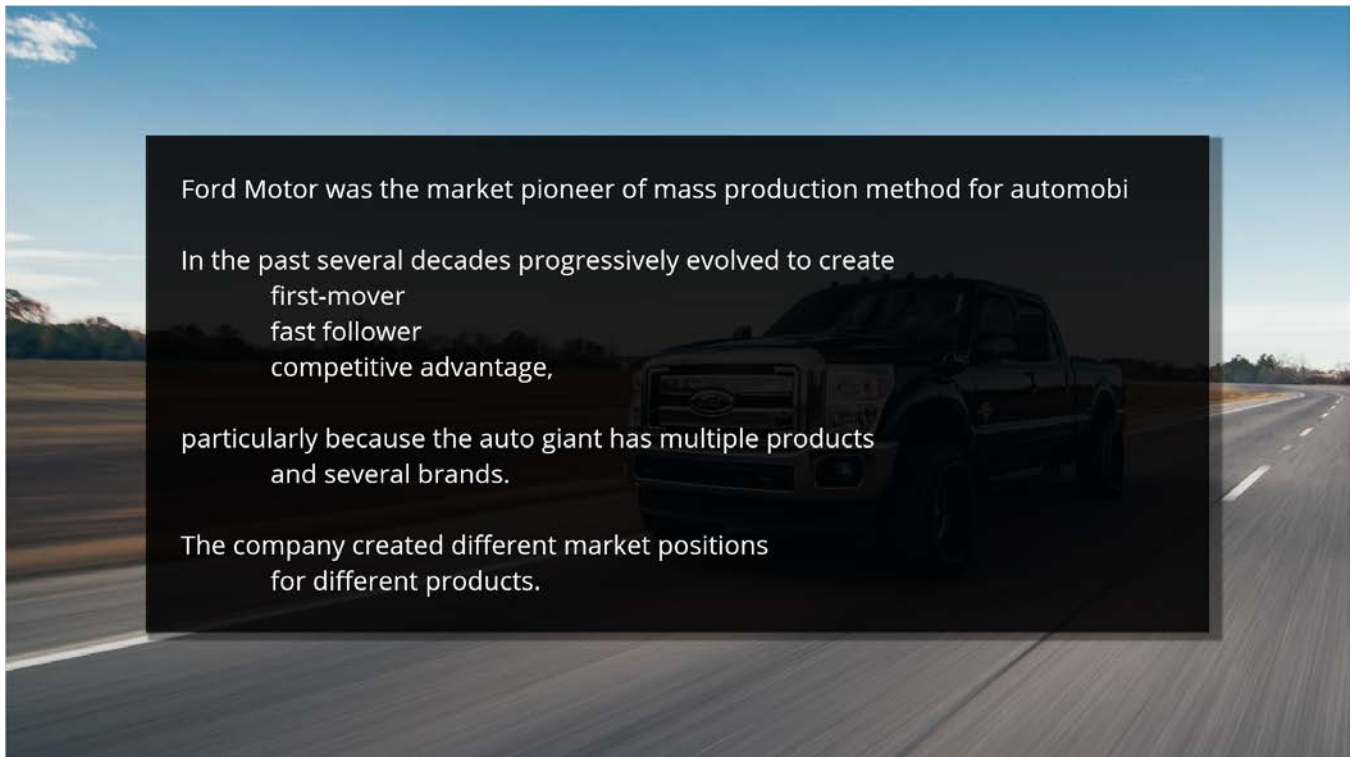
#### 1.2 Topic title



#### Notes:

In this topic the professor explains how Ford Motor Company is both a first-mover and a fast-follower.

### 1.3 Introduction



#### Notes:

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

The company created different market positions for different products.

## 1.4 First mover

### Ford Motor Company as First-Mover

to maintain its competitive advantage of its commercial vehicle business, pickup business.



#### Notes:

Ford more or less takes a first-mover approach to maintain its competitive advantage of its commercial vehicle business, and the pickup business.

## 1.5 Examples

### Ford Motor Company First-Mover Examples



F-series pickup remains the most respected commercial truck available in the US market and also across the world.  
The profitability is high.



First switched to aluminum material to lower the weight of its pickup trucks.



First Detroit company to renegotiate a labor contract with the union.  
Ford's Labor contract with UAW is viewed as a great success, particularly when compared to its competitors in Detroit.

#### Notes:

(1) For example, the Ford F-series pickup remains the most respected commercial truck available on the US market and also across the world. The profitability of F-series product line is high.

(2) The company first switched to aluminum material to lower the weight of its pickup trucks.

(3) Another example of first-mover competitive advantage, is that Ford was the first Detroit company to renegotiate a labor contract with the union. Ford's labor contract with UAW is viewed as a great success, particularly when compared to its competitors in Detroit.

## 1.6 Fast-follower

### Ford Motor Company as Fast-Follower

develop competitive advantage  
for its smaller cars unit.



#### Notes:

Ford also takes a fast-follower approach to develop competitive advantage for its smaller cars unit.

## 1.7 Examples

### Ford Motor Company Fast-Follower Examples



Followed Japanese and European automaker's move and rapidly adopted a strategy to provide more fuel-efficient small cars.



Followed GM and Volkswagen move to develop a strong presence in China with its worldwide brand recognition.



Continue to strengthen its low production cost advantage.

Cut down its raw material cost.

Automation technologies to modernize its production plant to improve efficiency, and reduce production cost.

#### Notes:

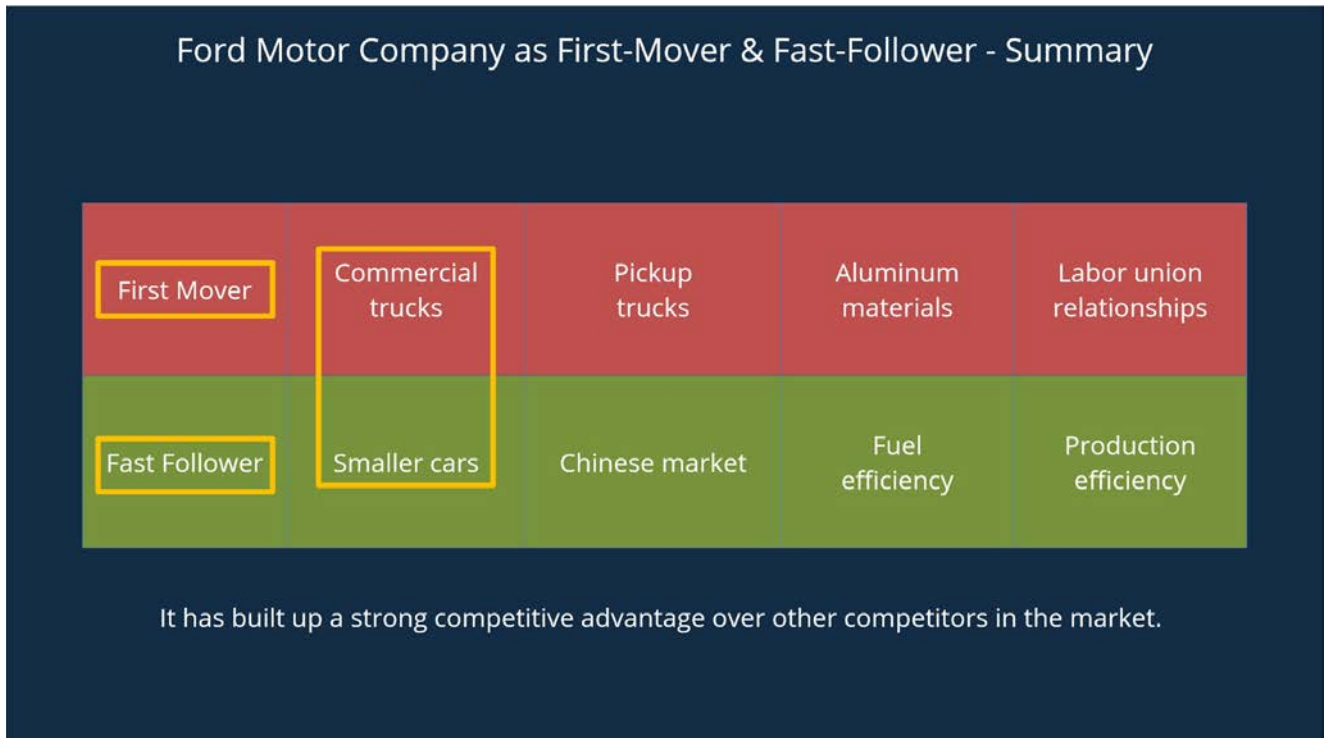
(1) For example, Ford followed Japanese and European automakers' move and rapidly adopted a strategy to provide more fuel-efficient small cars.

(2) Second, Ford followed General Motors and Volkswagen's move to develop a strong presence in China with its worldwide brand recognition.

(3) Of course, Ford Motor continues to strengthen its low production cost advantage. The company cuts down its raw material cost, also introduced automation technologies to modernize its production plant to improve efficiency and reduce the production cost.



## 1.8 Summary



### Notes:

In summary, Ford Motor takes a combined first-mover and the fast-follower approach for different parts of the company.

It has built up a strong competitive advantage over other competitors in the market.