# M5L22. Ford Motor EV Business Objectives

## Slide #1Ford Motor EV Business Objectives

In this topic, we will discuss how Ford Motor Company can make decisions for its electric vehicle division that align with its business objectives.

## Slide #2EV Division Business Performance Objectives vs. Project Decisions

We have discussed Ford's business strategy, competitive advantage, and business objectives of its electric vehicle division.

Now is the time to discuss how we can design a portfolio management system and decision support system to align the project decisions with Ford's electric vehicle division's business performance objectives.

## Slide #3Business Objectives

This table summarizes some of the business objectives that I extracted from the company's electric vehicle division strategy presentation.

The long-term performance of the electric vehicle business unit will be measured against these high-level objectives, which will create a sustainable competitive advantage for the company.

## Slide #4Support core business

The business objective of Ford's Electric Vehicle Division is to support the core business.

Ford's core business includes commercial vehicles, pickups, utility vehicles, and performance vehicles.

Those are the most profitable products of Ford Motor.

## Slide #5Drive for leadership in electrification, autonomy and mobility

The second area is to build up technology leadership in electrification, autonomy, and mobility.

Those represent the crucial technology expertise for electric vehicles.

## Slide #6Grow revenue

The third objective is to grow revenue.

The company needs to increase its revenue and the sale of vehicles by 40 to 45% in the next 10 years.

That is the overall objective of Ford Motor and its electric vehicle division needs to contribute to this corporate-wide objective.

## Slide #7Deliver 18 new EV products by 2020

To do that, the company had a target to deliver 18 new electric vehicle products by 2020.

That is a significant increase from what the company was offering at the time.

## Slide #8Improve profitability

Also, the company needs to increase its profit margin from the current level of 6.7% to 8%.

## Slide #9Develop ecosystem

Ford is mainly a hardware company.

However, electric vehicles require significant software.

The company needs to develop an ecosystem to leverage their software expertise and resources from their suppliers to help the company build software capability for its electric vehicles.

## Slide #10Build brand and credibility

Ford brand value is a significant competitive advantage over other companies.

Ford needs to continue strengthening its brand in the electric vehicle area, particularly in the zero-emission vehicle area.

## Slide #11Business objectives

This short list of business performance objectives for Ford Electric Vehicle Division provides guidance to portfolio decisions.

In the next step, we will build portfolio objectives based on the business objectives.