Internal Analysis - Executive Briefing Report

Ann Klontz

Capella University

Organizational Strategy

MBA6024

Kurt Heppard

June 11, 2017

Internal Analysis - Executive Briefing Report

Executive Briefing Report - Ford Motor Co.

Summary

Mr. Casesa, Group Vice President of Corporate Strategy, as well as Mr. Rowley, Vice President, Strategy ("People|Ford Media Center," 2017). In this briefing, today there will be topics discussed that examine, scrutinize, and provide explanations of the strategic fit of the entity. This report will evaluate Ford Motor Co. and its ability to leverage resources, and capabilities to put into effect its business strategy. Further into this a discussion on the opportunities, concerns, and key components to provide information as to how it all fits together. Ford Motor’s organizational structure, managements systems design, as well as, will include the entities means to how it supports its primary resources, and capabilities. Then this briefing will also go on to provide explanations of ethical predicaments that could come up, and/or governance problems that may arise either with shareholders, stakeholders, allocation of overabundance of profits, or its upper-end management pay. In any case this executive briefing will act as a preliminary report in regards to Ford Motor’s internal strengths, and weaknesses, and issues. It is the objective of this report to provide a comprehension of valuable information to be utilized by both Mr. Casesa, and Mr. Rowley.

Internal Factors

**Strengths**

* Brand (trademark) Snapshot
* Intercontinental Supply Chain
* Effectual Innovative Methods

**Weaknesses**

* Meager Intercontinental Breadth of Production Network
* Elevated Costs in Contrast to its Contenders
* Slow Innovative Methods

Its strengths are shown via R&D, intercontinental functions, and its trademark as such these are attributes that reinforce the entities business effectiveness (Rowland, 2017). Its weaknesses are shown via its meager network of production facilities largely when you compare it to Toyota’s network. Additionally, when this entity is compared to Toyota’s costs it is shown that Ford’s costs are greater, and its innovative methods are not as fast (Rowland, 2017).

Fords business strategy is that of cost leadership and diversification. The company controls its resources and as well as capabilities that help the company to execute its business strategy.  The company utilizes various programs such as “one ford” and ABF. The company strives to produce goods that excel in the market. Constant innovation has allowed the company to produce goods that are unique and of high value to consumers. Working together as a team allows the company’s employees to control skills across the globe to achieve the company’s business strategy. Respecting each other in the workplace helps in achieving the growth in profits for all.  Ford continues to sustain it competitive advantage through constant innovation, improvement value chain, diversification as well as collaboration.  The company employs its value chain to identify the sources of its profits and costs. It identifies the percentage of total cost that is attributed by adding value to a product. The company leverages its resources as well as capability by making sure that they are combined in the best way to help to execute the business strategy. The firm ensures that it reduces the cost of production which is translated to low cost to the consumer. The firm’s capabilities are found on both the functions as well as the value chain. The company uses its resources as well as capabilities in ensuring that competitive advantage is established and is sustainable. Low pricing strategy ensures that the company is in front of competitors. The low pricing strategy helps in ensuring that there is logic in decisions that are made regarding allocation of resources since it ensures that they are optimally allocated (Couto, 2017).

Effectiveness of Organizational Structure & Management Design

Ford’s organizational structure and its Creative administration setup of its blueprint which is a significant factor that has spearheaded the front-line while it ensures the entity has successfully mastered a suitable outcome of intentions for its entity, while ensuring Ford’s business strategies are applied with no hindrance. Ford Motor’s corporation structure of the entities structure of its corporation which built a domain that has proven appropriately suitable escalation of presentation, as well as, output. Resource apportionment which made it attainable for this entity to endure in a superior environmental setting, which strengthens the production of the entity.

Shareholders and stakeholders given opportunities of advantageous rewards via enacting its strategies. These two (2) groups will gain elevated worth for its monies which were put into the entity. These two (2) groups of people encompass consumers, vendors and the general population gain benefits. Since the venture would be beneficial through providing these groups greater earnings, as well as, presenting products to consumers which are suitable to their needs and wants. Dispersal of surplus earnings are done in a manner conforming to what each one has put into the entity. In which depends how much each one has put in a little sum, then the earnings will be equally a little amount. Differentiation strategy makes certain that concerns of shareholders, and that of its stakeholders, are uniformly leveled through making sure its shareholders get a just portion of earnings, as well as, stakeholders gain products that are wanted, and remittances that are rightfully theirs (Grant, 2005).

**Opportunities**

With possibilities that exist regarding the strategic suitability, betwixt the entities capabilities, organizational structure, as well as, management systems.  Ford Motor’s capabilities exist at an elevated height, thus, its strategy does well because of this advantage. Ford Motor’s organizational structure are inclined to reinforce agendas, which are a possibility for Ford Motor Co. to utilize its application. Therefore, its management setup is in place, thus are competent of managing strategic matters.

**Ethics**

There are possible ethical dilemmas and governance issues that might arise within the company. Shareholders may demand higher returns which could put the company in jeopardy especially when the profits do not increase as expected. Stakeholders including customers, employees, suppliers and others could demand high value goods, higher pay and timely pay which could also bring problems in the company. The management could be demanding unreasonable compensation which the company cannot afford resulting in problems with the company’s growth and progress (Elms, 2013).

**Governance**

Some issues that may arise here are since government entities are involved, and those entities make decisions these decisions effect Ford Motor Co. and several entities that operate intercontinentally. Thus, there is a need for entities such as Ford Motor’s to have a say in policies that are created in countries they operate in ("Governance," 2016). Ford Motors is always looking to play an active part in political in a way that can be seen through. An issue that Ford particularly keeps track of that is considered a primary priority to retain a relationship with legislative, regulatory entities, and others in major markets. Issues that could arise if Ford didn’t keep a presence with those governmental departments, and a hand in the policies created could detrimental not only for themselves, but other entities as well ("Governance," 2016).

Conclusion

This report has covered, identified strategies, and discussed how Ford Motor Co. is able to implement these. There is also a section that discusses how Ford leverages its resources, and capabilities which aids them in implementing strategies. As discussed these are found its value chain, and how they are utilized for the benefit of the entity. Moving on there is also information on its organizational structure, as well as, its management system. There are also explanations of ethical issues, governance issues, and some other items of importance. Some of these include weaknesses, strengths, and opportunities. It is the objective of this report to have left both of you vice presidents of strategy with the explanation that is understandable, and can be of value.

References

Governance. (2016). Retrieved June 10, 2017, from http://corporate.ford.com/microsites/sustainability-report-2015-16/governance-policy.html

Rowland, C. (2017). Ford Motor Company SWOT Analysis. Retrieved May 31, 2017, from http://panmore.com/ford-motor-company-swot-analysis

The Ford Motor Company MEDIACENTER. (2017). Retrieved May 27, 2017, from https://media.ford.com/content/fordmedia/fna/us/en/people.default\_all.html

Couto, V., Plansky, J., & Caglar, D. (2017). *Fit for growth: A guide to strategic cost cutting, restructuring, and renewal*.

Elms, D. K., Low, P., World Trade Organization., & Temasek Foundation. (2013). *Global value chains in a changing world*.

Grant, R. M. (2005). *Contemporary strategy analysis*. Oxford [u.a.: Blackwell Pub.