



# ***THE QUALITY JOURNEY OF FORD***

December 8, 2010

*Redefining Quality – Galvin Electricity Initiative*

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Ford Motor Company

Group Vice President, Quality and New Model Launch

# Launch & Build (FPS)

Design  
(GPDS)



# ONE FORD

ONE TEAM • ONE PLAN • ONE GOAL

Sales & Service  
(OTD)



Product Excellence  
(Blue Oval - DNA)



# Continuous Quality Improvement

Best In Class Within The Business Planning Period

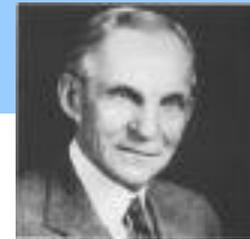
Operational Excellence  
(QOS)





## **STANDARDIZATION: THE KEY TO CONTINUOUS IMPROVEMENT**

“Today’s standardization...is the necessary foundation on which tomorrow’s improvement will be based. If you think of “standardization” as the best you know today, but which is to be improved tomorrow-you get somewhere. But if you think of standards as confining, then progress stops.” – Today and Tomorrow 1926



**Henry Ford**



Delivering High Quality, Affordable & Efficient Products

# ONE PLAN



## ONE FORD

ONE TEAM • ONE PLAN • ONE GOAL

### ONE TEAM

People working together as a lean, global enterprise for automotive leadership, as measured by:

*Customer, Employee, Dealer, Investor, Supplier, Union/Council, and Community Satisfaction*

### ONE PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
- Accelerate development of new products our customers want and value
- Finance our plan and improve our balance sheet
- Work together effectively as one team

### ONE GOAL

An exciting viable Ford delivering profitable growth for all

### Expected Behaviors

#### Foster Functional and Technical Excellence

- Know and have a passion for our business and our customers
- Demonstrate and build functional and technical excellence
- Ensure process discipline
- Have a continuous improvement philosophy and practice

#### Own Working Together

- Believe in skilled and motivated people working together
- Include everyone; respect, listen to, help and appreciate others
- Build strong relationships; be a team player; develop ourselves and others
- Communicate clearly, concisely and candidly

#### Role Model Ford Values

- Show initiative, courage, integrity and good corporate citizenship
- Improve quality, safety and sustainability
- Have a can do, find a way attitude and emotional resilience
- Enjoy the journey and each other; have fun - never at others' expense

#### Deliver Results

- Deal positively with our business realities; develop compelling and comprehensive plans, while keeping an enterprise view
- Set high expectations and inspire others
- Make sound decisions using facts and data
- Hold ourselves and others responsible and accountable for delivering results and satisfying our customers

# ONE TEAM

Customers

DRAFT

Business Units

Americas

Europe

Asia Pacific  
and Africa

Credit

Product Development

Manufacturing and Labor

Purchasing

Quality

Sustainability

Information Technology

Finance

Human Resources

Legal

Government Relations

Marketing

Communications

Functional  
Skill  
Teams

*People Working Together  
As a Global Enterprise for  
Automotive Leadership*

*Driving Standardization  
Continuous Improvement*

*Delivering Results  
Products and People*

One Team...One Plan...One Goal...One



One Team is driven in a global matrix structure – functional skilled teams develop global standards allowing the Business Units to thrive and deliver products and services our customers desire



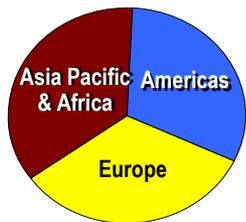
Delivering High Quality, Affordable & Efficient Products

## CONTINUOUS IMPROVEMENT AT FORD

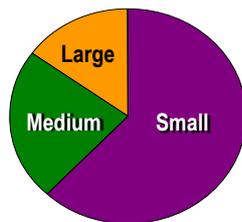
EVERY FUNCTION HAS A QUALITY & PRODUCTIVITY IMPROVEMENT PLAN

- **Functional Senior Leaders commit to establishing measurable standards and model a continuous improvement mindset in their organizations in order to achieve operational excellence**
- **Quality Functional Leads are skilled technical leaders partnering with functions to Reduce Lead Time, Improve Quality, Reduce Cost while driving culture change towards simplicity and lean thinking**
- **CEO and Quality Group Vice President co-chair monthly quality meeting where continuous improvement projects and results are reviewed**

[www.one.ford.com](http://www.one.ford.com)



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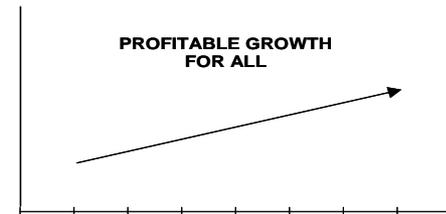


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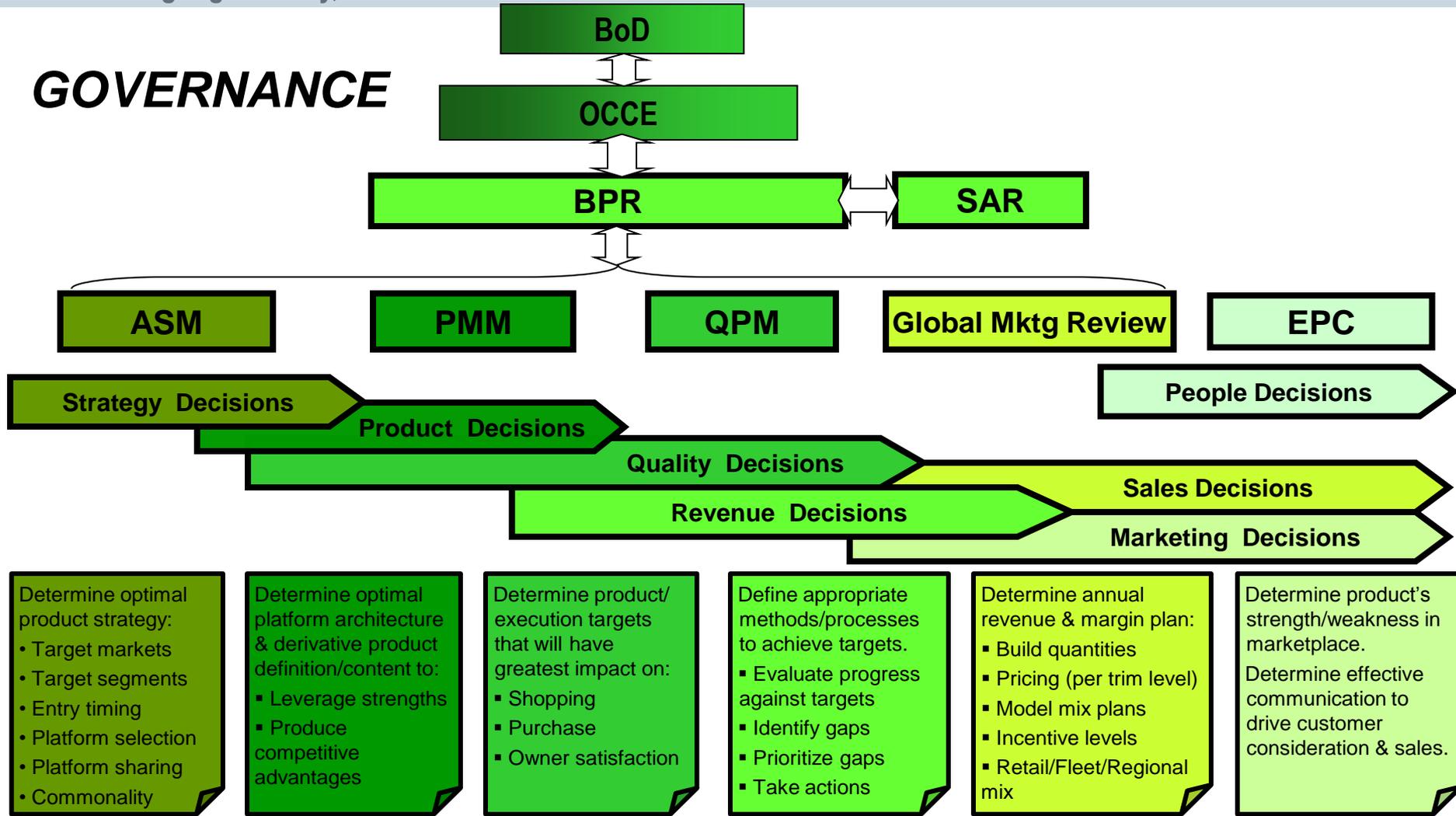
Profits & Cash





Delivering High Quality, Affordable & Efficient Products

# GOVERNANCE



**The accuracy & resultant value of the Enterprise decisions is highly dependent on an unbiased and precise knowledge of the marketplace, customer and business key performance drivers PROFIT BEFORE TAXES, CASH FLOW, MARKET SHARE, COST PERFORMANCE, QUALITY, PEOPLE, SUSTAINABILITY**

<b>Project Leader:</b> Alan Mulally	<b>Document Editor:</b> Bennie Fowler	<b>Reference Number:</b> FMC_Q&Pv1
<b>CBG / Function:</b> Quality and Productivity		<b>Revision Date:</b> Nov 8, 2010

**Opportunity Explanation:**  
 Deliver Best in World Quality and Productivity by the end of the business planning period

**Objectives:**  
 An exciting viable Ford delivering profitable growth for all

**Dependencies:**

- Working together effectively as one team
- Building the technical & quality competency of all employees across the enterprise; while educating the leadership team

**Resources & Team:**

CBG / Function	Leader	Quality
Americas	M. Fields	K. Pittel
Eur/Exp & Growth	S. Odell	K. O'Neill
Asia Pacific and Africa	J. Hinrichs	P. Wright
Ford Credit	M. Bannister	C. Pratt
Product Development	D. Kuzak	P. Ellison/ J. Zhou
Mfg / Labor Affairs	J. Fleming	A. Vido
Purchasing	T. Brown	D. Velliky
Quality & NML	B. Fowler	M. Hardie
Sustain/ Env/Sfty Engrg	S. Cischke	J. Gilhool
Information Technology	N. Smither	S. Smith
Finance	L. Booth	B. Swancutt
HR and Corp Svcs	F. Fields	D. Rowley
Legal	D. Leitch	B. Coughlin
Gov/Comm Relations	Z. Ojakli	L. Border
Marketing, Sales & Svc	J. Farley	G. Dugan/ M. Harper/J. Hall
Communications	R. Day	K. Kinley

**Process / Methodology:**  
 Utilize problem-solving methodologies i.e. 6-Sigma, Lean, Statistical Methods, G8D, QPIP to drive Operational Excellence throughout the Enterprise and deliver sustainable business results

**Target & Metrics:**

Metric	Current	5-yr Target
Deliver Business Plan Results	Quality / CBG BPR	Best-in-World 2013
Deliver CBG Quality Targets	CBG Business Plan	Best-in-World 2013

**Key Areas of Focus DELIVER OPERATIONAL EXCELLENCE - EVERY TEAM, EVERY DAY**

- PRODUCT**
- Continue defect prevention and reduce TGW, R/1000 and Warranty Spend using global design rules and engineering and manufacturing standards at all times in service
  - Utilize global transfer function catalog to achieve improved levels of APEAL and Cust Sat
  - Deliver the functional attributes, systems and designs according to the Ford DNA and Global Standards
  - Joint Supply Base Improvement Plan

- PROCESS**
- Continuous quality and productivity improvement in all functions centered around:
- Creating Value Roadmap (CVR)
  - Global Product Development System (GPDS)
  - Ford Production System (FPS)
  - Order To Delivery (OTD)
  - Quality Operating System (QOS)

- PEOPLE**
- Full implementation of the Quality & Productivity infrastructure globally centered around the Core Engineering Functions
  - Training curriculum to promote awareness and understanding of CVR, GPDS, FPS, OTD and quality operating systems that govern these key processes

- PERCEPTION**
- Execute the plan to deliver the Proof Points
  - Aggressively Communicate the Plan and Progress Proof Points to All Stakeholders