

Exploring the future of mobility at Ford Motor Company

A conversation with president and CEO Mark Fields

In July 2014, Mark Fields stepped into the role of president and CEO of Ford Motor Company, announcing shortly thereafter that the company would embark on a journey that would ultimately transform Ford into a product and mobility company. At the 2015 Consumer Electronics Show (CES), he announced Ford Smart Mobility—the company’s plan to get to the next level in connectivity, mobility, autonomous vehicles, the customer experience and data and analytics. A year later, our Joe Vitale, global automotive industry leader, Deloitte Touche Tohmatsu Limited, and Scott Corwin, senior director, Deloitte Consulting LLP, sat down with Mark to discuss Ford Smart Mobility and what the future of mobility may have in store for the company.

Ford was one of the first companies to push the envelope around mobility, driving to not only be a product company, but a product and mobility company. What does that mean for Ford and for consumers?

Every company has to have a purpose—a reason they exist. At Ford, our purpose has always been about making people’s lives better, and this dates back to our founder, Henry Ford. His affordable car put the world on wheels and made physical movement and mobility accessible to everyone. It gave people the ability to pursue new experiences and expand economic opportunities.

In its simplest form, mobility is giving people the freedom to live, work and play where they want. So when we talk about becoming both an automotive and a mobility company, it is about more than just moving from Point A to Point B. It really is about human progress. As a company, we want to provide that freedom of mobility to help make people’s lives better and change the way the world moves.

There are four global trends that are driving our approach.

First is the growth of megacities. There is simply going to be more and more congestion around the world as more people move into cities. Today, there are 28 megacities or metropolitan areas with total populations of more than 10 million people worldwide. Fast-forward to 2030, and we expect to see at least 41 megacities worldwide. At the same time many cities are growing, we are seeing a second megatrend: the rapid growth of the global middle class, which is expected to double globally from two to four billion by 2030. The growth of the middle class will further add to the congestion issue, as well as contribute to air pollution and other basic health concerns, which is the third trend we are watching.

Finally, we’re watching consumers’ changing mindsets, particularly among millennials. They are doing everything different than older generations. They’re delaying marriage, buying houses and having children. Their whole idea of mobility, particularly in urban areas, is centered on needing access versus ownership. And they use technology to stay connected and consume products and services in more ways than we have ever seen before.

When we think of ourselves as a mobility company, it comes back to our vision of making people’s lives better by changing the way the world moves.

It sounds like what you are describing is Ford’s core business enabling emerging opportunities, and those emerging opportunities strengthening the core business. Is that accurate?

Yes, and it is very important. If you focus too much on shiny new things, you can abandon or neglect the core business. The core business enables the emerging opportunities and the emerging opportunities strengthen the core.

When you look at the core business during our lifetime, the majority of people, particularly outside of urban areas, are still going to buy cars and drive. And they will continue to own vehicles the way they always have. So it is really important to continue to invest in our core business.

When you look at Ford Smart Mobility, a lot of it is focused on the monetization of the use of our products—or mobility services. But they all still require a product.

That’s why we are excited about how we’re thinking about and approaching mobility. By enabling the core and emerging businesses to strengthen and support each other, we are better positioned to make our products exceed our customers’ expectations.

Does smart mobility go beyond the Ford product? Do you envision providing mobility services for consumers that own other brands?

For us, it’s all about making people’s lives better. Could Ford Smart Mobility go beyond Ford products? Maybe—if you think about it in terms of looking at transportation as a service. These are some of the things we have to think through. At the end of the day, everything we do has to accrue to our business, whether financially, or by enhancing our brand and consumer loyalty.

The construct in our business has been that the successful OEMs will always be the ones with the best product. I strongly believe that, going forward, the most successful companies are going to be the ones that gather the best data to provide the best services to customers. To me, it’s about being a company that offers great products, but also great services that allow people to be mobile.

Some other OEMs look at emerging mobility opportunities as incremental to their business, whereas Ford is thinking of it as two areas that reinforce each other. What do you think about that?

We do not view “mobility” as incremental to our business. Again, we are looking at this holistically and it gets back to looking at those societal and customer factors. We have to recognize what is going on in the world around us, embrace consumers’ desire for connectivity and mobility, and use the data available to us and new enabling technology to better anticipate and foresee their needs.

For example, as we put modems into all of our vehicles moving forward, how can we use connectivity to make customers’ lives easier? Well let’s say the vehicle has to be serviced. What if we could give them the ability for their vehicle to cross-reference their calendar and schedule an appointment with their preferred dealer—all with the push of a button? That’s just one of many examples.

Becoming both an automotive and mobility company helps make our customers’ lives better, but it also makes good business sense as well.

If you look at the traditional automotive business, it’s worth about \$2.3 trillion globally today. Ford gets about 6 percent of this. In comparison, the business of transportation products and services—think of it as revenue spent on miles travelled via mass transit, taxis, ride-sharing, etc.—that’s worth about \$5.4 trillion. Today, we—and the rest of the traditional automotive industry—get 0 percent of that business.

There are a number of new, nontraditional competitors from outside of our industry that are trying to break in and take advantage of this revenue opportunity. This is making us think differently. For us, we are not just thinking about the number of units we sell, but looking at vehicle miles traveled and how that opens up opportunities for Ford to play a role.

What are the milestones of success in this journey? Five years from now, where do you want to be?

Rather than judging success by traditional measures, like how many patents have we been granted, we want to judge success by what percent of our business revenue is from our core business versus emerging opportunities—and not from a revenue standpoint, alone. It includes what percentage of our valuation comes from the core business versus emerging opportunities.

When you think about accelerators and inhibitors, in the context of technological regulation and social acceptance, what do you see as the biggest impediments to achieving the vision of Ford Smart Mobility?

I think social acceptance is already underway. We’re seeing the acceptance of ride-sharing and car-sharing—look how quickly those mobility services have grown in the last two or three years alone.



In terms of autonomy, we are making great advancements in the technology. Quite honestly, though, the technological advancements are outpacing the regulatory frameworks. So I think the legal and regulatory environment could be an impediment that may potentially slow down adoption.

That is why it is so important that we engage in discussion with regulators, cities, insurance companies, technology companies, and a host of players in the mobility ecosystem to help define standards and policies around self-driving vehicles. We need to ensure that the public and private sector work together to establish both global and national guidelines that help govern the future of mobility. The alternative is a patchwork of regulations that create confusion and stand in the way of innovation—and the benefits it will deliver for our customers.

This is a massive transformation for a company that has 197,000 people all over the world. How do you transform them and what role does innovation play in being able to change the mindset and focus of these individuals to continue to do what they do well, but also encourage them to open their mindset to different business models and capabilities?

It’s about having an innovation-driven culture, and innovation is part of who we are as a company. It dates back to our founder, Henry Ford. For us, it’s not about teaching the organization how to innovate—we already know how to do that. It’s about allowing the organization to innovate.

So we are encouraging our employees in every part of our company to constantly innovate—no matter how big or small; how complex or simple. In fact, we encourage our team to adopt what we call an “innovation mindset,” and we regularly recognize team members who are doing the following:

1. Challenging custom and questioning tradition
2. Not taking anything for granted
3. Using technology where you can
4. Always looking through the consumers’ eyes
5. Moving fast, testing, learning and moving on
6. Taking appropriate risks

As a senior team, we have to continually give the organization permission to do things differently. We have to challenge ourselves to think, act and disrupt like a start-up—even as a 112-year-old company.