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What David Moyes could have learned from Ford Motor Co

By Professor Jim Saker

A s the ‘Chosen One’ departed from Manchester United, many people in the press and on social media reflected on how difficult it was to step into a role someone else had held with both success and dignity.

What counts as ‘success’ for the newcomer? More of the same? Or a radical improvement taking the organisation on to what is euphemistically called ‘the next level’? In some respects, it can be easier to take over a failing organisation and be seen to succeed than to do more of the same and be described as a safe pair of hands.

I don’t often make reference to manufacturers in this column, as our primary focus at Loughborough is on the dealer end of the supply chain, but something hit the news that I think is both interesting and challenging in the light of David Moyes’s short reign at Old Trafford – the departure of Alan Mulally as Ford Motor Company chief executive and the installation of Mark Fields as his successor.

Mulally, an ex-Boeing engineer, was widely regarded as the person responsible for the turnaround in Ford’s fortunes. When he arrived in 2006, the company was dependent on the US market and the sale of large, fuel-efficient SUVs and pick-up trucks at a time when increased fuel prices were driving down demand.

He managed to turn the organisation around and, by taking out substantial loans, steered the organisation through the 2008-2009 financial crisis without the government-managed bankruptcies that hit GM and Chrysler.

His biggest impact, it has been reported, was to manage the complex issues that inevitably underpin a 100-year-old company. During that time, patterns of behaviour became entrenched and internal empire was built up. Mulally’s ability to forge a single corporate identity through his ‘One Ford’ programme was significant.

Many initiatives such as this had been tried and failed, but the ‘One Ford’ slogan, unlike many of the others from the past, was specifically targeted at the organisation, not at the general public. From a customer’s perspective, there is little interest in whether there is one or two Fords, their focus is essentially on the product range.

Mulally not only addressed the divisions within Ford, but he appears to have successfully persuaded people within the organisation to follow him as a leader.

Ford’s ‘One Team, One Plan, One Goal’ mantra reflects the internal strife that Mulally inherited and his attempt to overcome these divisions.

It is interesting to note that many of the commentators focus on this change of culture as being the biggest achievement of Mulally’s reign – there appears to be less emphasis on his strategy generally than on his ability to get everyone pulling in the same direction.

The insistence on having a full range of vehicles in every market, but with a greater consistency in design across the globe, also reflects his ‘One Ford’ philosophy. It can be argued that the launch of the Transit van into the US and the marketing of the Mustang outside America are two of the most significant changes in product strategy that he adopted.

When interviewed on US television, Mark Fields said he would be “relentlessly focused on the ‘One Ford’ programme”, but was it the right time for Mulally to go?

Back in the Premiership, some argued that Sir Alex Ferguson was aware of the limitations of his aging players and did not have the appetite to take on another rebuilding strategy for his team. However, managing expectations through a transition period of management is difficult.

Under David Moyes, no one could suggest that ‘One Team, One Plan, One Goal’ described how Manchester United performed on the pitch.

There are similarities between what Moyes faced and what Fields is stepping into. Manchester Utd has an established but aging team; year-on-year sales of Ford’s aging model range were down 1% in April. Sales at Chrysler and GM are up 14% and 6.9% respectively; Manchester Utd faces increased and resurgent competition from Liverpool, Manchester City and Arsenal.

There is, however, one big difference between the two situations – Moyes was appointed from outside whereas Fields is being promoted from within.

Fields is embedded within the new culture of the organisation and understands the internal politics that underpin Ford. He worked alongside Mulally for years – the story goes that he was noticed by admiring in a weekly meeting that a project he was handling on a new Edge sport utility vehicle faced major problems and he needed help.

The ability to show weakness would have gone down badly in the ‘old Ford’ but was seen as a strength in the new Mulally culture. Failure to fully understand Manchester Utd’s culture may have led to Moyes’s demise, but one thing is certain – if he had spent a year working alongside Sir Alex Ferguson, understanding the workings of the club, the ‘chosen one’ may not have become the ‘discarded one’.

Professor Jim Saker is director of the Centre for Automotive Management at Loughborough University’s Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years.