

## GM moves raise questions for Ford

By Ian Thibodeau (excerpt)

It took General Motors Co. CEO Mary Barra less than a month to deliver details on how she'd save billions by restructuring the automaker.

And that has some investors waiting for specifics from Ford Motor Co., after company officials said in early October that job-cut announcements wouldn't come until next spring. ...

... Some experts believe that makes Ford's restructuring look sluggish at a time when investors want assurances the company is fortifying itself for the future. Others suggest Ford might just be taking a different approach in how it explains its restructuring to employees, the public and Wall Street....

... "GM was kind of out front on that," said David Kudla, chief investment strategist of Grand Blanc-based Mainstay Capital Management LLC. "Ford has just been more close-to-the-vest on how they're handling the salaried-headcount reduction. It wasn't made public the way that Mary Barra did. I think it's just a difference in how they want to approach it. On the other side, GM is playing a bit of catch-up on what they want to do with sedans in the lineup."

Next year, GM will idle two plants in Metro Detroit, a third in Ohio, one in Canada and another in Baltimore. All told, the idled plants, buyouts and layoffs would affect 14,300 jobs across the company, and save GM \$6 billion in 2019.

Meanwhile, Ford plans to cut \$25.5 billion in costs over the next several years through changes to product development, purchasing and manufacturing. The automaker plans to spend a separate \$11 billion to restructure its global

business, part of which will come from global white-collar layoffs.

Ford executives haven't offered details on the layoffs because they don't have them yet, several Ford officials have told The Detroit News. The automaker is aiming to flatten management globally based on feedback from individual department leaders. The company expects to have specifics on a headcount reduction by the second quarter of 2019.

The Dearborn-automaker in 2018 did sweeten a "phased retirement plan" it has offered to salaried employees for the last several years, by offering an additional lump-sum payment equal to nine months of pay to retirement-eligible employees in North America.

Retirement-eligible Ford employees include those who are at least age 55 with at least 10 years of company service; age 65 with at least five years of company service; or any age with 30 years of service. Ford did not publicly announce that plan, and it differs from the buyouts GM offered North American salaried employees and global executives with 12-years or more of seniority.

"Ford is not as outspoken about it," Kudla said. "They could have gone out and made a bigger deal." ...

... The Dearborn-automaker could be taking a different approach to communications than its competitor. "Ford has just chosen to approach it differently," Kudla said. "It doesn't mean they're not taking the steps." ...