

Detroit Free Press

Ford CEO confident as anxiety escalates

By Phoebe Wall Howard | Front Page (excerpt)
February 24, 2019

Concern is intensifying about leadership at Ford Motor Co. after a year of impatience about the company's murky strategy.

White-collar workers say the mood at Ford headquarters in Dearborn is palpably anxious. They describe "paralyzing" tension waiting for job cuts and strategic decisions as the company's \$11-billion restructuring slowly unfolds.

Amid this uncertainty, Bob Shanks, chief financial officer since 2012, is retiring, as the Free Press reported Feb. 14. A top deputy left at the end of 2018, so after a year with a 50-percent drop in net income, the company must replace two top finance officers. ...

... Hackett's memos

Ford made money in North America in 2018 but lost money in all other parts of the world, and economic conditions continue to worsen in Europe and China. Ford Credit also provides significant revenue and profit.

After the annual earnings report, Hackett sent a memo to employees that said it was "time to bury the year in a deep grave, grieve over what might have been and become super focused on meeting, and, in fact, exceeding this year's plan." The plan calls for doubling profits in 2019.

Hackett went on to write in the two-page memo that the company results were "mediocre." ...

... 'Needs to get going'

"There are some questions about the CEO," said David Kudla, CEO and chief investment

strategist with Mainstay Capital Management, a Grand Blanc investment adviser who manages \$2.5 billion in assets for clients who include many Ford employees. "His statements about burying 2018 in a deep grave and 'I have more to do in my own reflection of what should change to ensure that we win'? I mean, these memos? He has been on the job for nearly two years. He needs to move past reflection and get going." ...

... 'Killing investor confidence'

"Over the past two years through Feb. 11, 2019, Ford shares are down over 30 percent, while GM shares are up 5 percent and the S&P 500 Index is up 16 percent," Kudla said.

"The difference? GM's decisive strategy and implementation. Ford has not taken the drastic steps that GM has in exiting unprofitable markets globally, reducing costs, and presenting a plan of action that relies on something other than selling more SUVs and trucks. When it comes to the future of mobility, Ford's lack of specifics on strategic vision is killing investor confidence," he said.

"Ford, and investors, seem to lack a clear vision of what the company will look like in the future. If Ford has a clear plan and path, their leadership needs to do a better job of communicating it to the investor community." ...

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