

Ford shifts past Explorer stumbles

By Ian Thibodeau
(excerpt)

Ford Motor Co.'s changeover to the all-new 2020 Explorer, a cornerstone of the Blue Oval's all-in-on-SUVs strategy, promised to be difficult from the start.

Company officials acknowledge errors in the rush to ramp up production at Chicago Assembly delayed deliveries by months as Ford's best-selling large SUV rolled off the line with major problems — faulty seats, loose wiring harnesses and digital displays with buggy software.

The slowdown contributed to a 50% fall in Explorer sales in the third quarter of the year, the company reported. The delays came as Ford expected to see a profit upswing from its transition to a more truck- and SUV-heavy lineup. Simply put: Ford executives say they tried to do too much, too fast, and they fumbled a vital product introduction with little room for error.

"This is a rarity," Joe Hinrichs, Ford's president of automotive, told The Detroit News. "We took on a lot more than we have before. It was too much for that plant to take on."

Problems with the new Explorers and its sister, the Lincoln Aviator, were fixed before they headed to showrooms, the automaker said. The SUVs were trucked to Ford's Flat Rock Assembly to make repairs. Quality control was done at Flat Rock because there was no space around the 2.8 million-square-foot Chicago plant to do so.

The kinks are ironed out now. More than six months after the automaker finished updating the plant to build the new models, Chicago Assembly is running as it should be. Hinrichs and others at Ford say the automaker won't see such a complex rollout anytime soon.

But some experts argue Ford missed a chance to demonstrate CEO Jim Hackett had made the company faster, more nimble and more efficient, markers of the "fitness" mantra he's championed since becoming CEO in May 2017. ...

... Missed opportunity

The missed opportunity means not only that Explorer sales were off nearly 50% in the third quarter of 2019; they are off nearly 30% for the year. That's offset slightly by the new Lincoln Aviator, Hinrichs said. Because it's a new addition to Ford's lineup, any sales of that vehicle would boost the bottom line. The automaker had sold fewer than 2,000 Aviators by the end of September.

"Ford will need a swift turnaround in the next few quarters to make up ground," said David Kudla, chief investment strategist at Grand Blanc-based Mainstay Capital Management. "GM and Fiat Chrysler are not sitting idly by."

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