

DETROIT'S LAST MAN STANDING

Five years ago, Ford was such a basketcase that Bill Ford had to fire himself as CEO. Today, Ford, the carmaker, is on a tear, and Ford, its executive chairman, is determined to not let it slide back.



REUTERS/REBECCA COOK

BY BERNIE WOODALL AND KEVIN
KROLICKI
DETROIT, JAN 7

BILL FORD JR. just can't let the good times roll.

In late December, Ford, 53, was on a family ski vacation in Colorado but found himself unable to put aside dark visions of

how too much success could lead to the next crisis for the auto industry.

As Ford Motor Co prepared to close the books on its biggest comeback year for sales and earnings since the 1980s, Ford was talking to friends about the risk of gridlock choking booming urban centers from Sao Paulo to Shanghai -- and potentially choking auto sales, too.

"I want us to start thinking now about how we're going to solve it," he said. "Nobody is thinking about it yet in our industry, but it's going to be upon us fast."

The risk of cars literally stacking up in the world's emerging megacities presents a threat to automakers like Ford, which are banking on the fast-growth markets of China, Brazil, India and Russia to make up



ROOM WITH A VIEW: Ford Motor Co Executive Chairman Bill Ford talks to a Reuters correspondent during an interview in his office at Ford Motor Co headquarters in Dearborn, Michigan January 5, 2011. REUTERS/REBECCA COOK

almost a third of global auto sales this year. That would be up from just 6 percent when Ford took over as Ford chairman in 1999.

On the slopes, Ford's friends got an earful. "I think he's thought quite a bit about this," former Ebay Chief Executive Meg Whitman told Reuters of her conversation with Ford, a longtime friend, at Telluride, Colorado, where both families have vacation homes.

"Cars are going to be with us forever, but in cities like Shanghai, Beijing and Mumbai what is the ultimate answer here? Because it cannot be that everyone in Shanghai has two cars in the garage," she said.

Of course, any such impediment to surging car sales in emerging markets could be years away. But Bill Ford is determined not to be blindsided or to allow his company to coast back to complacency after a near-death experience and an against-all-odds recovery that has taken its stock up by over 80 percent since end 2009.

"One of the things people say is, 'OK, Ford, you made it this time, but how are you not

"I ALWAYS THINK OF MYSELF AS ONE OF THE YOUNG GUYS AROUND HERE, BUT WITH 31 YEARS, I GUESS I'M THE OLD-TIMER."

going to slide back?" Ford said in an interview with Reuters.

INSIDE LOOKING OUT

IN THE THREE DECADES he has worked at the company his great-grandfather founded, Ford has been known as much as an iconoclast as an industrialist. The ultimate Detroit insider, he still carries an outsider's deep-seated skepticism about the auto industry's accepted wisdom.

Over the years, Ford has also made headlines as an unwavering environmental advocate, an instinctive contrarian and the rare chief executive willing to fire himself

in order to save his company -- as he did in 2006 by hiring Alan Mulally.

Now, with the carmaker roaring away in the third year of its turnaround, Ford finds himself in an unaccustomed, conservative role as the company's executive chairman.

He has become the Ford family's surviving statesman in the executive suite, the counterweight to any runaway optimism and the guardian determined to keep Ford from sliding back into bust after boom as it did in both the early 1990s and again in the last decade.

"I always think of myself as one of the young guys around here, but with 31 years, I guess I'm the old-timer," Ford said at his office at the automaker's Dearborn, Michigan headquarters, known in the company as The Glass House. "In a couple of years, I'm going to be the last man standing."

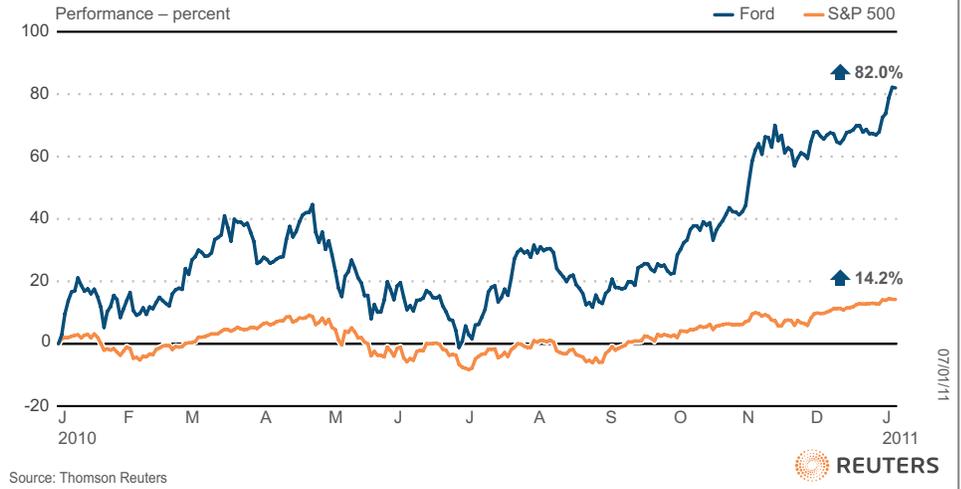
He added: "Part of my role here is to be the institutional memory here and never let people forget what it felt like and what it was like to go through those difficult times."



GERMAN FOCUS: An employee works on a new Ford Focus III at the assembly line of the Ford car factory of Saarlouis, Germany, Dec 6, 2010. **REUTERS/VINCENT KRESSLER**

Ford vs. the market

From January 2010 to present, Ford has outperformed the market nearly six-fold.



"I ALWAYS BELIEVED WE HAD THE RIGHT PLAN. THE QUESTION WAS DID WE HAVE ENOUGH TIME?"

The determination to drive home the lessons of the crisis comes at a time when Ford is on a white-hot tear. A \$100,000 investment in the company's stock at the bottom in late 2008 -- when its cross-town rivals GM and Chrysler were nearing government bailouts -- would be worth \$1.8 million today.

After losing more than \$30 billion from 2006 to 2008, Ford has made back \$9 billion since and is gathering momentum still. Analysts, on average, project another \$8.7 billion in earnings this year as the U.S. recovery gains steam.

Ford's sales in its home market jumped 19 percent -- the largest gain since 1984 -- and its market share rose to just over 16 percent, overtaking Toyota for the No. 2 spot.

A survey released this week by consulting firm KPMG showed that 43 percent of auto industry executives, including key suppliers, expect Ford to continue to see its market share grow in 2011. By contrast, just 40 percent thought Toyota would gain ground.

What's more, Consumer Reports, considered the most influential guide to car shopping, said in a survey of consumers that Ford had topped Toyota in consumer perception of safety, quality and value -- the three qualities that are ranked as most important.

By delivering a range of more fuel-efficient and electric vehicles, Ford expects to close the gap in the only area where Toyota still

leads -- the perception that its "green" cars like the Prius are world beaters.

Ford's counter-offensive features an all-electric version of its Focus small car to be launched later this year. The battery-powered car is expected to recharge in half the time of the competing Nissan Leaf.

As importantly, it will be built on the same platform as an estimated 2 million other Ford cars by 2013, driving down production and engineering costs and boosting margins in a trick that Ford took straight from the Toyota playbook.

Ford is confident that the No. 2 U.S. automaker can steer past the next known risks. Those include ensuring that positive changes in the way it operates under Mulally are made permanent and that the right successor inside Ford can be found to the charismatic CEO. More immediately, it means striking a new contract deal with the United Auto Workers later this year that will not cause investors to worry about the risk of shutting down the profit engine in the United States.

"I always believed we had the right plan. The question was did we have enough time? Would external events swamp us before our plan could get traction and get going?" Ford told Reuters. "Fortunately, we did have enough time -- just enough time."

THE EDUCATION OF BILL CLAY

THE ORGANIC COTTON curtains in earth



LOOKING AHEAD: Ford Executive Chairman Bill Ford makes remarks after the Ford Motor Company annual meeting of shareholders in Wilmington, Delaware, May 13, 2010. **REUTERS/TIM SHAFER**

tones on Bill Ford's 12th floor corner office part to provide a panoramic view of Detroit -- and by extension much of the Ford family's history and his own.

In the far distance are the gleaming towers of the Renaissance Center, now home to GM but originally a 1970s-era project spearheaded by Bill Ford's uncle, Henry Ford II, to revive Detroit's downtown.

From the other window, you can see Ford's test track, and a bit beyond that the practice facility of the other Ford family business, the Detroit Lions of the National Football League

"I'VE BEEN THE GREEN BOLSHIEVIK FOR 30 YEARS IN THIS INDUSTRY!"

where Ford also serves as an executive.

A little to the east in the gray winter sky is the outline of the sprawling Rouge complex built by Henry Ford in the 1920s, a landmark in modern manufacturing. The plant has also been a turning point in Bill Ford's career.

In 1999, it was the site of a fatal explosion that killed six workers. Ford, then 42 and a recent arrival as chairman, bucked the advice of handlers who told them that a general does not go to the front lines. His response: "Then bust me down to private."

He also won over lifelong friends among Ford factory workers by attending the funerals for the victims and expressing his remorse.

"He's very decent, very approachable, just a regular Joe," said Jimmy Settles, a UAW vice president who saw Ford at the 1999 funerals and is now charged by union leadership with negotiating a 2011 contract with Ford that will win back some of the ground lost in concessions over the past four years.

"There was never any mention of protecting the Ford Motor Co or anything," Settles said.

In 2004, Ford spearheaded a project to restore the Rouge including a truck plant with a 10-acre "living roof" of sedum plants to clean the air and retain water, against the grumbling opposition of some in the company who saw it as a meaningless gesture.

"I've been the Green Bolshevik for 30 years in this industry," Ford said. "Through the years I was ridiculed from our competitors. It is particularly humorous to see some of those who were the most outspoken in terms of how crazy this was all of the sudden in recent years trying to wrap themselves in the green mantle."

From the moment he joined the carmaker after graduating from Princeton in 1979, Ford said he was stunned by the "head-in-the-sand" mentality he found on environmental questions in the early years. Executives assumed that tough emissions standards would be rolled back and that any regulation was hostile and threatening.

Ford, who has collected Civil War-era documents rather than muscle cars like many of his peers in Detroit, was the odd man out. "I did believe that society could just not continue to use natural resources at an unprecedented pace forever," he said. "I was



LABOR RELATIONS: Ford Motor Co. Executive Chairman Bill Ford (L) chats with Bob King of the United Auto Workers Union at the Dearborn Truck Plant in Dearborn, Michigan October 30, 2008.. REUTERS/REBECCA COOK

Ford earnings

Ford's third quarter earnings exceeded Wall Street expectations, and said it expected to eliminate a net debt in its automotive business by year-end.



Earnings per share surprise* **↑ 26.3%**

Revenue surprise* **↓ 0.3%**

Revenue - \$bln** **29.9 ↓ 1.3%**

Earnings per share - \$** **0.48 ↑ 84.6%**

* Surprise is the difference between estimated and actual ** Percent change over Q3 2009. Source: Company, Thomson Reuters I/B/E/S

Reuters graphic/Catherine Trevethan, Stephen Culp



26/10/10

surprised when I joined the company there wasn't that recognition. In fact, quite the opposite."

Although he wrote his college thesis on labor relations at Ford and says he felt he belonged to the company from birth, Ford still struggled to find his place in the Ford of the 1980s. Some executives were hostile, emboldened by his uncle Henry Ford II's insistence that there would be "no crown princes" at his company.

Early in his career, Ford used an abbreviated version of his name "Bill Clay" -- dropping

Ford -- to shield himself from scrutiny from the hourly workers at the plant in Wayne, Michigan where he was briefly assigned. "They kind of figured out fairly quickly who I was. I wasn't exactly very original."

By the time he took over as chairman in 1999, Ford was determined to push the organization toward a break with its past. He was 42. At the same age Henry Ford had been three years from developing the Model T.

As a symbolic gesture, Ford challenged a designer to make everything from the brown-leather chairs to the ceiling tiles in his office

"I DID BELIEVE THAT SOCIETY COULD JUST NOT CONTINUE TO USE NATURAL RESOURCES AT AN UNPRECEDENTED PACE FOREVER."



LOVE THAT CAR: Ford CEO Alan Mulally kisses the hood of a just announced Ford Focus Electric as it arrived on stage for his keynote address at the Consumer Electronics Show (CES) in Las Vegas January 7, 2011. **REUTERS/RICK WILKING**

from biodegradable or environmentally smart materials. A conference room table was made from wood salvaged from the icy waters of Lake Superior.

But for almost five years after he took over as CEO in 2001 after ousting Jacques Nasser, Ford struggled from the corner office to drive his vision for more hybrids and fuel-efficient cars at an automaker mostly known for its more profitable pickup trucks and the Mustang muscle car.

In June 2006, as Ford's troubles mounted and he began to court Mulally from Boeing, he also backed down from a pledge to sell 250,000 hybrids by 2010. That prompted criticism from environmentalists but the target had been wildly unrealistic, a mark of how badly broken Ford's planning process had become.

In the end, the whole industry sold only about 275,000 hybrids made by all manufacturers in the U.S. market last year as gasoline prices hovered near \$3 per gallon,

too low to justify the additional cost for many drivers.

As Mulally took charge of the plan for saving Ford in 2006, a more pragmatic approach emerged for Ford's goal of saving the planet. Rather than bank on a big breakthrough, Ford would rely on small gains on hundreds of thousands of vehicles by taking steps like introducing smaller, turbocharged engines to boost fuel efficiency.

The strategy has allowed Ford to offer a V6 turbocharged "EcoBoost" engine to swap out for larger V8 in trucks and a four-cylinder variant to power a version of its new Explorer. That vehicle, once an iconic SUV in the 1990s boom, has been redesigned on a lighter car platform. Engineers have also developed a three-cylinder, turbocharged engine that could be used in emerging markets and the megacities that worry Bill Ford.

In the meantime, Ford engineers under product development chief Derrick Kuzak are also scrambling to slash the weight of future

versions of the Ford F-Series pickup truck by incorporating lighter -- and more costly -- materials like aluminum and magnesium, people involved in the effort say. The goal is to push the limits of fuel economy.

Taken together, Ford has pledged to win the battle for fuel efficiency in every market segment from the subcompact Fiesta to the F-150 truck.

As importantly, Ford is pushing hard for leadership in another area pioneered by Japanese automakers led by Toyota and Honda Motor Corp: flexible manufacturing.

Nissan Motor Corp has made a huge bet on its all-electric Leaf, including a battery plant built with \$1.4 billion in U.S. government funding in Tennessee. That strategy carries a risk; the car needs to be a hit. "If that thing doesn't sell what are they going to do?" Ford says.

By contrast, Ford is going green but hedging its bet on how many electric cars customers will want. Its Wayne, Michigan

plant will build all kinds of Focus sedans -- from pure electric to conventional gas-engine -- depending on customer orders.

"We're going to have a plug-in, a conventional hybrid, a pure electric and a gasoline engine all going down the same assembly line," he said. "It will be up to the customer then to decide what best fits for them."

At the same time, Kuzak's team has been chipping away at billions of dollars in costs by merging the vehicle platforms Ford had used in Europe and the United States. Before Mulally's relentless push to merge those operations under his mantra of "One Ford," the two operations had been largely independent for decades. Essentially, all the Ford Focus sold in Europe shared with the car sold in the United States had been the name.

That progress in unifying its own engineering efforts is part of the reason Bill Ford is confident that Ford can go it alone globally -- without the kind of alliance partner that Chrysler has in Fiat or Nissan has in Renault.

"We really have had our own merger," Ford said. "We merged these disparate regional operations into one global operation. Before we were a large corporation but we lacked the economies of scale because we were very regional. I'm not sure a joint venture is a panacea when I look at the totality of it."

THE RIGHT MAN FOR THE JOB?

MANY OF FORD'S backers say that the management system now in place sets the company up for success even after 65-year-old CEO Alan Mulally retires.

Under Mulally, Ford's top management gathers every Thursday morning for a meeting on the 11th floor of headquarters that covers updates on every aspect of its business. The meetings have become the symbol of a new culture of openness and collaboration at an automaker Ford himself once described as having "more intrigue than czarist Russia."

"There is no place to hide," Ford said of the weekly meetings. "But it also really creates a very deep bench of management talent. Before, you were just running your own silo."

That system, he vows, will continue whoever leads Ford. "In terms of culture and transparency, keeping the system alive is very important," Ford said. "In terms of ultimate succession, it's created a very, very strong bench."

Mulally shows no sign of being ready to step down, and Ford has joked about asking him to stay on for decades. "I really like serving at Ford," Mulally told Reuters this

week. "I heard Bill Ford said I was staying until I'm 99."

On the other hand, Ford also acknowledges that the CEO post takes a toll and carries a "burnout factor," in explaining how he would not consider returning to the job himself. The average CEO tenure, Ford notes, has shortened to around four and a half years, according to one study. Mulally has been at Ford almost that long.

Just four years ago, when Ford was serving as chairman, CEO, president and COO, he was growing overwhelmed. He also felt he had no choice but to go outside for a senior executive because most of his own team were young and "in their first big job." His hiring of Mulally in 2006 came after a failed earlier bid to woo Nissan-Renault's Carlos Ghosn to Ford.

"He said, 'I think I need help running this company. I need to bring in someone who has a different set of skills to help take Ford to an entirely different place,'" his friend Whitman recalls Ford saying in 2006 in a conversation around the time of a meeting of Ebay's board, where Ford serves as a director.

"He wanted a partner, knew he needed help," said Whitman. "(He) basically said, 'I'll be an executive president, we'll hire a president and CEO and we've got to bring in outside perspective and someone who can take Ford to the next level.' I admired him a lot for doing that because ... it's very rare."

With the crisis now behind, Ford says he expects to promote the next CEO from within the group reporting to Mulally. "I'm really happy with the talent that we have here," he said.

Possible candidates include Jim Farley, 48, Ford's top marketing executive, a hire from Toyota who has pushed Ford into spending far more on social media marketing on sites like Facebook to win younger buyers.

Mark Fields, 49, the head of Ford's operations in North and South America is also on that list. So is Joe Hinrichs, 44, now head of Ford's China operations, who had won cost-saving labor deals with the UAW during the depth of the crisis.

Chief Financial Officer Lewis Booth, 62, a veteran insider who was brought to The Glass House from Ford Europe, is also seen as a possible CEO unless Mulally were to hold the job for years more.

"The group has been through a lot together," Ford said. "Nobody wants to go back to the horrific times, so that's great motivation to keep it going."

Vikas Sehgal, an auto industry consultant at Booz and Co, said he believes the



ALAN MULALLY, 65. An engineer from Kansas, he rose to the top of Boeing's commercial airplanes business in a 37 year career before Bill Ford hired him to lead the automaker's turnaround in 2006. Ford's profits have given Mulally star status perhaps unmatched by other auto executives. He has not said how long he plans to remain CEO of Ford. **REUTERS/TIM SHAFFER**



DERRICK KUZAK, 59. The company's product development chief, he has driven an effort to create global vehicle platforms that cut research, design and production costs and improve quality. A Detroit native, he joined Ford in 1978. **REUTERS/REBECCA COOK**



JIM FARLEY, 48. Hired away from Toyota in 2007 by Mulally, he serves as Ford's official chief salesman as global head of marketing. His main tasks include drawing buyers to Ford's new car lineup and reclaiming a generation of customers now loyal to foreign automakers. Farley, whose grandfather worked at Ford, is seen as a possible successor to Mulally. **REUTERS/GUS RUELAS**

momentum Ford has now can be sustained because Mulally and Ford have managed to change the way the company runs in areas like engineering, manufacturing and working with suppliers.

"The most interesting thing is that Ford has done this in the worst possible time for the auto industry," he said. "That has required a fundamental change in the way that they operate, not just cosmetic changes."

Other Ford investors and partners say that Bill Ford presents a reassuring continuity at the top in his role as executive chairman. By taking the hard step to recognize his own limitations and hire Mulally in 2006, he showed the kind of judgment that will serve the company well down the road, they say.

"You tend to hear about Alan Mulally, but you've got to remember that Bill's the one that put him there and made the choice," said Bert Boeckmann, who owns Galpin Ford just outside Los Angeles, the top-selling Ford dealership.

Bernie McGinn, chief investment officer at McGinn Investment Management, holds Ford stock and remains bullish even at its current level near eight year highs above \$18. He expects the stock to top \$25 this year as its profits grow, the U.S. economy recovers and a cultural change within the company

takes hold that makes "reaching your goals become habit."

"The goal from Mulally's standpoint is to make these changes all permanent. That would be my concern," he said. "But I think at this stage of the game, I would expect them to carry through."

LUCKY OR GOOD?

FORD MAY HAVE had the right plan, but executives, including Bill Ford, also concede it caught a lucky break from the stumbles of its largest rivals.

In 2009, GM and Chrysler were both put through government-funded bankruptcies and the stigma from that bailout drove some customers Ford's way. In 2010, Toyota was struggling to break free from a costly series of recalls that shook its reputation for quality and safety.

Meanwhile, Bill Ford was getting fan mail in The Glass House. "I have gotten countless letters that go something like this," he said. "I'm a small business person. I've got issues. No one will ever bail me out. You guys did it the right way. I've never considered a Ford before, but I will now."

Ford, which was forced to borrow \$23.6 billion from banks in 2006 to fund its turnaround and had supported the bailouts, did nothing from headquarters to capitalize



MARK FIELDS, 49. The head of North and South America, he has led Mazda, regional businesses and the former premier auto group since joining Ford in 1989. The executive vice president is also seen as a possible successor to Mulally. **REUTERS/MARK BLINCH**

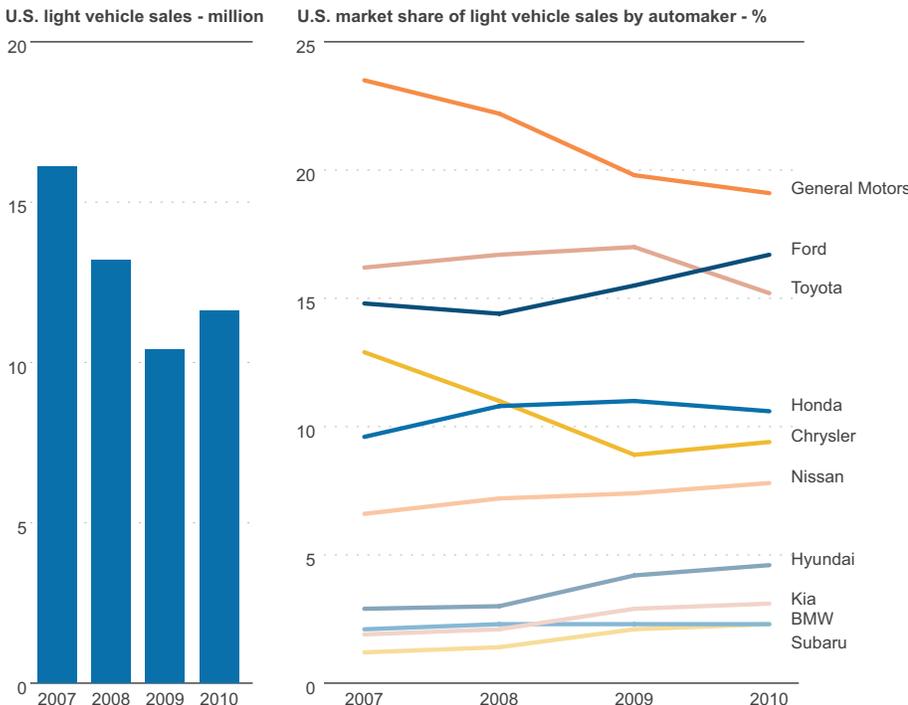


JOE HINRICHS, 44. The current president of Asia Pacific and Africa, he shaped agreements with the United Auto Workers key to making Ford's U.S. labor costs competitive with non-US-based rivals while head of global labor and manufacturing. Hinrichs is seen as a possible successor to Mulally as Ford CEO. A Columbus, Ohio, native, he joined Ford in 2000. **REUTERS/HANDOUT/FORD**



LEWIS BOOTH, 62. The current chief financial officer, he has led the automaker's Europe, Asia and Africa operations as well as its former premier auto group and Mazda in 32 years with the company. Born in Liverpool and the son of a Ford dealer in England, Booth is one possible successor to Mulally should the CEO slot open in the shorter term. **REUTERS/BJORN LARSSON**

U.S. auto sales and market share



Source: Autodata

Reuters graphic/Van Tsui



07/01/11

“WE KNEW IT WAS TIME FOR ALL HANDS ON DECK, NOT A BAILOUT.”

on the backlash. But its dealers hammered home the message that Ford was different in local ads.

“We knew it was time for all hands on deck, not a bailout,” said one dealer’s radio ad playing in southern Georgia in early January.

Ford says the company recognizes the glow of goodwill will fade. “We know it’s a temporary thing,” he said. “It’s not forever and ultimately we will succeed only on the strength of our products and technology.”

The terms of the Obama administration bailout keep the UAW from striking at GM and Chrysler when the current labor contracts expire in September.

That has put the focus on Ford, where workers rejected a final round of proposed concessions in October 2009. Bob King, now the UAW’s president, had negotiated that proposed deal, including a “no-strike” clause on wages and benefits.

In November, King said he would offer no new concessions. Instead, he said, he wanted to see workers at Ford, GM and Chrysler start to “share in the upside.” Ford, King said, was not at any disadvantage to the other Detroit automakers.

The UAW push for some kind of profit sharing promises to test the good will that Bill Ford has built up with the union since his first trial by negotiation in 1982.

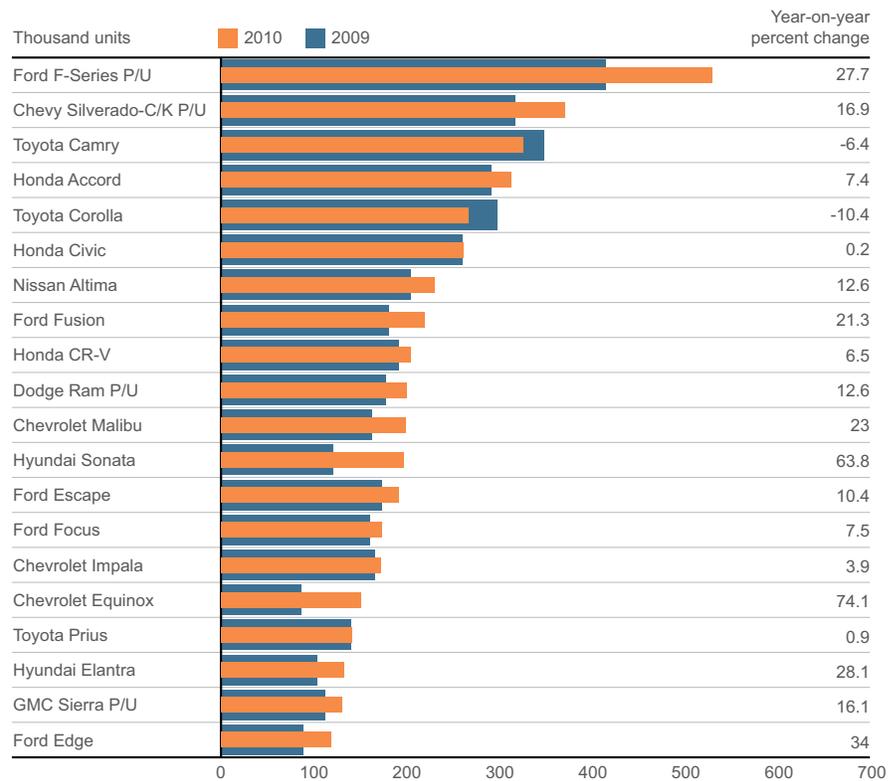
“I just want to make sure anything we do is fair to them and fair to us,” Ford said of the upcoming contract round. “So, you know, I don’t think anything is off the table.”

Ford was a junior member of the Ford negotiating team that won concessions in exchange for job security in the 1982 talks that played out against the backdrop of a crushing recession.

He describes it as “one of the best jobs” he ever had at Ford although he also remembers a senior union negotiator calling him out because of his family standing: “Young man! I knew your grandfather, and I knew your uncle. What the hell are you made of?”

Ford hung in with the talks although he dreaded the daily harangues. Settles of the UAW, who was then a local union leader, led protests outside the headquarters where the negotiators were sitting on the second floor. (“He probably has all the reason to hate me,” says Settles, who now talks regularly with Ford and has found common ground in their

Top 20 selling vehicles in the U.S.



Source: Company reports

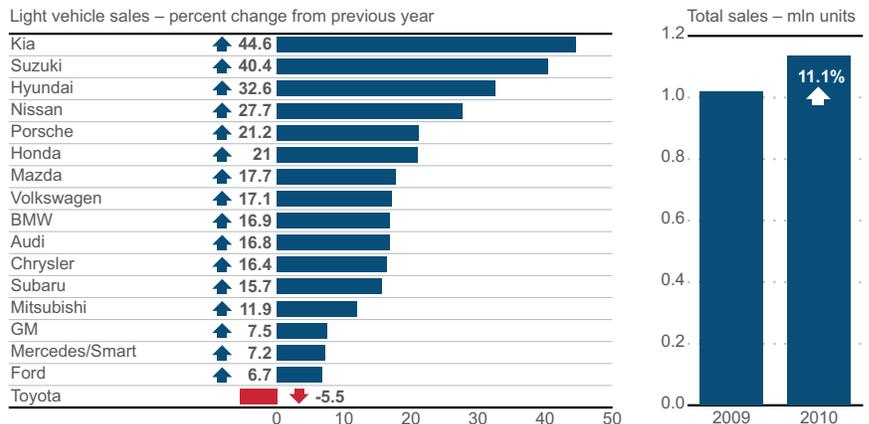
Reuters graphic/Stephen Culp



05/01/11

U.S. light vehicle sales: major automakers

December sales rose 11.1 percent. Among the top automakers, Toyota was the only to show a decline from last year.



Source: Company and industry reports

Reuters graphic/Stephen Culp



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shared love of football.)

Ford remembers walking out of one all-night negotiation and seeing a team of UAW guys headed his way. “They said, ‘Hey, want to go get a beer?’ And I’m looking around to see who they were talking to.”

“And so we went out, and they said, ‘Hey,

BLOG

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"OUR FAMILY HUNG TOGETHER WHEN IT WAS LOOKING REALLY GRIM, AND SAID 'HOW CAN WE HELP?' RATHER THAN 'HOW DO WE GET OUT?'"



CHINESE MASSES: An employee walks past new cars at the parking lot of Changan Ford Mazda Automobile Co. Ltd, Ford Motor's joint venture in China, in Chongqing Municipality, October 12, 2010. **REUTERS/STRINGER**

you passed the test. Good job.' I said, 'Really?' And they said, 'Yeah, you were great. We were just trying you on for size.'"

In a similar way, Ford said he is proud that his family, which controls 40 percent of the voting stock in the automaker through a separate class of shares, stuck with Ford when tested by the company's financial crisis of 2006.

Advisers had presented the family and the company with a range of scenarios, including a merger or asset sales. In the end, the Fords opted to bet everything on the turnaround plan led by Mulally and Bill Ford.

"So many families that you've seen in other industries blew apart as soon as difficulty arose. Our family hung together when it was looking really grim, and said 'How can we help?' rather than 'How do we get out?' or 'Who do we blame?' he said. "It helped management to have their big shareholder unified behind them."

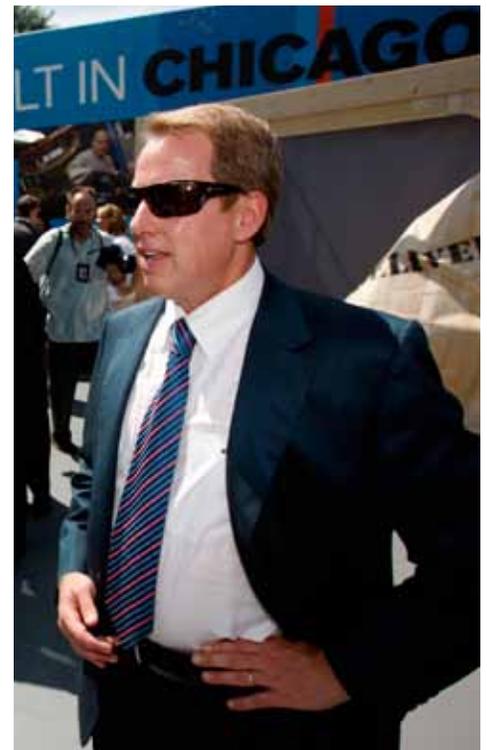
Ford sees that long-term interest of the Ford family giving him the mandate to work on problems like the big one that worries him now: What comes after the car for the millions who will live in the big cities set to

emerge over the next 30 years? "They're not going to have garages. And they certainly won't have two cars or even a car? But how can we at Ford make their lives better?" Ford said.

Ford's focus on the gridlock problem captured by China's now-infamous, 11-day traffic jam last summer represents a shift in his thinking. Electric car technology and other innovations, Ford believes, are on the verge of cracking the industry's last big problem: how to reduce gasoline consumption and emissions.

"We had one huge challenge called the environment if I can use an overarching term. But we're solving that now through technology," he said. "To me, there will always be long-term problems to take on. I think one of the things I can provide this company is that long-term vision so we don't get blindsided by issues when it's too late."

(Reporting by Bernie Woodall and Kevin Krolicki; Additional reporting by David Bailey and Deepa Seetharaman in Detroit and Bill Rigby in Las Vegas; Editing by Jim Impoco and Claudia Parsons)



AUTO EXPLORER: Bill Ford attends the unveiling ceremony of the new 2011 Ford Explorer in Chicago, July 26, 2010. **REUTERS/JOHN GRESS**

NFL OWNERS HUDDLE WITH BILL FORD

BY BERNIE WOODALL
DETROIT, JAN 7

FORD MOTOR CO and Detroit Lions executive Bill Ford Jr. fields a lot of calls these days from fellow National Football League owners seeking a primer on labor negotiations.

Ford, whose family has owned the Detroit Lions for 46 years, tells each caller the same thing -- dealing with the United Auto Workers union is much different than negotiating with all-star linebackers and quarterbacks, and if you're calling for help now, it's probably too late.

"It's funny that the NFL owners keep asking me about labor and I keep saying, 'Guys, it's a totally different animal,'" Ford told Reuters.

"Most of the NFL owners have no labor background at all," he said, but added that his three decades of experience in negotiating with the UAW was no help.

"The NFL has 32 owners, as opposed to a single corporation," Ford said in an interview in his office at Ford Motor's world headquarters in Dearborn, Michigan. "The whole thing is so different. And the issues are so different."

The NFL faces a work stoppage if the players and owners cannot agree on a new contract by March 4. The players' union has warned its members to prepare for a possible lockout by the owners.

At risk is the NFL's more than \$8 billion in annual revenue, in addition to the possible disruption of the lives of millions of fans who plan their weekends around games and intensify their interest with wagering and fantasy football leagues.

Ford, who said he speaks often to team owners and NFL Commissioner Roger Goodell, said he could not predict whether Goodell's push to increase the regular football season to 18 games from the current 16 will succeed.



GAME NIGHT: Minnesota Vikings team owners (L-R) Zygi, Leonard and Mark Wilf present a game ball to Ford Executive Chairman Bill Ford (R) before a game against the Detroit Lions, January 2, 2011. **REUTERS/REBECCA COOK**

"It's going to be an interesting debate," said Ford, the Lions' vice chairman. "Obviously, on the one hand, nobody likes the preseason much, with four games. On the other hand, the toll it takes on a player to play 16 games will increase that much more with 18 games. So I don't know where this is going to end. That is one I can't predict."

Earlier this week, Carolina Panthers owner Jerry Richardson, co-chairman of the owners' negotiating committee, said he was not optimistic that progress was being made toward a new labor pact, just a day after Goodell said in an open letter to fans that a collective bargaining agreement "can and will" be accomplished.

Ford did not offer a forecast on when an agreement might be reached, but he said "that would be awful" if the talks carried on to the point that some of the regular season games had to be canceled, as happened in 1982. Still, he said the NFL is behind schedule if it wants a quick agreement.

He said the success of Ford Motor's negotiations with the UAW depend largely on personal contact, which the owners of the NFL don't have with the players' union.

"It's kind of too late" for the NFL to establish a working relationship with the players off the football field, modeled on what he has with the UAW, Ford said.

"And this is what I've emphasized all along. Bargaining is not done at the bargaining table. Bargaining is done long before, when you sit down informally. You start to know them. They know you."

Bill Ford was born in 1957, the last year the Lions won the NFL championship. His father, William Clay Ford Sr., bought the Lions in 1964.

Ford is optimistic that the Lions, winners of their final four games this season, can turn it around much like Ford Motor. The automaker nearly collapsed in 2006 but has bounced back to lead the industry in key areas.

"I really like the management team," Ford said of the Lions brass. "Martin Mayhew (Lions general manager) has done a terrific job. He's only been there two years. He's had good drafts.

"This season was better than our last, and we ended strong," said Ford. "We all feel good about going into next year."

(Editing by John Wallace)

COVER PHOTO: A Ford Motor Co assembly worker wears a worker designed teeshirt, August 27, 2010. **REUTERS/REBECCA COOK**

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