

Strategic Assessment: Ford Motor Company

Leadership, Competitive Position, and Growth Priorities in the Transition to Electrified Mobility

Shane E. Newman | 2026

Executive Summary

Ford Motor Company is executing one of the most consequential restructurings in its history, splitting the enterprise into three operating divisions to fund an electric-vehicle transition from the cash flows of its legacy business. The strategy is sound in design: it protects the F-Series franchise that anchors profitability while giving the EV and commercial-fleet businesses room to operate on their own terms.

Three factors will determine whether the strategy succeeds. First, execution speed against both legacy competitors and EV-native entrants. Second, resilience of a supply chain still exposed to semiconductor and raw-material volatility. Third, the pace at which recurring software and fleet-services revenue can offset margin pressure in the core vehicle business. Ford's strongest near-term plays are extending its truck-brand loyalty into electric variants and scaling Ford Pro, where it already holds a commercial reputation competitors cannot quickly replicate.

Strategic Context

The global automotive industry is being reshaped by three simultaneous forces: tightening emissions regulation, rapid advances in battery and connected-vehicle technology, and shifting consumer expectations around digital features and sustainability. Incumbent manufacturers can no longer compete on manufacturing scale alone. They must align internal capabilities with an external environment that now includes EV-native entrants unburdened by legacy cost structures. Ford's response, the Ford+ plan, commits the company to electrification, connected services, and digital revenue streams while sustaining the internal-combustion business that funds the transition.

Leadership and Organizational Design

Under CEO Jim Farley, Ford restructured into three divisions, each with a distinct mandate and economic logic:

- **Ford Blue** operates the traditional internal-combustion portfolio, generating the cash flow that finances the transition.
- **Ford Model e** develops electric vehicles and the software platforms behind them, structured to move at the speed of a technology company rather than a legacy manufacturer.
- **Ford Pro** serves commercial customers with vehicles, maintenance, and digital fleet-management tools, building recurring revenue on Ford's established reputation for commercial reliability.

The design reflects a deliberate leadership judgment: innovation and continuity require different operating models, and forcing both through one structure would compromise each. It also imposes discipline on

capital allocation by making the economics of each business visible on its own terms.

Stakeholder Landscape

Five stakeholder groups exert material influence on Ford's strategic choices. Shareholders expect the EV investment to convert into durable profitability, not just market positioning. Employees face retraining demands as production shifts toward battery-electric platforms. Suppliers must retool for batteries and advanced electronics, concentrating risk in newer, less mature supply relationships. Regulators shape the pace of transition through emissions policy and incentives that vary sharply across markets. Consumers remain the deciding constituency: EV adoption continues to hinge on price, charging infrastructure, and confidence in reliability, which means Ford's strategy ultimately succeeds or fails at the point of sale.

Competitive Position

Ford's advantage rests on assets that are difficult to replicate: a century-old brand, manufacturing scale, and command of the North American truck market. The F-Series remains among the best-selling vehicle lines in the United States, generating both significant revenue and a loyal customer base that gives Ford a bridge into electrification through products like the F-150 Lightning. A competitive advantage endures only when a firm creates value in ways rivals cannot easily duplicate, and truck-brand loyalty is precisely that kind of asset.

That position faces real pressure. Technology disruption has redrawn the competitive field to include software-centric entrants that iterate faster than traditional manufacturers. Supply chain fragility, from semiconductor shortages to raw-material cost inflation, has raised production costs across the industry and increased the financial risk of large-scale technology bets. Regulatory divergence across global markets adds compliance complexity to every capital-allocation decision. Sustaining advantage will depend on Ford's ability to manage these risks while matching the development speed of newer competitors.

Growth Priorities

Four growth vectors stand out, in rough order of strategic leverage:

- 1. Electrify the strongholds.** Extending established nameplates into electric variants, the Mustang Mach-E and F-150 Lightning, lets Ford transfer existing brand equity into the growth segment rather than building demand from scratch.
- 2. Scale Ford Pro into a recurring-revenue engine.** Commercial fleet services combine vehicle sales with maintenance contracts and digital fleet-management subscriptions, converting a transactional business into a durable relationship business.
- 3. Monetize the connected vehicle.** Software-enabled features, over-the-air updates, and driver-assistance subscriptions open revenue streams that persist beyond the point of sale and deepen customer relationships.
- 4. Expand internationally with discipline.** Global EV demand is projected to grow as technology matures and policy incentives expand. Ford's international footprint should follow the markets where its brand strength and product mix create genuine advantage.

Outlook

Ford has correctly diagnosed the strategic problem and built an organizational structure that matches it. The open question is execution: whether the company can develop competitive electric products at the pace the market demands while protecting the legacy cash flows that fund the effort. If Ford sustains its truck-market leadership through the transition and converts Ford Pro and connected services into meaningful recurring revenue, it is positioned to remain a leading force in the industry it helped create. The risks are real, but they are execution risks rather than flaws in the strategy itself.

Sources

Ford Motor Company, Reports & Filings, shareholder.ford.com (2023).

Hertzke, Schaufuss, Kampshoff, and Möller, "New Twists in the Electric-Vehicle Transition: A Consumer Perspective,"

McKinsey & Company (April 2025).