

India Special Edition

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Figo Frenzy

Making a mark in India | Spicy hot reception for cool new Figo | Meet the Sandeeps

A defining moment

The reveal of Ford Figo in September was a defining moment for all of us at Ford Motor Company in India. This new small car gives us competitive muscle in the heart of the India market, and it marks the beginning of a series of product launches at Ford India – all part of our accelerated small car strategy in the Asia Pacific and Africa region.

We've come a long way as a team in establishing the Blue Oval in India, in developing Ford's businesses in India, and in establishing a solid foundation that has given us this terrific opportunity to move our business forward.

We have a wonderful extended Ford family here in India, and tremendous talent working together to move our operations forward. Our employee morale scores are above average in the Asia Pacific and Africa region and, thanks to your feedback, Ford India was the only auto company to be named in two consecutive Top 25 Employer lists by the Hewitt survey.

This attitude is allowing us to do great work – evidenced by high Ford Business Services Centre customer satisfaction scores, the sharp increase in our Global Quality Research System customer satisfaction scores, and certainly our Ford India J.D. Power awards this year.

Figo is our first India-engineered and India-produced Ford vehicle, and it is the first product of the USD 500-million investment and expansion programme we launched last year. This programme has literally transformed our business into a volume manufacturing and export hub, and a regional centre of excellence for Ford small car development and production.

We're doubling our vehicle manufacturing capacity to 200,000 units and our engine manufacturing capacity will eventually reach 250,000 engine units, while our export programme will expand to a number of additional markets across Asia Pacific and Africa.

Ford India is now fully integrated into the global cycle plan and strategy of Ford Motor Company. Our domestic operations will extend beyond local borders to make a truly international impact and global contribution to the Company.

We have certainly come a long way in India, and you should all be tremendously proud of your contributions to our local and global business.

One Team. One Plan. One Goal.

Michael Boneham

President and Managing Director, Ford India

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Keep up with Ford online

We have profiles and actively share content on the following social media sites:

<http://facebook.fordapa.com>

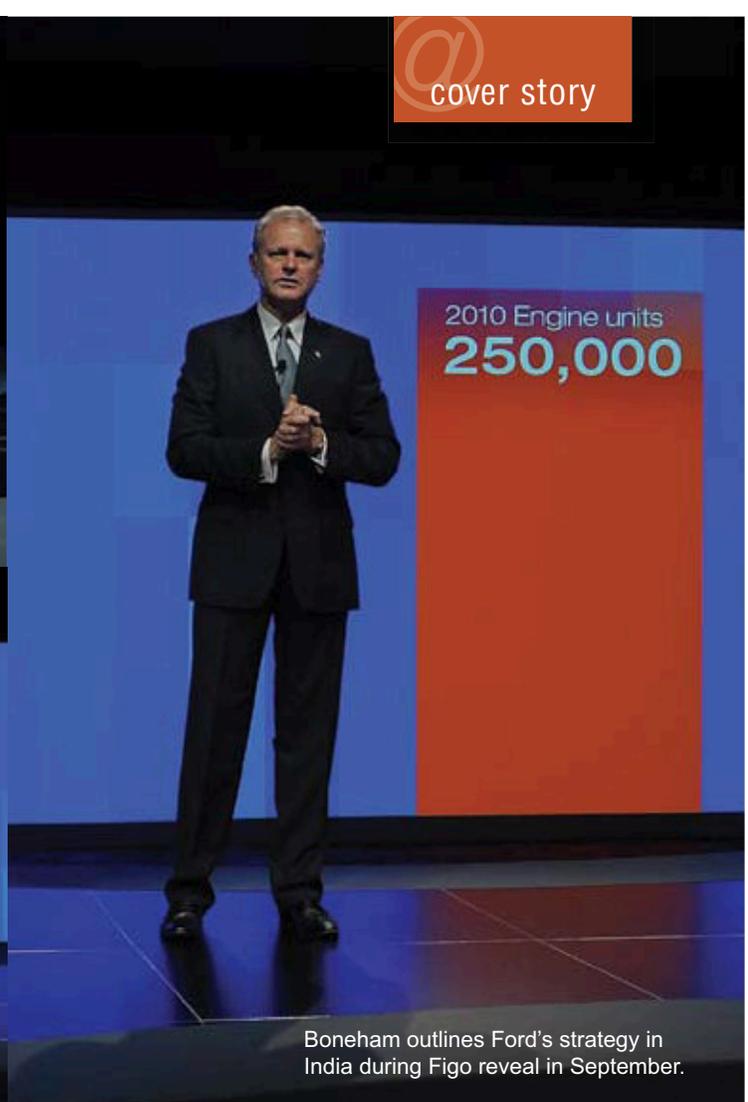
<http://twitter.fordapa.com>

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<http://youtube.fordapa.com>

<http://www.drivingford.in>





Boneham outlines Ford's strategy in India during Figo reveal in September.

Making a mark in India

Following a major investment of more than USD 500 million to transform Ford's Chennai plant into a fully integrated manufacturing and export facility, Alan Mulally, Ford Motor Company president and CEO, came to India to help unveil the new Ford Figo and signal the company's increased commitment to the market.

"The new Ford Figo shows how serious we are about India," said Mulally. "It reflects our commitment to compete with great products in all segments of this car market. We are confident the Ford Figo will be a product that delivers on quality, substance and style for the Indian small car market and beyond in the years to come."

More than 70 percent of India's new vehicle sales are comprised of small cars, particularly in the hotly contested Sub-B segment, where the new Figo will compete.

India takes on a new role

The introduction of the new Figo marks a significant shift for India in Ford's strategy. The fully-integrated Chennai facility is now positioned as a Ford regional centre of excellence for small car engineering and production. It leverages Ford's small car platform architecture, sharing underlying technologies with the Ford Fiesta, a nameplate already familiar to Indian customers.

The move to high volume production also signals that Figo will be produced for export to international markets. To complete the transformation, a new, high volume engine manufacturing facility will come on stream in 2010 as the final phase of the Ford investment plan. The plant will produce both petrol and diesel engines for local vehicle production and export throughout Ford's Asia Pacific and Africa (APA) region.

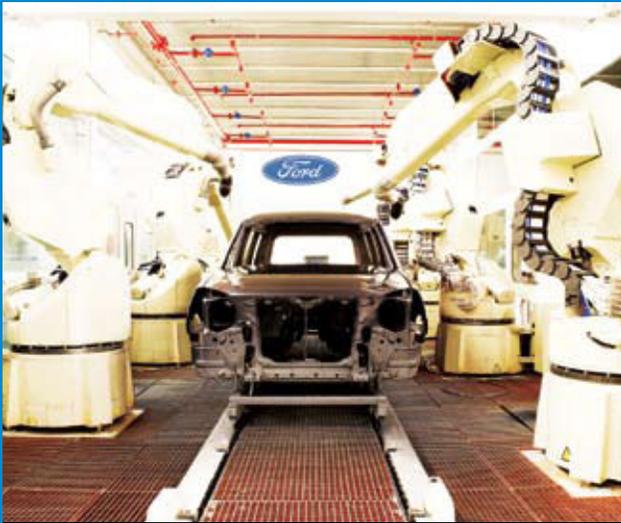
Local benefit

The local economy of Tamil Nadu state – in which Chennai is located – will benefit from the enlarged plant, as new jobs in the thousands (direct and indirect) will be created, in part, due to Ford's efforts to expand its local supplier base by as many as 30. Some of these will be located within the expanded plant's enlarged supplier park, which is part of a strategy to source an increasing amount of raw material and components locally. According to Ford India, up to 85 percent of the parts supplied for the new Figo will be derived from India-based suppliers.

With the plant's annual capacity planned to double to 200,000 units, it will provide a strategic hub for production of current and newer models, and serve to increase Ford's presence in the Indian market. The facility is slated to begin pre-production of

the new Figo in 2009 with ramp up in the first quarter of 2010.

“India’s long term significance in our strategy for this region is readily evident with the completion of the new plant,” said John Parker, executive vice president, Ford APA. “We’ve committed in total more than USD 950 million in recent years to make India one of Ford’s strategic production hubs. It’s a strategy built on creating great products whose appeal will reach beyond India’s borders and is fully in line with our business objective to create volume production centres of excellence in this region.”



Putting a shine on the new Figo

When the new Figo starts coming off the line at Chennai, it will be the first small Ford car in India to use the Three-Wet High-Solids paint technology. This new process delivers an exceptional high-gloss finish with excellent depth of colour, while providing durability and increased resistance to scratches and stone chips.

This new paint line will more than double the capacity of the paint shop, increasing from 15 vehicles per hour to 34 vehicles per hour.

Sixteen specialised robots – eight for base coat application and four each for primer and clearcoat – apply the paint quickly, efficiently and evenly. This new paint process reduces steps by eliminating the primer ovens used in traditional paint shops. Additionally, the process produces less carbon dioxide emissions and reduces volatile organic compounds emissions by nearly 20 percent as compared to medium-solids solvent borne paints.

The new paint formulations, which contain new polymers and other additives, help reduce running and sagging in the painting process. Paint can be applied in three wet coats, including primer, base and clear, over each other without baking in between coats.

This technology eliminates primer ovens and the primer preparation booth resulting in significant reductions in energy use, greenhouse emissions as well as operating costs.

Technology at its best

The increase in capacity at the Maraimalai Nagar plant in Chennai was achieved with the application of the best practices from Ford and competitive manufacturing facilities globally. Increasing quality was designated a key priority.

Bringing higher levels of quality from a totally manual-build, low volume operation into a state-of-the-art facility will be driven by greater use of automation and 66 robots that have been added to the assembly process – taking the total amount of robots to 92 across all lines.



New automated stamping press line.

“India’s long term significance in our strategy for this region is readily evident with the completion of the new plant.”

- John Parker

Nowhere is this more critical than in the body shop. The need for precision is absolute and that begins with the underbody framing robots that build the lower structure of the vehicle. Similar robotic framing machines are used for the upper body structures of the products built in the plant.

The new robots are both speedy and reliable, and their flexibility allows for the simultaneous building of different vehicles. The flexibility is also key in the manufacturing planning process, as model mix can be adjusted to meet current and changing market demands.

Improved quality

Throughout the assembly process, the plant uses error-proofing technology to help measure build precision. The plant has been equipped with precise



Body shop with robotic arms.

part checking fixtures that allow engineers and manufacturing technicians to verify build precision down to the millimetre. Using a red light/green light system, the tools alert operators that the job has been done right. Other tools used in fastening ensure that the bolt is tightened to the correct spec every time, with positive feedback to the operator.



Mulally and Boneham reveal Ford Figo to media in New Delhi in September.

“The new Ford Figo shows how serious we are about India. It reflects our commitment to compete with great products in all segments of this car market.”

- Alan Mulally

The ultimate measure of quality is the new 3.2 kilometre testing facility that is designed to provide engineers with vehicle feedback under real world conditions. Straight roads, twisty roads, pavement with a variety of smooth and rough surfaces and even simulated village streets are built into the course. When a new vehicle is launched, engineers will have the opportunity to evaluate vehicles for squeaks and rattles, braking performance, steering manoeuvres and wheel alignment.

Once the vehicles are in regular production, they can be randomly pulled from the assembly line and tested to verify all functions are operating correctly. Designed with safety in mind, the new test facility allows engineers to test multiple vehicles at one time and helps reduce the amount of tests on public highways.

Lean manufacturing

Maraimalai Nagar’s transformation also benefits from the adoption of new lean manufacturing techniques that make it ultra efficient, allowing it to turn out products that are cost competitive for the small car market in India and abroad.

With technology enabled by multiple IT systems, this lean manufacturing approach enables built-to-order production with parts and components supplied from the new 30-acre supplier park and other primarily local suppliers.

Through conveyor systems, the plant is geared for production sequence delivery of a greater proportion of supplier component assemblies including instrument panels, wheel and tire units and front-end modules from on-site suppliers.

The plant’s upgraded computer

infrastructure uses multiple IT systems – including radio frequency identification to manage logistics within the plant facility. This and other technologies help the plant maintain much smaller inventories of commodities and parts and ensure parts supplies are delivered just-in-time and in the exact production order for each vehicle to be produced. ■



New overhead conveyor.



Signing the Memorandum of Understanding with the Tamil Nadu government for Ford’s USD 500 million Maraimalai Nagar plant investment. From left: Honourable Deputy Chief Minister Dr. M K Stalin, John Parker, Ford APA executive vice president, Michael Boneham, Ford India president and managing director, Alan Mulally, Ford president and CEO, Timothy J. Roemer, U.S. Ambassador to India, Honourable Chief Minister of the State Dr. M. Karunanidhi, Joginder Singh, Ford Business Services executive director, and Tamil Nadu’s Principal Secretary, Industries Department, Government of Tamil Nadu, M.F. Farooqui.



Spicy hot reception for cool new Figo



Michael Boneham, president and managing director, Ford India, is swarmed by press following the Figo reveal.

India's all-new small car lived up to its name – Figo is colloquial Italian for “cool” – as it charmed both local and international media with its fresh, contemporary shape that will be a distinct alternative to traditional brands in this segment.

Sharing key elements of Ford's kinetic design language with vehicles like the Focus, Mondeo and the Fiesta, the new Figo oozes quality, substance and generous proportions matched by a

vibrant and youthful character. Its size is just right for the market, which is dominated by congested urban driving conditions.

In a reveal sequence as spicy as India itself, the Ford Figo emerged in a lightning surround of colours, lights, Bollywood-inspired music, smoke and camera flashes during the September 23 event. Alan Mulally, Ford's president and CEO, revealed two Figo models, one in bright Squeeze green and the other silver, in Delhi.

Getting the word out

With some 200 journalists in the Indian capital for the first public showing of the Ford Figo, news travelled quickly on traditional electronic media, with wire reports and business media giving the story prominence in their coverage.

But they were not the only ones watching Ford make news. More than 1,000 viewers all over the world watched the reveal on the Web via streaming video while tweets from Ford kept Twitter followers informed of the event as it unfolded, with other social media users following it on Facebook, YouTube, Orkut, Big Adda and Flickr.

On YouTube, the multimedia reveal sequence that accompanied the Figo when it made its entrance has garnered almost 21,500 views while the video on the entire reveal had more than 3,000 views. The Ford Figo Facebook page now has more than 430 fans, with 1,176 views just on the first day of the reveal.

Ford India also introduced a new blog, www.drivingford.in, which received more than 1,100 visits in the week of the event alone.

Cool design

From its modern headlamps, grille shapes and sculpted bonnet to its distinctive face to the subtle integrated spoiler and chamfered window shape at the rear, the Figo is filled with kinetic design touches, including sculpted shapes to the body side to communicate the solidity and protective safety of its design.

The bold graphic of Figo's large side window shape is another key kinetic design feature hinting at the comfort and spaciousness awaiting occupants. The side window graphic is executed with a blacked-out B-pillar, an elegant design touch that unifies the side windows into one shape visually. ■



Ford executives excitedly pose with Figo.



Figo gets media buzzing.



Figo makes its grand entrance.



Colossal gathering

With the enthusiastic crowd and professional staging, was the event at the Chennai Trade Centre on September 24 a slick political rally or a rock concert? Neither. But it was, we think, Ford's largest town hall meeting ever during Ford President and CEO Alan Mulally's first visit to Chennai. More than 5,000 members of the India team were on hand for the event. Mulally, who was mobbed for autographs when he went into the crowd to shake hands, insisted the stars were instead the members of the Ford team in India themselves. "Ford India rocks!" he exclaimed. ■



Mulally cuts the ribbon to officially open the plant.

Chennai plant tour

It's not everyday that the president and CEO of Ford Motor Company tours a plant – and the India team made the most of the opportunity on September 24, when Alan Mulally capped his two-day visit to India with a memorable inspection tour of the expanded plant facility in Maraimalai Nagar.

Visiting the plant was an imperative for Mulally, who had presided the previous day over the reveal of the all-new Ford Figo in New Delhi. The whirlwind visit also included important meetings with the Ford dealer body, government officials and, earlier on Thursday, a huge town hall meeting for Ford employees in Chennai.

The Chennai integrated manufacturing facility is the focal point of Ford's USD

500-million investment to expand its presence in India. Mulally was keen to see how Ford India is leveraging the investment to compete more aggressively than ever in the heart of the Indian automotive market.

Fast but detailed

Like everything on Mulally's visit to India, the tour was fast-paced. Mulally was joined in a convoy of electric buggies by John Parker, executive vice president, Ford Asia Pacific and Africa (APA); Michael Boneham, president and managing director, Ford India; Tom Chackalackal, vice president, Manufacturing, Ford India; Raj Nair, vice president, Operations, APA; and Sandip Sanyal, executive director of operations, Ford India.



Parker and Mulally take part in an Indian lamp-lighting ritual to seek blessing for the new engine plant.

The 40-minute tour took in key elements of the plant's expanded facilities, starting with the stamping facilities, where a new press line is now in operation.

After passing through the body shop, the convoy made its first major stop, for a presentation on Ford India's Natural Work Group (NWG) activities in the Coordinate Measuring Machine room. Introduced by A.D.S. Pathy, body shop general manager, the winning NWG team presented a case study to Mulally on a



Body shop General Manager Pathy helps present the winning case study.

key process improvement its members had brainstormed. Team Leader D.N. Suresh and the rest of the work group presented the study in the Define Measure Analyse Improve Control (DMAIC) strategy of Six-Sigma, and were applauded by Mulally and the leadership team for embodying the spirit of ONE Ford.

Then the convoy was off again – taking

in the Trim Chassis Final assembly line and proceeding to another major new facility, Chennai's expanded engine manufacturing plant. Here, amid colourful and festive decorations, the executive team again alighted to play a key role in the plant's dedication.

Lively Impression

Surrounded by employees cheering "Namaste!" and "Vanakkam!" (Indian greetings), Mulally was greeted by Chackalackal and took part in the ceremonial lighting of kuthuvillaku along with other members of the leadership team. He then unveiled a plaque marking the occasion, before a ribbon-cutting ceremony that made the engine manufacturing plant – still gearing up for volume production – officially operational. The engine plant event was attended by close to 500 employees whom Mulally thanked personally at the end of the ceremony.

"Alan was particularly impressed with the energy and enthusiasm of our youthful team," said Ananda "Van" Natarajan, general manager, Engine Plant. "He wanted to stop and shake hands with everyone, but there just was not enough time." Mulally was scheduled to depart India soon thereafter for another important APA plant event, in China, the following day.

After passing through the new engine facility, with its boosted capacity for an annual volume of 250,000 low-displacement petrol and diesel engines, Mulally's group left the plant, but not before paying



Mulally unveils a plaque marking the official start of operations at the plant.



Tour of Maraimalai Nagar plant.

homage to the legendary banyan tree on the plant site. The century-old tree has become symbolically important for the India team.

The tour's climax reflected the confidence and enthusiasm of the top leadership in the company's potential to extend its roots far deeper in the vibrant and growing Indian market. ■



A symbolic tree

When he heard of its symbolic importance to the Chennai team, Ford President and CEO Alan Mulally insisted on seeing the ancient banyan tree on the site of the newly expanded integrated manufacturing plant in Maraimalai Nagar. When Ford made its USD 500-million commitment to expand the plant and pave the way for the new Ford Figo, John Parker, executive vice president, Ford APA, ordered that the tree not be harmed. Sure to his word, the tree is protected as Ford's roots grow deeper in India. The photo op quickly ended when the group learned that the revered banyan tree was home to a cobra.

Meet the Sandeeps



When Ford Motor Company President and CEO Alan Mulally stepped into an anteroom to meet some VIPs immediately before going on stage to reveal the new Ford Figo to the world's media in New Delhi, he had no trouble remembering their names. They were all named Sandeep! A room full of Sandeeps wasn't just an amazing coincidence. It was planned, part of an intense process to know the customers of the all-new Ford Figo more deeply than ever before.

Ford India's marketing team gathered 15 young men from the capital city, New Delhi, and from Lucknow, a smaller, second-tier city. Each of the men represented the very core of the customer target of the new car, based on Ford's extensive research into the Indian small-car market. Ford believes that newly married young men, in their mid 20s, represent the prime target for Figo.

To help designers, engineers and marketers understand this target, he was given a typical name. For the new Ford Figo, that target customer is named Sandeep.

"Sandeep is the quintessential middle class youth," explains Rahul Gautam, Ford India brand manager. "He is coming up in life and he is ambitious. He has just gotten married and he is starting to earn more, getting recognition in his job and being promoted.

"He wants to give attention to his family, he respects his parents and he wants to spend time with his wife, plus he aspires to do well in his job. Interestingly, he has kept his bachelor mindset. So all this leads to some stress and tension because he feels pulled in different directions and short of time."

Getting to know Sandeep

During market research for the Figo, Ford found a group of young men who personified Sandeep and asked for their help. Ford wanted to understand what made them tick, what their lives were about and what they wanted in a car. Ford people would get to know the Sandeeps well, down to meeting

family members and even going shopping and clubbing with them.

What Ford learned was rich in detail, and that has driven product, marketing and communication decisions.

"Sandeep is still living in a joint family with his parents," Gautam said. "He's looking for a product that offers his own, exclusive space. A place he can use to groove to his music while going to and from work, a place he can use to take his wife out safely at night, pick up relatives or friends or take the family on a weekend trip. He worries about two wheelers and accidents so the right car relieves tension for him."

Key to the success of this target customer immersion is getting candid feedback from the participants. The Sandeeps weren't shy about expressing their opinions, which provided gold dust for the Ford team. So much so, that all of the Sandeeps were invited to the New Delhi reveal.

"Thanks a lot for doing this," Mulally told them. "I can't wait to see how successful this new car will be. It's such a big deal for Ford to compete in the centre of the Indian market and you helped." ■



Mulally meets the Sandeeps in New Delhi.



Gearing up for Figo

To mark their vital role in the success of Ford Motor Company in India, the Ford India dealer council was fêted to a sneak preview of the new Ford Figo on September 22 in New Delhi.

Following the high-visibility media reveal the next day, a repeat performance and reception was held for all Ford India dealers and select suppliers. And despite his action-packed schedule in Chennai, Ford Motor Company President and CEO Alan Mulally took time to stop in at MPL Ford during his visit to India last month to see how it was gearing up for the arrival of the new Ford Figo.

These activities underscore how important Ford dealers are in the impending launch. As Ford enters the heart of the Indian small-car market with a highly competitive new model, the dealers are the key touch point with a whole new group of Indian consumers.

Opportunity knocks

The business opportunity is huge. Ford is doubling its manufacturing capacity to produce Figo. And some Ford dealers expect to double – or even triple – their annual sales with the debut of the new car.



The Ravindranathans greet Mulally with a specially-made garland.

“Our relationship with Ford India is history in itself. We were Ford’s first dealership in India, inaugurated way back in 1996. And now in 2009, our future with Ford looks extremely promising and exciting. I firmly believe we have a game changer on our hands with Ford Figo.

It was a great privilege and honour to host Alan Mulally at our dealership during his visit to India which clearly showed the importance India has in the global scheme of things at Ford Motor Company.”

- MPL Ford Dealer Principal Ravindranathan



Mulally meets with sales managers (from left) Rajan, Gajendaran, Devendran, Karthik, and MPL Ford Dealer Principal Ravindranathan and his wife.



This means a transformation in virtually every area of the dealer's business to gear up for a higher volume of customers in the sales, service and parts departments.

The Ford dealer network is growing to help deliver the increased volumes Figo is likely to drive. Ford India is working to expand the dealer body in key areas expected to be Figo strongholds, especially in major metropolitan areas and Tier 2 and Tier 3 cities. This year alone, Ford is opening 20 new dealerships across India, and more are slated to join the network in 2010 as the Figo momentum builds.

Service is an important touch point for Ford customers at the dealership, and a series of initiatives are in place to help speed up the customer experience for routine service and maintenance needs.

Mulally recognises the importance of these key business partners and takes time wherever he goes to meet Ford dealers. It's all about learning about their business and sharing his vision for Ford's future.

Game changer

Ford India President and Managing Director Michael Boneham has called the new Figo a 'game changer' for Ford. It's certainly true for the dealers too, as they prepare for a major transformation, not just in terms of traffic through the dealership but also in terms of customer expectations.

Word of mouth about the Ford dealership experience is an important part of the growth strategy, John Parker, executive vice president, Ford Asia Pacific and Africa, told employees at the recent Chennai town hall.

"When customers are going through our dealerships, I want them to come back having had a great experience, so they don't just buy one Figo," said Parker. "We want them to feel so good about our brand that they come back and buy another Figo, and then they go and tell all their friends and neighbours to also go and buy a Figo." ■



Mulally takes part in a lamp-lighting ritual to mark his first visit to the dealership.



Ford Figo reveal for dealers and select suppliers in New Delhi.

In the showroom

Endeavour

2.5 Diesel
(5-speed manual)
3.0 Diesel
(5-speed automatic)



Fiesta

1.4 Diesel
1.6 Petrol
5-speed manual



Fusion

1.4 Diesel
5-speed manual



Ikon

1.3 Petrol
1.4 Diesel
5-speed manual



Coming soon

Figo



Supplier Conference

On September 24, 200 suppliers attended the 2009 Supplier Conference at the Chennai Trade Centre. Following Ford India President and Managing Director Michael Boneham's business update were sessions on regionalisation and Ford India's latest plant investment. The highlight of the evening was when Nigel Wark, executive director, Marketing, Sales and Service, took to the stage to reveal Ford Figo. Excitement about the new small car was high during the cocktail and dinner reception that followed the conference.

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Entry Midsize Car, 2009*



India's Most Dependable
Sports Utility Vehicle, 2009*



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Make Every Day Exciting

The Ford Endeavour and Ford Ikon received the lowest number of problems per 100 vehicles among good utility vehicles and entry midsize cars, respectively, in the proprietary J.D. Power and Associates 2009 India Vehicle Dependability Study. Study based on mail-in data from 5,706 consumers who purchased a new vehicle between July 2008 and October 2008. The study includes 23 vehicle models covering 17 manufacturers and was tested from January to April 2009 in 20 cities throughout India. Your experience may vary. Visit jdpower.com. *Premium SMS rates applicable. For details check with your operator. Associates' share may not be part of awarded equipment. Colors are indicative only, and may vary due to printing constraints.

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