

Ford's Success Formula

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Sri Lanka received a boost of adrenaline in her economic arm as US car giant Ford Motors placed its confidence on Sri Lanka's growing economic prospects and re-stamped its global footprint on the Sri Lankan car industry with the opening of its one stop car centre at Battaramulla. David Westerman, Managing Director of Malaysia and Asia Pacific Emerging Markets, Ford Motor Company states that with fundamentals needed for investor confidence existing in the country together with the stronger car demand forecast, Sri Lanka ranks at the top in the list of emerging markets in the Asian and Pacific regions. He also reveals plans to launch the Mustang in Sri Lanka next year as part of the worldwide events in store to celebrate the 50th birthday of the iconic car. His tone as he speaks of the plans ahead is upbeat and exuberant. Joining David Westerman (DW), Suminda de Silva (SS) Softlogic Holdings, Automotive Sector CEO, and CEO of Future Automobiles, shares his

views on the latest joint venture.

By Manu Gunasena Photography Mahesh Bandara

What are the positive impulses that influenced Ford to shift its focus to the emerging markets of Asia and the Pacific?

DW: Great many industries, along with the automobile industry, have been moving into China for some time having identified the huge potential that China's massive population offers. Taken with the populations of ASEAN countries together with India's over one billion population, the numbers are indeed staggering. And that's not all. Given the fact that these massive markets have remained relatively untapped make it even more attractive from our perspective. Our entrance has lagged behind other US companies but since 2008 we have explored the regions and have positioned ourselves to make our presence felt in a powerful way. These have been the obvious factors that have made us set our long overdue sights on these formidable markets of South East Asia and the Pacific.

You started from the US Sales Centre and then moved to the Asian region, which you have focused on for the last six years planning Ford's foray into these lucrative markets. What were the challenges that had to be overcome in order to meet the needs of the people whose wants may have been different to those of the West in particular to US consumers?

DW: The challenges Ford has had to encounter have stemmed from the positive. And in order to meet these challenges we have formulated appropriate plans resulting in the development of dual platforms for our vehicles. The Ford Fiesta and the Focus are the same as they are in Europe, Asia and North America. The real challenge is how to meet the needs of the Asian consumer while still meeting the needs of the other global consumers. How do we reach the economic scale of the global platform while meeting needs of the Asian consumer? This is the global challenge we face. Bearing this in mind we have developed a lineup and since we have been here for the last six years, it is the strongest lineup in the market. We have focused upon having a diverse product portfolio with low displacement, power transfer, high fuel economy, high power and low emissions. These are the factors that are real positives for the Asian consumer.

Apart from Thailand, which is the regional base of your operational headquarters,

is your recent move to Myanmar where you opened a Ford Car Sales Centre based on the 3S concept, your first in the region?

DW: It was a very exciting time for us. The US Government had lifted many sanctions it had previously imposed on Myanmar and had made the call to US firms to invest in Myanmar. And Ford answered the call promptly and with enthusiasm. We are one of the first US companies to invest in the country. Naturally, we are very excited with our prospects.

We Are One Of The Few Manufacturers In Sri Lanka With The Full Line And The Full Range Of Colours. From The Smallest Car To The Commercial Line Pick-Up Trucks... It Is A One-Stop Shop For Any Type Of Auto Need.

We have entered the country with great faith and expectations and much like here, we established the 3S concept extending to the consumer the all-encompassing facility of having sales, service and spare parts all under one roof. The many surveys we conducted, not only in Myanmar but also worldwide, have revealed that it is what consumers want. They call for a 3S facility with global services as well as one that meets global standards. That is what we took to Myanmar and what we have brought here to Sri Lanka.

During your own six-year presence in the region as head of Ford's Asia Pacific Emerging Markets operations, you have seen and identified 23 fast growing nations from Mongolia to Papua New Guinea. And, of course, you listed Sri Lanka also on that roll of emerging nations. At what number have you placed Sri Lanka?

DW: Certainly for today's showroom opening, number one – Sri Lanka is very important. Globally, for the automobile industry, the whole of Asia is the fastest growing region and the fastest growing sector within that region is extremely relevant. The energy that comes from markets like Sri Lanka is amazing. I believe in our list of emerging markets, in potential, Sri Lanka ranks at the top. It has a population of over twenty million and that is well within our assessment. Growth systems and infrastructure are in place. Stronger car demand is projected for the future with substantial investment coming into the country.

Thus many of the fundamentals that we look for in a country before we decide to invest are here today in Sri Lanka and that makes the country right up our street. It has motivated us to redouble our efforts in the past couple of years. And to be honest, we probably didn't maximise on our potential in the marketplace. But I think with this facility the greater part of the market would be happy.

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At this facility that you opened, what made you choose the new Kuga as your initial flagship vehicle?

DW: It is the latest. We have had some great cars through the years and we have the strongest product circle in Sri Lanka today that you probably have ever seen in our history. The Kuga is the newest addition to the market. The Kuga is a great commercial vehicle and transit vehicle and the best pick-up truck as well. And with the addition of the Kuga, the strong line up becomes even stronger.

Sri Lanka is a SUV driven market and the Kuga is a fantastic option. Globally we sell it as the Kuga. In some markets in the southern states of the US, it is sold as Escape. It is a fantastic product. The 1.6 litre engine, high output, great fuel economy, low emissions and the eco boost technology that is packed into it has made it into a terrific, powerful vehicle. The Ecosport and the Everest are pretty great SUVs in their own right and have carved their niches in the market place.

SS: We are one of the few manufacturers in Sri Lanka with the full line and the full range of colours. From the smallest car to the commercial line pick-up trucks, we have the full range. It is a one-stop shop for any type of auto need. We even have ambulances.

DW: Very soon Mustangs from North America will enter the market here. Leveraging on this global portfolio that we have we should see enormous benefits flow to Sri Lanka. No manufacturer has this leverage that Ford has in the marketplace.

Tell us about the Mustang and the plans to introduce it over here next year.

DW: As you can imagine we are all very excited about the planned launch. The Mustang is the most iconic vehicle in the Ford line-up and holds a very special place in our hearts. Next year we are celebrating the 50th anniversary of the Mustang and we have planned quite a celebration for it. We are going to bring it here for the first time. We are going to 110 countries all over the world. And Sri Lanka is on top of that list too. It cannot come any faster than that. A fantastic and iconic product it should be just good for the brand name

and for the consumers here to be part of this venture.

Can you talk about the strategic partnership with Softlogic to form Ford Automobiles?

DW: Ford Automobiles is the name of the new joint venture with Softlogic. It is a great partnership and they have great faith in the Ford brand name. And with all the investment made, we have this facility to showcase our products, so much so I think we have the finest in the market today.

Softlogic represents some of the best brands in the market today in retail and electronics.

Is this Softlogic's first foray into automobiles?

SS: Not exactly. We bought over Uni Walkers, which is now officially named as Softlogic Automobiles. Along with that, we have Daihatsu from Japan and King Long buses and mini vans from China. In the case of Future Automobiles, it was specifically set up to exclusively serve Ford as its sales and office headquarters in Sri Lanka.

You mentioned your 3S concept as being the cornerstone of your sales philosophy. Can you elaborate on this?

DW: It is really the industry standard in our line globally. 3S stands for sales, service and spare parts all under one roof. And that is what the customers tell us. They enjoy the buying experience, selecting from the varied choice offered, choosing the correct shade of colour and being advised by our staff. Customers want the whole purchasing experience that we provide, including having a vehicle serviced, finding spare parts available and ready to be used, instead of having to wait for orders to arrive in Sri Lanka. Having all that under one roof, at a convenient location is great and we have designed this facility to provide the necessary ambience to go with the products we offer.

If you can elaborate first on the showroom; what does the showroom have to offer?

DW: The showroom is where you show off the vehicles you offer for sale. In this case our building comprises of 6,000 sqft. And we can accommodate 12 vehicles quite comfortably. There is enough space to display them in the best possible way. It is very important that we have enough space to show the vehicles at their best as it is here that customer forms his first impression. It is also where a knowledgeable sales consultant takes them through and

explains all the features available in the vehicle they are considering to buy. It also allows the potential buyers to inquire after their specific needs. Showcasing our models are done in an expansive, friendly, well-aired and lit area where the customer can make an informed decision.

SS: In accordance with our 3S concept, you can walk into the showroom and see the cars being serviced. It's all about transparency of the business as well. Whilst browsing the vehicles for sale one can see how similar vehicles are being serviced. We want them to be comfortable and know where their cars are getting repaired. We want to ingrain into them the confidence that their vehicles will receive due attention after purchase. Here they receive that assurance by actually seeing it happen before their eyes. In fact we have an after sales lounge upstairs. This enables a car owner to park his car for service and thereafter to sit comfortably in the upstairs lounge and have an eye on the how the car is being taken care of.

We Intend To Grow As A Market Leader In The Emerging Sri Lankan Economy. The First Is To Acquire The National Footprint, To Establish A Network Of Service And Parts Distribution Nationwide.

Do you have plans to take 3S facility to other regions in the country?

SS: This will happen. However, the first step would be to expand our service network. We are already in the process of establishing a network of authorised dealers and service centres. We do not intend to sell cars in areas we are unable to offer after sales services. First we need to lay the groundwork by setting up the service centres. Only then would we think of going into sales.

Can you expand on the standard of after sales service you'll be affording the customer?

SS: We intend to grow as a market leader in the emerging Sri Lankan economy. The first is to acquire a national footprint, to establish a network of service and parts distribution nationwide. Customers may venture a little away to purchase a vehicle but will want their vehicles serviced closer to home. Thus our priority is to build that service infrastructure. That is the most important thing right now. It's the task that awaits us. After this facility gets off ground we will roll out a series of service and parts centres island-wide. Every town will be in service distance. That is the key step that will establish Ford as a strong nationwide brand.

And then the spare parts?

SS: One of the main problems the customers face in the automotive business is that when parts are required to repair their vehicles, the parts are not available in stock and have to be ordered from abroad. This is a perennial problem but we will overcome it by maintaining an adequate supply to minimise the downtime and disruption of the consumer's life. That is a very key part of the business. In the 3S facility everything works in harmony. It is transparent. It covers the whole gamut of experience, from buying a car to getting the car serviced and repaired, even trading it. That is the goal of this company.

DW: The designs you find in this facility are what you will find all over the world. It is a globally influenced facility and we are very proud of this investment and achievement.

What are the steps you have taken to expand the Ford experience throughout the country?

SS: Already we have identified the service dealers. We will be having a service centre in Matara, Kandy, Anuradhapura and Jaffna. This way we will cover the entire island so that car owners need not come to Colombo to get their vehicles attended to but will have a service centre within a reasonable distance from their base. Once this is up and running and the spare parts distribution scheme also gets underway, then we will think of sales centres as well.

DW: That, of course, is the logical progression of things. First attend to the infrastructure. Shape it and tune it. Fix the snags. Then bring home the sales. Indeed, these are very exciting times for us.

SS: On top of that we give our customers a very special benefit no other brand in Sri Lanka gives. Every Ford owner will get 24/7 roadside assistance anywhere in the island. Even if you are 300 km away from the nearest garage. That's part of our commitment. When we sell a vehicle our commitment is continuous and goes beyond the sale. The sales counter is where our relationship begins, not ends. Softlogic has invested millions of dollars in Future Automobile in this venture with Ford. We have put our best foot forward and have done so because of the faith we have in the brand Ford whose founder revolutionised the way cars were made by being the first to apply the techniques of mass production to motor cars and thus made the motor car available to millions. And with the dedication and vision we share, this company will be taking its rightful place amongst the high achievers in the corporate

world.

Suminda Silva, you have been in the car industry for a long time. Can you share with us your own career progress?

Actually I started my career in Sri Lanka in the leasing industry and then moved to Australia and worked with Toyota, Lexus and Daihatsu. From thereon I moved to Dubai and worked with several automotive companies, including General Motors Middle East which serves as the regional office for the Middle East and Levant regions. I was with General Motors for many years at both dealer and distributor levels. I am privileged to have worked in every department within an automotive dealership, which gave me the ability to write the Dealer Operating Standards for General Motors, that is used to assess operations of the network in many countries in the Middle East and Levant regions even today. I joined Softlogic Holdings Ford in December and head all their automotive business's including Ford, Daihatsu, King Long and Rent A Car. It has been exciting to be part of the Ford group. Having the opportunity to represent Ford has been extremely exciting for me as I raced Ford cars prior to joining the Ford family. This is especially so for me since I have always raced Ford cars and won on the racing track.

DW: From a manufacturer's standpoint we are just thrilled to have him on board with us. The experience he brings is beyond value. His passion for the automobile industry and for all things Ford is infectious and is a great morale boost for everyone here. He is the right person to take us to the next levels and we propose to have him on board throughout our partnership with Softlogic. Also, we couldn't ask for a better partner than Ashok Pathirage, the Chairman of Softlogic. We are fortunate to have the best partner and the best market, so it's very good for Ford.

The future is bright in Sri Lanka and hopefully we can sit down in another short time and talk about the great sales successes we have made with our products.

Could you talk about Chairman Ashok Pathirage's approach with Ford?

SS: He has a huge commitment to Ford. Softlogic owns hundred percent of this business and has invested millions of dollars in it. He has done this, with a long-term picture in mind.

In The Relationship We Have, It Is Ford's Responsibility To Get The World Class Products, Service And Support To Take Ford To The Next Level. Much Of The

Growth Ford Needs To Get Is In The Support And Investment Ashok Pathirage Has Made In Our Brand.

His background is IT and Softlogic has not been in the automobile business for long. That is where I come in. The way he has structured Softlogic is that there is a sector head for various arms. For example, a healthcare sector head for Asiri Hospitals, a sector head for the financial sector handling insurance and stock broking at Asian Alliance Insurance. Similarly for the automobile sector as well overlooking Daihatsu, King Long and Ford. Every sector has a specialist in that field. We also have Softlogic Rent A Car with a whole fleet of Ford cars.

DW: I would say that Ashok has done his part and many of his ideas, and this facility, are commendable. In the relationship we have it is Ford's responsibility to get the world class products service and support to take Ford to the next level. Much of the growth Ford needs to get is in the support and investment Ashok has made in our brand.

David Westerman, on a personal note. What is the car you drive?

I drive an Everest in Thailand and that was provided by the company. It's a company car. The Ford I own personally is a 1930 model, which my dad gave me. I am pretty deep in Ford products. And I treasure the old car and the old tractor, which my dad gave me. My dad was a great fan, as well. His first car was a Model A which his wife bought him as a birthday present. As he got up in years he gave it to me. Of course I cannot sell it. I am more or less the caretaker of it. It has become a family heirloom and it would be my son's one day. I look forward to passing it onto him.

