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DETROIT FREE PRESS

Survey points finger at Ford

Parts suppliers blame automaker for quality problems

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Ford Motor Co. is hurting the quality of its vehicles by making too many late engineering changes and focusing too much on saving money, according to the preliminary results of a survey of parts suppliers.

The survey of more than 225 suppliers said quality problems at Ford — which has been beset by recalls and ranked last in a key 2001 quality study

— are the fault of the automaker's own decisions and policies.

The study was released Wednesday by **Planning Perspectives Inc.** following an Automotive News article this week that detailed a Ford purchasing meeting where suppliers reportedly were blamed for many of Ford's quality woes.

Birmingham-based Planning Perspectives does research and provides management consulting to auto suppliers and other businesses.

The survey, which was conducted over the last month, singled out Ford as the automaker most likely to order a late design or engineering change to a part. A late engineering change is problematic because suppliers often can't test the modified part as exhaustively as they'd like or study how it affects surrounding parts.

"This is clearly the worst Ford has ranked in over a decade we've been doing this survey," said John Henke, a marketing professor at Oakland Uni-

versity and president of Planning Perspectives.

"All of the automakers, even a **Honda** or **Toyota**, have late changes. But Ford is making changes a week before the car rolls off the line. Suppliers tell us they don't get any time to test the new part or to talk with their suppliers about the new part and new needs," he said.

Ford spokeswoman Della DiPietro released a statement saying Ford is trying to improve supplier relations.

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"Suppliers are our partners. The only way we can meet our quality and cost objectives is working in concert for our mutual benefit and, most importantly, for our customers. Our efforts thus far have produced some progress and good results . . . but we also are aware that there is still a great deal more to achieve," Ford said.

The survey was announced a day before the results of J.D. Power and Associates' much-anticipated initial quality study were to be released. In last year's study, Ford finished seventh among seven major automakers.

Henke said he released his preliminary results because he felt Ford was beating up on its suppliers in the press. His survey was based on responses from the top-ranking sales executives at suppliers who deal directly with the automakers.

The six automakers examined were Ford, General Motors Corp., DaimlerChrysler AG, Nissan Motor Co., Honda Motor Co. and Toyota Motor Corp. The purchasing areas ranged from interior and exterior parts to electronics, chassis and body-in-white.

"I think suppliers have an objective view of what's going on inside the automakers and they

can see that Ford clearly doesn't have its act together," Henke said.

The surveyed suppliers said only the Chrysler Group was more focused on cost than Ford. GM, which long had a poor reputation among suppliers, ranked better than its two U.S. competitors.

An automotive expert said suppliers may have bashed Ford because the automaker — which lost \$5.45 billion last year — recently launched an exhaustive value engineering program in which 1,000 Ford engineers will work with suppliers to cut purchasing costs.

The program, called the design cost saving plan, has the goal of trimming Ford's spending over the next three or four years on parts, metals and other products by \$3 billion.

"Ford has gotten real aggressive about getting costs out so this is a chance for suppliers to stick a fork in them," said Jim Hall, president of AutoPacific, a Southfield auto consulting firm. "Face it. Ford is trying to get a handle on costs while suppliers are seeing potential profits dry up. The two have a very different view of things."

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