Bloomberg.com

Think Bush Has It Bad? Try a Day as Bill Ford Jr.: Doron Levin

By Doron Levin

Jan. 11 (Bloomberg) -- Think President George W. Bush has been getting some bad reviews? Bill Ford Jr., executive chairman of the Ford Motor Co., isn't doing much better.

On Jan. 2 at Detroit's Joe Louis Arena, dignitaries assembled prior to a hockey game to honor retiring Red Wing great, Steve Yzerman. When the videotaped image of Ford's tribute to Yzerman flashed on the large screen, the crowd began booing.

``It grew louder as people realized who he was,'' said Helene St. James, a Detroit Free Press writer who covers hockey. ``I couldn't hear what he was saying about Yzerman.''

Red Wing fans, many of whom also love football, were venting their displeasure with the latest abysmal season of the National Football League's perennial doormat, the Detroit Lions, owned by William C. Ford Sr. and supervised by his son.

The Lions' 3-13 season in 2006 capped a six-year slide during which the team lost 72 games, two short of a record set by the Tampa Bay Buccaneers from 1983-1988. Nevertheless, the team inexplicably extended the contract of Matt Millen, its president.

The public booing of Bill Ford by Detroit hockey fans matches the disappointment and anguish rippling through Michigan and the Midwest as Ford fires and buys out tens of thousands of workers in an effort to stave off bankruptcy.

With Bill Ford, 49, at the helm, the No. 2 automaker in the U.S. posted net losses of almost $7 billion during the first three quarters of 2006. With cash running short and $13 billion of debt coming due this year, Ford Motor raised $23.4 billion by mortgaging most of its assets last month, including its trademark blue oval.

Over His Head

Amid the company's massive losses, Ford relinquished his post as chief executive officer in September, stepping aside in favor of Alan Mulally, a former Boeing Co. executive.

From the moment Bill Ford was installed as CEO following the firing of Jacques Nasser in late 2001, the great-grandson of the automaker's founder has been in over his head, unsure how to lead a global automaking operation and unable to articulate and execute a business plan.

His tenure will be remembered for his hiring of an environmental specialist to grow grass on the roof of Ford's new Dearborn, Michigan, assembly plant. The plant itself has turned into a white elephant in light of the automaker's overcapacity.

Hiring Mulally, or someone like him, was an excellent idea and something the company's board should have done earlier. The company tried and failed to entice either Carlos Ghosn of Renault SA or Dieter Zetsche of DaimlerChrysler AG. Still, five years of drift and indecision were inexcusable.

Share Loss

Ford has been losing share of the U.S. market, its most important, for 11 years. On a worldwide basis, Toyota Motor Corp. has passed Ford as the second-largest automaker behind General Motors Corp. Toyota probably will pass Ford in the U.S. next year. Amid doubts about Bill Ford's competence, scores of executives and senior engineers quit the automaker.

Mulally, who led a turnaround of Boeing's commercial aircraft division, said shortly after his hiring that the automaker lacked a business plan. He also said the company was being managed as a collection of six or seven Fords, each pursuing its own agenda; Mulally vowed to meld Ford into one company with a single business purpose.

While Mulally directs a broad corporate restructuring, Bill Ford maintains an office at Ford's Dearborn headquarters and the title of executive chairman.

And yet there are doubts in some quarters that even so able and experienced an executive as Mulally can pull off a recovery.

A retired business professor at Michigan State University, Eugene Jennings, says Ford's board and the Ford family proved themselves uninformed and ineffectual overseers during Bill Ford's tenure.

Still Asleep

While the Ford family and board have installed Mulally, he said, neither is providing rigorous oversight.

``They've overreacted to Mulally; they're treating him like a godsend,'' Jennings said. ``It's a dangerous position for the new chief because if he makes a mistake, there won't be anybody there to stand up to him.''

Even if Mulally does succeed, the board and family have to know what an awful idea it was to hand the reins in 2001 to someone whose main qualification was his family name.

Such poor judgment is better suited to professional sports franchises, where failure disappoints the fans and only costs the lavishly paid athletes and coaches their jobs.

To contact the writer of this column: Doron Levin in Southfield, Michigan at **dlevin5@bloomberg.net**

Last Updated: January 11, 2007 00:11 EST