

# THE FIGHT FOR FORD'S FUTURE

By David Kiley  
Photography by Bill Cramer

Marketing czar James Farley's job depends on persuading consumers that Ford is about more than SUVs



**Can a company that practically invented the SUV convince consumers to buy its cars?** For Ford Motor's marketing czar, James Farley, that is a career-defining question. Yes, Ford has nearly caught up to Toyota Motor in the quality stakes and it continues to sell more pickups in the U.S. than anyone. But in an age of lofty fuel prices, the famous blue oval can reasonably be compared to roadkill: flattened and none too fragrant. ¶ If anyone can revive the brand, it may be Farley, who guided Toyota's marketing efforts in the U.S. before being lured away 10 months ago by Ford CEO Alan Mulally.



Still, consider the challenge. On July 24, Ford announced the biggest quarterly loss in its 105-year history—a gag-inducing \$8.7 billion—as well as plans to turbocharge its move away from gas-guzzling SUVs. Putting the company back in the black will mean selling millions of fuel-efficient sedans and small cars. And so far this year, Ford has 10.4% of the passenger car market, half what it had in 1995. Farley, who has been cutting through the bureaucracy and getting rid of superfluous marketing people, sees his challenge this way: "It's not so much convincing people who have walked away from us," he says. "It's engaging people who don't think of Ford as a car

brand." If the 45-year-old Farley prevails, company insiders say he has a decent chance of succeeding Mulally, who is 62.

When Mulally became CEO in September 2006, he quickly concluded that Ford's marketing operation was broken. Ford had been through five failed strategies for its cars in as many years because no one could agree on what the brand stood for anymore. At first, Mulally flailed, reversing a decision to dump the well-known Taurus name and publicly advocating reviving the "Have You Driven a Ford Lately?" slogan. Then he went looking for a new marketing chief. "Given where we were and where we needed to get to, I felt someone from outside would break some molds," says Mulally, who came from Boeing.

#### TAKING THE CHALLENGE

As it happens, a relative of Chairman Bill Ford had been urging him to hire Farley. Besides noting the obvious merits of Farley's resume, Bill Ford was intrigued by Farley's emotional connection to Ford. When the two men met, Farley told of his beloved grandfather who had worked at Ford and sold Lincolns in Grosse Pointe, Mich., in the 1920s. The grandson seemed an ideal fit: an outsider, but one with Ford in his blood. Farley also had a reputation for pushing conservative Toyota to take risks that paid off, such as bringing small, youth-oriented Scion vehicles to SUV-crazed America. Mulally and Farley got together last summer in the corporate jet hangar at Los Angeles International Airport to talk. Mulally offered unprecedented authority over global marketing and a big say in what vehicles Ford sold worldwide. "Jim seemed born for the job," Mulally says.

Farley had recently been promoted to run the Lexus brand. He and his wife, Lia, had adopted a baby girl. Was this the moment to jump from ascendant Toyota to flailing Ford? One of his biggest concerns was whether Mulally's shake-up would endure. It's a legitimate worry. "Ford has to change a lot for a maverick approach like Farley's to take hold," says Anne Hanson, a former Ford marketing executive. But, she adds: "Saving Ford has to appeal to one's ego rather than playing it relatively safe at Toyota," Farley told his wife he wanted to do "something important." He knows it sounds corny. "But helping Toyota rack up another \$12 billion in profits isn't much of a legacy." Plus Ford generally pays better than Toyota.

After mulling the offer for two weeks, Farley said yes. His decision stunned the industry. The move was so unexpected that Toyota hadn't even made Farley sign a noncompete agreement. He went to Ford with at least five years' worth of Toyota's plans in his head (though he insists they will stay there).

Despite his reputation, Farley was received warily. On one hand, say current and former staffers, people were heartened that a Toyota big wheel living in California thought enough of Ford's chances to move to Dearborn, Mich., Ford's headquarters. Oh Dec. 3, Farley introduced himself to several hundred staffers. He repeated Mulally's mantra of creating one global brand and breaking down silos. To show that he felt people's pain, he talked about the deaths of his premature twins and the loss of his cousin, former Saturday *Night Live* star Chris Farley. James Farley's candor seemed alien at buttoned-up Ford. "He was talking to people losing a lot of hope," says a Ford manager

Farley on Ford's Dearborn (Mich.) testing track



Creative chief Barlow helped assemble Ford's marketing dream team

who attended the meeting. "While it played well with some, it put a lot of others off." But even Ford diehards understood something had to give. "There was one slogan we all knew that wasn't in the room," says Ford Div. General Marketing Manager John Felice. "Save the Company."

In early December, Farley sat down with Toby Barlow and George Rogers, respectively executive creative director and CEO of Team Detroit, the WPP agency that handles Ford's ad business. Farley got right to the point. "Do you guys play Fantasy Baseball?" he asked. Both men had heard of the virtual leagues put together by baseball fanatics, but neither belonged to one. Farley said he wanted Team Detroit to put together a kind of fantasy league, scouring the planet for the most forward-thinking and creative talent. Farley didn't care where the people came from. They could come from WPP, PR firms, universities, or digital agencies. They could be freelancers. They could be from Detroit or Dubai. "Team Detroit should be like a general manager of a baseball team," he says. "I'm looking to them to find me the best players for every game."

Farley was lobbing a bomb at the cozy relationship that had evolved between Ford and WPP, which tended not to look outside for fresh ideas. Barlow, a relative newcomer who lives not in Detroit's suburbs but in the city's beleaguered downtown, welcomed the Farley plan. "We have talented people here for sure," he says. "But we'd have to be nuts to think the smartest people in the world are all parking their cars in Dearborn."

Barlow had less than four months to create a new strategy and ads in time for an April dealer meeting. He mined his Rolodex and put together a "league" comprising 20 handpicked copywriters, art directors, and Web-focused creative talent. They represent a cross-section of disciplines and backgrounds; among them are freelancers and staffers from inside and outside WPP's roster of agencies. Several had worked for Nissan, BMW, and Apple—whose brand campaigns had impressed Farley and Barlow.

In early January, the creative team convened at the Detroit Doubletree Hotel for a 72-hour workathon to develop some 70 ideas that would be whittled down to three. They each received a six-inch-thick binder of market research and product plans for three years, complete with photos of future models much of the world hadn't yet seen. And they got unprecedented face time with senior executives.

Farley knew early on that if he were to succeed, he needed to involve dealers in a big way. Arguably, no relationship is more important in the auto industry than the one between the company making the cars and the people selling them. Yet Ford has traditionally balked at bringing dealers into the cre-

Flex product manager Raghavachari exercises strict brand discipline



ative process. That's astounding when you consider that of the \$1.5 billion the company spends each year on advertising in the U.S., dealers control 75% of the budget. It's telling that only about two-thirds of Ford's dealers participated in "Bold Moves," a short-lived campaign launched in 2006. That means \$400 million Of Ford's ad budget wasn't even connected to the central marketing strategy.

So when Farley invited a group of 30 influential dealers to a marketing confab in January, they weren't expecting much. It didn't help that the meeting was held not in Florida or Las Vegas but in Detroit, where snow was piled high from a New Year's Eve storm. Adding to the gloom of rising gas prices and collapsing home values was the dispiriting paucity of new models dealer had to sell the following fall; a new F-150 pickup and the car-based Flex SUV. "We had no coherent strategy for selling cars at a time when we could see this huge shift from trucks to cars," recalls Jeff Roberson, who owns a Ford dealership in Bend, Ore.

#### DO THE HENRY?

As they flew in from all over the country, the dealers braced for PowerPoint presentations and executive blah-blah. Instead they were shuttled off to a market research firm called Morpace. There, Farley, caffeinated and fidgety as usual, announced that the dealers were about to participate in a focus group. Ford normally recruited only consumers for that. But Farley told the dealers they knew more than anyone about their customers and what Ford does right and wrong. Before long the dealers were answering questions like: Which incentives work and which don't? What is wrong with Ford's advertising? What does the Ford brand mean to you?

Here's what really blew the dealers away: Farley asked them to critique the three new slogans and brand strategies that had emerged from the Doubletree brainstorming session. It had generated some duds- "Do the Henry" (as in Ford) was one for the wastebasket-and three possibilities: "Drive One," "Get into It," and a return to "Have You Driven a Ford Lately?" The dealers and hundreds of staffers voted and picked Drive One, which Farley hopes will be to Ford what "The Ultimate Driving Machine" is to BMW. "It doesn't sound like copywriting magic to me," says Dan Gorrell, president Of marketing consultant AutoStrategem. "The more important thing than the slogan is to stop the schizophrenia and be consistent in a way that says 'you can trust us.'"

There is one thing Farley can't change: the vehicles Ford is rolling out now. Yes, the company plans to bring six models to the U.S. from Europe, including the Ford Fiesta, a fuel-efficient subcompact. But Farley's first rollout is Flex, a seven-seat car-based SUV meant to woo disaffected owners of gas-thirsty Ford Explorers and boring minivans. Like it or not, Farley will be judged on the success of Flex's launch.

## ALTHOUGH DEALERS CONTROL 75% OF MARKETING BUDGETS, THEY'VE BEEN LEFT OUT OF THE CREATIVE PROCESS. FARLEY IS BRINGING THEM ABOARD

Farley turned to Usha Raghavachari, 32, who joined Ford's U.S. operations three years ago after managing the Ka mini-car brand, one of the company's biggest overseas successes. Raghavachari, born in India and raised in London, represents a new kind of Ford marketing executive. In the past, muckety-mucks could simply torch an idea they didn't like. Because she answers to Farley, she has real power and accountability.

Raghavachari'S first move with Team Detroit was to create a Flex brand book-a bible that spells out every attribute of the Flex. Scion, MINI, and even Ford Europe have done this. But Ford U.S. had never before put so much work into defining a vehicle before asking for ad concepts. "We need the discipline of the brand book to make sure everyone is connected to the same idea," Raghavachari says. The Flex is supposed to be a hip urban vehicle that Ford hopes will attract people for its design aesthetic rather than utility. At Farley's urging, the team honed the Flex brand mission from a page, to a paragraph, and then to one sentence: "For people in search of stimulation."

Raghavachari's brand book instructs dealers and ad makers that the Flex will never be shown with picnicking families, beach volleyball games, or dogs. No mentions of cup holders. "We can't have this turn into a dog-drool minivan, but it might if we don't exercise discipline," says Rogers. All photography of the Flex was shot at night to drive home the nocturnally hip, ready to-go-clubbing image Ford is aiming for.

In April, at the Bellagio Hotel in Las Vegas, Farley showed dealers the Drive One ads and a peek at the Flex campaign they helped devise. Despite concerns about gas prices and buzz that Ford would lose a bundle in the coming quarter, he and Mulally received a standing ovation. "Times are tough, but we were so high because of the faith we have in the idea, and because we're participating in the solution like never before," says Texas dealer Charles Gilchrist. That night, Ford executives invited Farley to join them in the casino. He begged off. "I already won today," Farley told them. "Let's not be greedy."

### THE FARLEY PLAYBOOK

#### THE IDEA COMES FIRST

Ad agencies live in fear of being fired and mightily resist pressure to go outside for fresh ideas. Knowing that Ford's very survival meant thinking outside the box, Farley insisted that its agency draw talent from all over.

#### EVERYBODY IN

Any company that relies on distributors to sell its products needs to recruit these frontline troops as brand advocates. Ford's dealers had been left out for years and felt alienated from the process. Farley brought them into the decision-making and showed them some love.

#### WHO'S IN CHARGE?

Successful product launches have many authors; bad ones have none. Farley put a manager in charge of each vehicle, making these people directly accountable to him and eliminating the possibility that a muckety-muck with marketing pretensions could torch an idea.