Some executives in this industry – perhaps, some might say, all too few – speak exclusively of product in their visions for success. Others are more inclined to believe that selling cars is akin to selling any other consumer good.

Sir Alex J. Trotman, who presided as chairman and CEO of Ford Motor Company from late-1993 through 1998, fit neither description; rather, he attempted to combine the best of both worlds, a strategy perhaps best characterized in his coining of the term, *low coefficients of bureaucratic drag*.

In another instance reflecting his pragmatically visionary approach, Sir Trotman was known to keep a collection of old hood ornaments from automotive companies who had gone out of business in his office – not for nostalgia but, as he put it, as “a reminder to me and (to) the people who work for Ford that the world doesn’t owe anyone a living, and doesn’t owe any company its business.

“It has to be earned every day.”

Sir Trotman passed away on Monday at his home in Yorkshire, England. He was 71.

Trotman spent thirty-eight years at Ford before rising to chairman and CEO from the position of executive vice-president of the company’s North American Automotive Operations, a position he had held from mid-1989 through 1993.
English-born, Scottish-educated Trotman left the Royal Air Force to join Ford UK in 1955 as a trainee in the purchasing department. Within a few years, he had become a product planner in the Ford Cortina project, the first iteration of a car that would launch in September 1962 to become Britain’s best-seller. Trotman was rewarded with the position of director of Ford of Europe’s Car Product Planning Office in 1967.

In 1969, he moved to the United States. Trotman would later muse that he had to swallow a demotion, and pay his own way across the Atlantic, to take the plunge. It paid off; he began working toward an MBA at Michigan State University and, in 1970, was named manager of Lincoln-Mercury’s Product Planning department. A series of promotions followed through the ‘70s and, in 1979, Trotman was named Ford of Europe vice-president of Truck Operations. He became president of Ford Asia-Pacific in 1983, and president (later chairman) of Ford of Europe in 1984.

Alternating between product planning and overseeing operations gave Trotman a uniquely dual-sided perspective to the industry: on the one hand, product, and on the other, the processes involved in its development; its production, and its marketing.

“He was a terrific product person,”¹ former Ford Vice Chairman Allan Gilmour told The Detroit News yesterday. Certainly, there are indications of Trotman’s interest in this most enthusiastic side of what is, after all, an emotional industry.

Doug Gaffka, exterior designer for the 1996 Taurus, notes that in the spring of 1991, then-vice-president for Ford North American Automotive Operations Trotman was known to “come by (to the Taurus studio) unannounced on his way to his office.” Recording Gaffka’s observations, author Mary Walton writes, “Doug Gaffka would look up around 7:30am and see (Trotman), a small dark-haired man with a mustache, his leather jacket slung over his shoulder, having been there for who knew how long without uttering a word.”²

When 3rd-generation Taurus program manager Dick Landgrafl wanted to push the product development budget to match the 1992 Toyota Camry’s attention-to-detail, Trotman was quietly

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1. “Ex-Ford chairman Trotman dies at 71,” The Detroit News, Tuesday, April 26th, 2005
2. CAR: A Drama of the American Workplace, Mary Walton (W. W. Norton & Company, 1997)
supportive – a rarity at Ford, at the time, particularly after the death of *Father of the Taurus* Lew Veraldi in 1990. “A stand-up guy,”³ said Landgraff of Trotman.

Indeed, it was Trotman who elected to continue the 3rd-generation Taurus’ emotive lines (much though they may not have been to everyone’s taste) through to the wagon model. “Why are you doing that?”⁴ he asked Landgraff of a Taurus wagon prototype with a boxy rear end. Trotman, writes Walton, thought it looked like a refrigerator, and ordered a change be made regardless of the cost to the program.

The Mustang Club of America (mustang.org) credits Trotman as the “key sponsor who enabled the skunk works team led by John Coletti to achieve approval for the 1994 SN95 (3rd-generation) Mustang.”

Although Trotman was not averse to emotion, a product’s business case had to be sound before he’d be convinced to take the risk. Trotman was less concerned with racing, for instance, than his protégé and successor, Jac Nasser, who pushed Formula One; rallying, and touring car competition.

It reportedly took then-number-two Jac Nasser to convince Trotman that New Edge design – the work of Ford of Europe’s small-car designer Fritz Mayhew – was worth banking on. Trotman quickly warmed to the likeable little Ford Ka afterward.

When it came to product, Trotman seemed most concerned with feature content, and with getting the newest features to the consumer at an acceptable price. The 1999 Ford Windstar, for instance, was the first minivan to offer a sonar parking sensor – a feature that was at the time attributed to Trotman’s love of technological innovation.

Trotman, too, saw both innovation and a business case in hybrid technology. Fast Company magazine recounts Trotman’s test-drive in a first-generation Prius with Prabhaker Patil, the head of the nascent Ford Escape Hybrid test team, in late-1998⁵. He granted his support to Ford’s efforts to surpass the Prius; agreed that Ford should develop its own technology rather than use

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³ CAR: A Drama of the American Workplace, Mary Walton (W. W. Norton & Company, 1997)
⁴ CAR: A Drama of the American Workplace, Mary Walton (W. W. Norton & Company, 1997)
⁵ ‘Ford’s Escape Route,’ Fast Company, October 2004
Toyota’s, and insisted that the planned Escape (which launched late last year) should sacrifice less to performance than did the Prius.

If innovation was the key to product in Trotman’s view, then that promise could be fulfilled by a large, global company like Ford only if, as he saw it, global components were shared. In product terms, the first and most vivid manifestation of this idea (though not entirely Trotman’s responsibility at the time) was CDW27, better known as the Ford Mondeo/ Ford Contour/ Mercury Mystique.

The concept was sound enough. The market potential for the Mondeo in Europe was said to be 250,000 units per year, and offering it globally could theoretically offset the costs of development. Often jointly described as the first genuine global car, the Mondeo/ Contour/ Mystique were designed to be sold in 59 countries. “We learned that a single-platform team can develop a car that is essentially the same on both sides of the Atlantic,” boasted Ford’s 1993 annual report.

The ensuing problem, however, was twofold. First, CDW27 cost $6 billion to develop, costs that were not likely to be amortized by the 100,000 annual sales, outside of Europe, that Ford eventually projected for the car. The car was well-received in Europe – superbly well, in fact – but, despite its nimble handling and excellent body control, it suffered in America from a lack of rear legroom. What lessons the exercise might have taught the organization – and they were, certainly, important – were lost on the media. Even the reliably insightful CAR magazine gleefully offered at Mondeo’s March 5th, 1993 European launch that Ford had spent more on the Mondeo than Boeing had on developing its contemporary jetliner.

Secondly, CDW27 did not have the organizational backing behind it to ensure success. Observing the difficulties with the program, and the car’s similarly trying 1994 American launch a few months after he attained the top job, only gave Trotman more incentive to push the idea further. He was wary of the competitor consolidation that he felt would run rampant in the industry and would threaten profitability and even survival (perhaps it was this fear that prompted his increase of Ford’s share in Mazda, despite reservations about that company’s performance).
Trotman was still more concerned about America’s record when it came to supporting its own (particularly with respect to, for instance, the relationship between the Japanese government and its industry). Although Trotman called the idea of collaboration between the American government and the industry “extremely healthy,” he conceded that “America comes close to the bottom of the list in collaboration between wealth-creating industry and the government” and was under no illusions about the commitment required from Ford if it was to return to profitability.

Under Trotman, Ford became the first company to issue worldwide automotive recycling guidelines to its suppliers and engineers, and was the first automaker to commit to certifying all 140 of its manufacturing plants to international environmental standards by the end of 1998. This was just the beginning.

“If what I say makes you feel uncomfortable about continuing with business as usual,” he told his audience at the National Automobile Dealers Association in Las Vegas on February 10th, 1996, “then I’ll have done my job.

“If I manage to get you excited about the opportunities for change, I’ll consider the day a great success.”

Trotman expressed his amazement that the automotive industry had not changed in a century. “We still build them on an assembly line much like the one introduced by Henry Ford early this century (and) we’re still using the same four-stroke engine invented by Otto in 1877,” he exclaimed.

“Manufacturers still buy parts from suppliers and sell the final product through franchised dealers, as they have since the industry was in its infancy.”

He was proud, he said, of the industry’s history – but cautioned that the next decade would see dramatic change, based on “fundamental forces,” these including the opening of world markets and the Internet. In attempting to turn Ford around, Trotman would emphasize change in the form of connectivity. Interconnectivity, he said, would happen with or without Ford, and a smart company would change the way it did business.

Ford, a global company, needed to be interconnected, Trotman believed. The result was a somewhat controversial plan, launched in 1995 and dubbed, Ford 2000. It sought to save billions in annual costs through component sharing (reducing platforms from 32 to 16), and demanding lower prices from suppliers. First, Ford of UK was merged with Ford of Germany still more effectively than had been done in 1967. Then, Ford of North America and Ford of Europe were combined into a single operating unit.

Next, Vehicle Program Centers (VPCs) were established, responsible for the design; development, and engineering of vehicles in five groups ranging from small cars to commercial
trucks. Separate core groups specialized in manufacturing; engineering, and marketing – and it was these core groups that attracted the most criticism. Some analysts took Trotman to task for offering early retirements to several middle-managers, some of whom had reportedly been trained in the W. Edwards Deming way of doing things. Their loss, it was suggested, would have severe implications for Ford quality.

The organization of the groups themselves was also the subject of some debate. Author Mary Walton describes the reaction of Body & Assembly manager and thirty-five year Ford veteran Ken Reuther, who she says “thought Ford was making a gigantic mistake in breaking up its core engineering departments.

“Where once all the brake guys or seat belt guys sat together and traded information, now they were dispersed, one or two on a team, with no synergy.”

Reuther argued, “we need old engineers and young engineers together. Old engineers telling young engineers, no, you don’t do this, it doesn’t work that way. You put the young guy on a dedicated, collocated team and he talks to himself.” Still, Reuther admitted the value of the DN101 (third-generation Taurus) team, and conceded that Trotman had allocated $3.2 million for a building to accommodate up to 450 visiting engineers for training under his expertise. “If the company believes in teams, we’ll work with teams,” he promised.

For his part, Trotman was convinced that the promise of saving nearly $3 billion annually by the end of the decade was worth the pain. “All things are ready if our minds be so,” he’d say, quoting Shakespeare. Realizing that it was critical that the entire company understood this, he bolstered his message with a weekly in-house TV show, and explained his targets and his reasons for the restructuring at every possible corporate venue.

Speaking at the aforementioned ’96 NADA conference, he emphasized that the changes were necessary to keep up with “customers who are more knowledgeable and sophisticated than ever before, and less loyal to a specific brand.

“For auto manufacturers, the bottom line of the revolution will be intense competition for the customer. Failure to attract enough customers will mean that some nameplates probably aren’t going to be around in ten years, others will be combined and consolidated. There’ll be more and more joint ventures and partnerships.”

Certainly, these words were prophetic, both in terms of the consolidation that would follow, and the rebates that now pervade the marketplace (a result of what Trotman referred to as the “mean consumer”).

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6 CAR: A Drama of the American Workplace, Mary Walton (W. W. Norton & Company, 1997)
7 CAR: A Drama of the American Workplace, Mary Walton (W. W. Norton & Company, 1997)
On the other hand, some of Trotman’s examples of change – such as Daewoo, which at the time was the fastest-growing new auto brand and one whose direct-marketing approach Trotman greatly admired – would wither and die along with the traditional brands Trotman might have been referring to (such as, most recently, MG-Rover).

Moreover, Trotman did push change too far in at least one product area: the Jaguar X400 project, or what we know today as the X-Type. Largely based on the Mondeo, the X-Type has been far less successful and suggests perhaps a touch of over-exuberance in the component sharing touted by Trotman. While Trotman could tout a £43 million grant package from the UK government to build the X400 at Jaguar’s Halewood, Merseyside plant, the car itself has been somewhat detrimental to the Jaguar brand, and as a model has not sold well.

In the context of all this, Trotman has endured some Monday-morning-quarterbacking that he demanded change for the sake of it, particularly after the man he chose to replace him, Jac Nasser, stepped down in October 2001 after the Ford family refused to grant support to his own ambitious, Trotman-derived (if wildly extrapolated upon), technology-motivated plans.

Trotman did (perhaps unlike his successor) correctly view the application of technology as the key – in the sense that it would drive down costs and improve efficiency, reducing product development times and thus better satisfying the newly-informed consumer while retaining profitability.

Just before Trotman retired in 1998, company consultant Ram Charan and University of Michigan Business School professor Noel Tichy cited him as an important figure in his company’s growth strategy and thereby its success. Charan and Tichy argued that a company either grew or declined, and that the companies which achieved growth all shared CEOs who “rejected any belief that their industry was mature; evinced a riveting focus on growing revenues and returns, and instilled a mindset for growth throughout the ranks.” This, Trotman certainly attempted, and the results are still playing out today. The popular Ford Focus, for instance, was conceived under his reign and was a far more successful global car than the Mondeo had been.

Although we are not entirely convinced of the merits of the global car concept (one which has been an elusive, moving target for so many companies), Trotman’s views of an ideal organization

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8 See article: *Jaguar in the next decade*
9 *Every Business is a Growth Business*, Ram Charan and Noel Tichy (Random House, 1998)
as outlined at the aforementioned NADA conference almost a decade ago strike us as highly relevant today.

“They’ll act like a small organization at times, and a large organization at other times, maximizing the unique advantages of both, empowering small teams of employees to make decisions at the lowest possible level, closest to the action – while at the same time leveraging resources from around the world to create economy-of-scale and spread the best practices throughout the organization.”

Satirist filmmaker Michael Moore once featured on his TV Nation program a challenge to Louis Gerstner of IBM: format a floppy disk. Gerstner refused. Alex Trotman, then in the first few months of his tenure as Ford CEO, was more than happy to accede to Moore’s request that he change the oil on a Ford Explorer.

Still not satisfied after Trotman had perfectly performed the task, Moore asked, “if quality is job one, what is job two?” Trotman responded, with characteristic honesty, “we don’t think of what’s second, really.”

It seems fitting, then, that by the time Trotman retired, he had pondered and answered that question. It was, said Ward’s Auto World, the “biggest reorganization since Henry Ford II created Ford of Europe Inc. in 1967.” Many have suggested that it was the right idea, somewhat tainted by an evolution beyond Trotman’s tenure into a cradle-to-grave strategy that was ultimately tempered in the wake of the Firestone crisis, and the perception that Ford had not focused sufficiently on its product.

This is unfortunate. As Director of the Center for Automotive Research in Ann Arbor David Cole notes, Trotman was “a real company man from the very beginning.

“He wasn’t a leader like Iacocca, with so much attention on himself. He was sort of a backroom executive. He was more somebody that governed from the team perspective rather than an individual perspective.

“He’ll be remembered well as a good executive, during a period of absolutely incredible prosperity.”

10 ‘Why Trotman is reshaping Ford,’ Ward’s Auto World, May 1994
When Trotman took over as CEO from Harold ‘Red’ Poling, Ford was reeling from a $2.3 billion loss in 1991, even after having roared back as the most profitable automotive manufacturer of 1986 with the revolutionary Taurus\(^1\). It bears noting that, in 1997 and under Trotman, Ford earned nearly $7 billion – enough to again become the most profitable among its global peers.

“The successful manufacturer of the 21\(^{st}\) century will be lean and fast-moving, with few layers of management and extremely low coefficients of bureaucratic drag,” noted Trotman at the aforementioned NADA conference almost a decade ago. With this in mind, we thank Sir Alex Trotman for his vision; courage, and optimism, and remain optimistic that the elements of his strategy that are still in play at Ford will continue to produce results.

\(^{1}\) See article: *Farewell to the Taurus*