Henry Ford (1863-1947)

- Since youth: assembling with new ideas
- 1892 Ford's first fuel engine car
  - First company failed
    - focused on improving design
    - not selling
  - Driving in races
    - Associating his name to speed
- Ford Motor Company
  - Rapidly bought back his shares
  - Vision of the product as a service
    - Service
      - Sales network
    - Customer first
    - Interchangeable parts
  - Understood
    - problems of unlearning
      - when there are new technologies
    - Standardization
      - repeating product success
      - Tools and process
      - Documentation
  - Make or buy
    - buy if same quality, lower price
    - started to produce more themselves
    - One plant per product
    - Got into steel producing to have litre metal
- Model T 1908
  - Quality in material
  - Simplicity in operation
  - Sufficient power
  - Absolute reliability
  - product has his name
  - mass production
- Operations
  - Assembly line 1913
    - breakage of work into details
    - and simple tasks
    - reducing non-value adding moments
    - moving assembly line
  - layout: No wasted space
  - Skill was in developing tools
    - Fool-proof
  - Motivation
    - Money builds loyalty
      - fewer controls
      - against unions
    - Well-lighted
    - Clean
  - Social responsibility
    - Medical care
    - Language course
    - Recycling
      - closed-loop process
      - waste reduction
      - standardized packaging
      - reuse of material
        - lower inventory
  - Inventory
    - Selling => seeing its value
  - Logistics
    - decentralization
      - source all their own
      - assembling locally
      - low overhead du to standardization
- Organization
  - Remove layers
  - focus on work
  - Classes
- Conclusion
  - Inventory shortage
    - due to speculation
    - Forester Effect
      - grouping orders
    - Ford did not focus on stock
      - But new that to much is a waste
      - WIP inventory
  - Kaizen by Ford
    - Profit has to come from OM
    - Not low wages
    - Not low quality
    - Not high price
    - Continuous improvements
  - Finance
    - Wiser with own money?
  - applied his model to
    - Trade School
      - work & study
    - Hospital
      - correct diagnosis
    - Farm
      - automation
      - large scale operations

Chapter 2 - Henry Ford (1863-1947).mmap - 15.02.2007 -