

Why Mobility? Why Now? A Q&A with Mark Fields

Ford President and CEO Mark Fields sat down with Business Insider CEO Henry Blodget for a question-and-answer session about the company's future in smart mobility during Ford's 6th Annual Further with Ford media event.

"You've heard us talk about how we're expanding business to be both an automotive and mobility company," Fields said. "But why are we doing this? It's because the world is changing very quickly, and spinning faster than we've ever seen before."

Fields cited the growth of megacities – metropolitan areas with populations in the multi-millions – as well as the doubling of the global middle class by 2030 and rising air quality concerns as top motivators for the industry and consumers alike.

"Attitudes regarding vehicles and transportation are changing rapidly," Fields said. "The world has moved from just owning vehicles to both owning and sharing. This is causing us to think very differently as a company and driving us to rethink our entire business model. It's not just about how many vehicles we can sell, it's about what services we can provide as well."

Fields mentioned the company's recent announcements regarding Ford's commitment to working with major global cities, and of course the company's recent announcements regarding autonomous vehicles.

"Autonomy is a big topic in the industry," he said. "We believe the next decade is going to be defined by the autonomous automobile, and we see autonomous vehicles having as significant of an impact as Henry Ford's moving assembly line."

Business Insider CEO Henry Blodget asked Fields the key question: Why mobility, and why now?

"Our intent is to have a level 4 fully autonomous vehicle in 2021 in ride-sharing or ride-hailing service," he said, "because the technology is there, the cost is coming down, and it's so compelling because when you take the driver out, you remove the biggest cost of a ride-hailing service."

Blodget noted that some competitors in the field of autonomy have no history of manufacturing vehicles – a trait that shows in the sometimes "ridiculous" designs of the vehicles themselves – and asked if Ford will produce an aesthetically pleasing autonomous vehicle.

"We're not in the business of ridiculous vehicles," Fields said. "It will look really nice. But when you're the passenger in the vehicle and not focused on driving, think about how the interior is designed. With all the things you can do in a car today, think of what you can do when you don't have to focus on driving."

Blodget mentioned that the deep secret facing the industry now is that autonomous cars are already better drivers than human beings. He asked Fields if this ultimately creates a problem for Ford going forward when it comes to sales of non-autonomous vehicles.

"There will be a spectrum of drivers going forward," Fields said. "There are those who will always love driving, and those who view it as a chore. In our company, we've used the term 'fun to drive,' but we've also added 'fun to ride.'"

Blodget asked if Ford has any advantage that sets it apart from competitors in the field of autonomous vehicles.

“Our advantages are a couple-fold,” Fields said. “We’ve been working on this for more than 10 years, and we were the only automaker to participate in the original DARPA challenge. When you look at our advantages, we for years have built a high-volume product with quality, scale and affordable cost. We also have a globally recognized and admired brand, which helps attract great partners.

“At the same time, another thing that’s very underestimated by a lot of folks is our systems integration,” he continued. “For years, we have integrated hardware and software technology and made them work seamlessly. That’s important going forward, particularly with a vehicle.”

Blodget asked if car sales would peak after the introduction of autonomous vehicles to the market.

“You could argue that in major cities, vehicle density will drop because of more autonomous vehicles,” Fields said. “Cities will further increase congestion charges, and some cities might outlaw personal use of vehicles. You could make the argument for fewer car purchases, but you could also argue for more autonomous vehicles as they’ll operate continuously. They’ll rack up more miles, meaning more replacement of those vehicles. Part of the hurdle to reach that point is adoption.”

Blodget reiterated the original question in a sense: Why provide mobility services, as opposed to just focusing on selling quality cars and tools to other providers?

“It’s a natural extension of our business,” Fields said. “The reason for that is the changing mindset from one of ownership to that of ownership and sharing. We’ve been so fixated on our business model of the ‘thing’ and how many ‘things’ are sold, but now we can think of the usage of our product.

“That’s why you’re seeing so many competitors you didn’t even think we’d have,” he continued.

“Interest in the market is huge. As a company, it is really important to have that one foot in today and one foot in tomorrow and to be able to articulate a strategy that says here’s how we’re running our business today, but also here’s our point of view on the future.”