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## Ford CEO touts Volvo acquisition, discounts BMW rumors

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CHICAGO — Ford Motor Company's dramatic \$6.5 billion acquisition of Volvo's carmaking operation last week spurred more than the usual amount of interest in new Ford President Jac Nasser's speech opening the 1999 Chicago Auto Show. Ford's action strongly underscored Nasser's assertion to attending media: that the major trends now affecting the auto industry — rapid consolidation and globalization, coupled with major technology advances — will make it much more consumer focused.



Jac Nasser, President & CEO, Ford

No automaker has a higher reputation for its consumer focus than Volvo. By adding the Swedish marque to its lineup, it's clear Ford not only took a big step in the current consolidation process, it secured a brand with a very high consumer image. On the technology front, it also added Volvo's world-class engineering and technology. As a result, Ford should improve its standing in the safety and environmental arena. Another plus for Ford, according to Nasser, is the fact that Volvo had no debt that needed to be shouldered. "I've said before that we have no interest in spending our hard-earned cash for someone else's hard-earned debt," he said.

Nasser said both parties stand to benefit in several ways. The infusion of cash will help Volvo further develop its global truck and heavy equipment business. "Volvo will also benefit from our economies of scale," Nasser said, "and in return we'll get a different viewpoint when it comes to engineering and safety. They are nimble, quick and extremely focused. I look at the [Volvo] S80 [sedan], and the navigation system is installed in the dashboard, which is not exactly where you'd think you'd see it.

"I think in the safety area, and durability, they are doing a tremendous job," he added. "They do a real-world safety analysis."

With the addition of Volvo, the number now seated around the Ford family table has risen to seven, and includes the Ford, Lincoln and Mercury domestic nameplates, Europe's Jaguar and Aston-Martin, plus Japan's Mazda. But the question on most reporters' minds was whether there is room at the table for another "chair" — namely that of Volvo's German rival, BMW.

Speculation about BMW's future has risen dramatically in the past few days given the unexpected departure of the company's president, Bernd Pischetsrieder and his manufacturing chief, Wolfgang Reitzle. For weeks Ford has been rumored to be a possible suitor for BMW, but Nasser was tight-lipped about the possibility of acquiring BMW any time soon.

"There are a lot of rumors going around: We've never really been shopping," he said. "But we can understand why we are considered to be a good partner. We've also demonstrated that we can have brands from an Aston-Martin to a Mazda. We've got an international global group."

When asked the question directly, Nasser smiled and said, "You know we hate answering those. That's my way of not answering the question. BMW is clearly going through some difficult times integrating Rover into their operations. It is going to be a difficult strategy for them to put together." Nasser did say he doubted that BMW would be able to remain independent for long. "If you take a broad view of what's happening around the world . . . you have to ask, is there room for independents? Yes, but they won't be as independent as they think because they'll need to depend on other people for technology," he added.

Nasser said that Ford owes its ability to make the Volvo deal to the Ford 2000 program initiated by former Ford CEO and president Alex Trotman, which helped streamline the company and positioned it to become more profitable and better able to respond to global opportunities.

He noted that the next transformation is designed to transform Ford " ...from a solid performer as an automotive manufacturer into a superior performer as a consumer-focused company that provides automotive products and services," he said.

Steps Nasser said Ford already has taken to improve its consumer focus include the establishment of factory-owned Ford Retail Network dealerships in key cities, the broadening of services by its Hertz auto rental company, and the Lincoln-Mercury Division's recent move to Southern California.

*Reported by [Peter Hubbard](#) and [Mary S. Butler](#) for ***cars.com***;  
photograph by [Andrius Mikonis](#) for ***cars.com****

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