**Ford Increases its Focus on Transformation Initiatives in 2020**

* New economic realities facing South Africa make transformation more important than ever
* Ford Motor Company of Southern Africa (FMCSA) is committed to implementing measures that promote better business
* Ford supports newly formed Automotive Industry Transformation Fund (AITF)

**pretoria,** **South Africa, 11 August 2020** – Ford is widening the scope of its transformation initiatives and deepening involvement in the economic empowerment programmes of its dealer network in 2020.

Esther Buthelezi, Transformation manager at Ford Motor Company of Southern Africa (FMCSA), says the new economic realities facing the country make transformation more important than ever, and more urgent.

“This unprecedented time as a company and a country has given us pause,” she says. “Markets will remain under pressure into the foreseeable future, and competition will increase dramatically. This makes it the ideal time to implement measures that can help to promote better business.”

Buthelezi works alongside various teams that are responsible for the dealer network, procurement of suppliers and Human Resources in order to drive Ford’s South African transformation initiatives. This includes the design, evaluation and implementation of a transformation plan which achieves FMCSA’s business objectives, and represents the organisation’s interests with industry groups across Southern Africa. This includes FMCSA’s Broad-Based Black Economic Empowerment (B-BBEE) initiatives.

A key focus for the company moving forward is transformation among its dealers and component supplier network. The industry-wide transformation fund administered by the National Association of Automobile Manufacturers (NAAMSA) provides a critical platform for manufacturers to facilitate transformation something which Ford is a strong supporter of.

The fund will be operational from 2021 and will use its R6 billion in industry contributions to drive industry transformation on all levels.

“We are very excited to partner with the rest of the industry in creating this large transformation fund. With funds from the AITF, we will help develop black entrepreneurs, expand the number of black-owned dealers and component manufacturers, and create opportunities for young managers and technical staff at all levels of the automotive industry,” Buthelezi states.

“Ultimately, we foresee a rapid acceleration of our transformation initiatives when business returns to normal, and we trust that it will help grow the industry and ensure our sustainability in the years ahead.”

The past decade has seen a complete transformation of Ford’s local manufacturing operations, at both a plant and product level. Ford has invested more than R11-billion into its Silverton Assembly Plant in Pretoria and Struandale Engine Plant in Port Elizabeth since 2009, and now has the highest-ever installed production capacity for the Ranger and Ranger Raptor pickups, and the Everest sports utility vehicle (SUV).

Besides the significant transformation of its plants and product line-up, Ford has also made progress on the transformation of its workforce. FMCSA is actively driving the creation of employment opportunities for the youth through its innovative and extensive Skills Development and Learnership programmes, with more than R250-million spent on training initiatives since 2014.

“All original equipment manufacturers (OEMs) in the South African automotive segment are required to be Level 4 B-BBEE contributors by 2021. We are continuously working towards that goal through various initiaitves,” explains Buthelezi.

Ford recently embarked on a landmark public-private partnership with national, provincial and local government to facilitate the creation of the Tshwane Automotive Special Economic Zone (SEZ).

“The Tshwane Automotive SEZ is an automotive component supplier industrial park that will play a significant role in bolstering further investment and job creation in the local economy, and will help businesses to become more competitive on a global scale,” Buthelezi says.

“It is only by government, industry and communities working hand-in-hand that we can create opportunities and fulfil our true potential. Initiatives such as the Tshwane Automotive SEZ will help empower local suppliers to develop as an integral part of the automotive industry, which currently accounts for 6.4 percent of South Africa’s GDP and 27.6 percent of the country’s manufacturing output. Ford alone contributes over 1 percent to the GDP, and we are aiming to grow the business further.”

Another key focus area for Ford is the development of fully black-owned suppliers to the automotive industry. To this end, the company, in conjunction with the Automotive Industry Development Centre (AIDC), created an Incubation Centre adjacent to its Silverton manufacturing plant in 2011. The Incubation Centre assists black entrepreneurs to build small service and manufacturing businesses with the ultimate goal of integrating them into Ford’s national supply chain.

“We currently have four budding entrepreneurs in the programme. We hope that they will soon join the four other graduates who are already supplying parts and services to our vehicle assembly plant, and who benefitted from over R15-million in procurement spend in 2019,” says Buthelezi.

For the next phase of its business transformation, Ford is investing in human capital in its dealer and supplier networks. This includes working with key decision makers on succession planning for senior executives, and supporting personnel on all levels of the business.

“To ensure that our transformation plans are successful, we must identify individuals in all aspects of a dealer’s business – finance, sales, technical support and management – and support their professional development to ensure that there is a strong pipeline of future talent to help transform the dealer network,” says Buthelezi.

This end-to-end focus on training and development includes the Ford academy which was established in 1998 as a sales academy for new vehicle sales staff but has since grown to cover most customer facing designation in the dealership. Further to this Ford offers a unique Management Development Programme , which is facilitated by the Ford Academy in conjunction with the WITS Business School over a twelve month period. The programme covers industry specific topics that participants are required to present as part of a Portfolio of Evidence. The programme is equivalent to an NQF Level 6 but is a non-credit bearing certificate.

To date 38 participants from various dealerships across the country have graduated from the two programmes offered in 2017/2018 and 2018/2019. Ford is also transforming its long-running employee bursary programme to make it more inclusive, and to benefit more employees. Previously, bursaries were only available for full qualifications. No short courses or other training courses were covered, and it was capped at three subjects per year. The employee dependent bursary also had tax implications that limited participation.

“In the last year we changed our bursary policy to include coverage of all types of training. As long as the learning institution is registered with the Department of Higher Education and Training, the full cost of tuition and study material is covered. The application rate has increased significantly from previous years to over 300 dependent applications in the first semester of this year. We have already paid out approximately R6.5 million this year,” explains Buthelezi.

Ford has also partnered with the Youth Employment Service (YES), which allows it to provide temporary employment and training for young unemployed graduates. To date, Ford has accepted 205 young people into its YES programme, with the aim of absorbing many of these talented young people into its own business and that of its dealers and suppliers.

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