

SUMMER QUARTER COMMENCEMENT
August 29, 1997

Following are remarks by Ed Hagenlocker, Vice Chairman, Ford Motor Company, at the Ohio State University commencement ceremony in Columbus Ohio on August 29, 1997.

President Gee. Members of the faculty. Distinguished guests. Honored graduates. Family and friends.

Good morning! It's great to be back at OSU! I'm honored to be here, to help you celebrate this special day that marks the end of one journey... and the beginning of another.

I must confess that for me, today is somewhat of a sentimental journey. Because this is where my roots are.

1962—the year I proudly became an OSU graduate—was a time of trial and transition for America. That year, the Cuban Missile Crisis brought our nation to the brink of nuclear war with the U.S.S.R... and John Glenn became the first American to orbit the earth. It also was the year the first television picture was transmitted across the Atlantic... and the first pager was marketed.

Who would have thought, back then, that we'd someday have U.S. astronauts orbiting Earth on a Russian space station?

That we would be transmitting pictures from Mars to Earth? Or that cars would be equipped with cell phones and personal computers—keeping us constantly in touch with our families, our colleagues and our customers around the world?

The changes we've seen over the past three decades have been nothing short of astounding. But what we will experience in the next 20 or 30 years will, I suspect, make the last 30 look like a walk in the park.

While change has always been part of our world—and always will be—the "real world" you are about to enter is vastly different from the one I entered when I left OSU. Why? Because external factors are accelerating the scope and pace of change.

Today I will offer you my perspective on how our world is changing, how businesses are adapting, and how these changes will affect you—the next generation of leaders. Although my view is from the business world, specifically the auto industry, I think you'll find it applies to any career you may be embarking upon.

One of the major drivers of change today is the explosion of electronic communications—the arrival of the so-called Information Age.

Anything you want to know you can find on your own computer... those indispensable tools used by millions of people. And all those people are connected via their own superhighway—the Internet.

Each of us is only a key stroke away from calling up more information, more accumulated knowledge, than any business executive, college professor or scientist could store up in his or her brain in several lifetimes of study. And the amount of knowledge available is growing at an incredible rate.

The Rand Corporation has estimated that the total amount of information available in the world today is doubling every 10 to 15 years.

Another basic force of change is the shrinking, border-less world—the opening of the world's markets to intense, global competition.

Trade barriers are disappearing. New markets, new customers and new competitors are appearing almost everywhere.

Within this changing landscape, the "new" winners will be leaner, more nimble companies—with little regard for heritage or national borders. (Consider, for example, that of the 100 largest U.S. companies in 1900, only one—GE—is still around!)

Today, many companies no longer think of themselves as "American" or "European" companies. Their home office may be in North America or Europe, but their scope transcends national borders. They provide goods and services for many markets of the world, and the people managing them are as diverse as the markets and customers they serve.

At Ford, for example, our headquarters are in the U.S., but we have manufacturing operations in more than 30 nations and sell our products in more than 200 markets. About half our employees are European, Asian or Latin American.

As of last count, the employees of Ford spoke some 50 different languages and dialects.

And you don't need to be big to be global. In this age of electronic commerce, even smaller companies are doing business beyond their national borders on a regular basis.

Another key development in this global marketplace is the growth of production capacity.

Competitors around the world are lining up to sell their goods to customers in markets near and far. Over capacity is becoming the norm, not the exception, in many industries—including autos.

The availability of information, the shrinking world and the surplus of goods are bringing about another revolutionary change in the business world: A major shift in influence from the producers and sellers of goods—to the buyers.

We're entering what is probably the greatest buyer's market in history—what you might call "the customer revolution." And it is here to stay.

Today's consumers are more in the driver's seat in the sales transaction than ever before. They are also better informed, more sophisticated and more demanding than ever before.

They expect excellence in both the product and the purchase experience; and if they do not get it from one manufacturer or retailer, they'll go to another.

They have lots of choices... and they can make many of their selections from their home computer, at their convenience.

The underlying message is that businesses and individuals all over the world will keep trying to make things better, faster, cheaper, more convenient and more fun for the customer.

To survive and prosper in the future, companies will have to intensify their focus on anticipating, fulfilling and exceeding customers' needs and expectations.

At Ford, we are constantly reevaluating every aspect of the way we do business—including our corporate culture. We know that process improvements alone will not bring success. We need to tap the full potential of all our people to achieve our long-term vision.

We are also committed to education—both inside the company, and in the communities where we do business.

At Ford, continuous learning is our way of life. Virtually every employee—in every office and plant—takes courses each year.

Another example of Ford's commitment to education is the Total Quality Business and Education Partnership formed last year with five U.S. universities—including OSU.

The partnership goal is to help these universities prepare for the next century. The universities benefit by learning and applying Ford's management principles to better serve their students, parents, alumni, research partners and other constituents. The benefit for us is that it helps deliver a better student who is graduating with the skills and tools needed to make an immediate contribution to the workplace.

What does this fiercely competitive, customer-driven, global marketplace mean to someone just embarking on a career?

I believe that successful individuals in the future will share many of the same characteristics of successful companies—including having a more global perspective... and a passion for pleasing the customer.

Companies doing business in a global environment need women and men with global perspectives to run them—people capable of discovering opportunities in every culture, every market... who understand the unique customer needs and preferences... who understand the issues of a global marketplace and value different viewpoints.

A passion for pleasing the customer is another trait successful companies and successful individuals will share. As I said earlier, the 21st century will be age of the customer.

Everyone has customers—educators, doctors, politicians, researchers—not just business people. And if you and your operation aren't adding value for your customers, they will find someone who will... and they will have the whole world to choose from.

As you begin to plan for your future, I recommend that first, you determine what you want out of life—what will fulfill your personal ambition.

Don't restrict your possibilities with self-imposed limitations. Early in his career, Henry Ford wrote that, "Everything is possible." And he proved it time and again throughout his life. You can do the same.

My second piece of advice is develop a game plan. Woody Hayes once said, "Even the best team, without a sound plan, can't score." It is true for companies—and for individuals. Don't leave life to chance... or wait for an opportunity to present itself. Because chances are, you may end up someplace you don't want to be.

My third recommendation is to embrace and lead change. As I said earlier, the pace of change is accelerating for your generation. Advancing technology, new fields of knowledge and new competitors will continue to accelerate the scope and pace of change. Accept it... and prepare for it.

Education is a life-long process. In your lifetime, the shelf life of technology will be short. Learn new skills. Become familiar with new cultures, new markets and new ideas.

My final word... is perseverance. If you want something—go for it.

Success is not a place we arrive at. It is a continuous journey. You and only you have the potential to make it an exciting ride.

Congratulations and good luck!

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