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A Star at Toyota, a Believer at Ford

By BILL VLASIC

Correction Appended

LAS VEGAS

AT a dinner here at the Bellagio hotel about two weeks ago, the ballroom buzzed with 1,400 car dealers fired up for a turnaround at the [Ford Motor Company](#). With fresh products coming and a new ad campaign in place, they were ready to celebrate an attempted comeback by the struggling Detroit automaker.

But James D. Farley was hardly in a festive mood.

He had been on the job as Ford's chief marketing officer for all of six months, lured away from a stellar career with the Japanese juggernaut [Toyota](#) to inject similar sizzle into Ford.

The dinner capped a four-day summit of Ford's dealers and top executives, and it should have been Mr. Farley's time to shine, to feed off the enthusiasm of dealers eager for good news at Ford.

Yet as he sat in an empty conference room before his keynote speech, Mr. Farley was introspective. "How am I doing? You know, I can't answer that question, how am I doing," he said. "It's too complicated."

The challenges ahead were too profound for simple answers, he said. The survival of Ford was at stake, and he wasn't about to carry his share of that burden lightly. "I'm not someone who is going to be smiling a lot," he said softly. "There's just too much to do."

As the lights dimmed, Mr. Farley didn't lead cheers or shout slogans. Instead, he spoke from the heart, revealing a depth of passion for Ford that turned the room dead silent.

He talked about his grandfather, who had gone to work for [Henry Ford](#) in 1914 and later worked at the celebrated Rouge plant; about his first car, a vintage 1966 Mustang; and about the dealers and their families and their livelihoods.

Like a shy actor blossoming on stage, Mr. Farley became swept up in the emotional power of the moment. "I believe, in many ways, the future of Ford is the future of our country," he said.

"The work here is simply more important than the work I was doing at Toyota." When he finished, the dealers rose for a standing ovation that left Mr. Farley momentarily stunned. After the applause died down, he savored the reaction.

"These people," he said, "want to believe."

But it's not easy to believe in Ford these days. The auto giant, based in Dearborn, Mich., lost a combined \$15.3 billion during the last two years, slashing tens of thousands of jobs and shutting factories to balance its shrinking share of the American market.

Last year, Ford ceded the No. 2 position in sales in its home market to Toyota, and its domestic sales have slid a further 9 percent so far in 2008. Moreover, the company has been forced to sell off prized assets like its Jaguar and Land Rover units, to raise cash for its nascent

turnaround.

“Ford is at a crossroads,” said John Casesa of the auto consulting firm Casesa Shapiro Group. “The business has been declining for 30 years, and the competition is only getting tougher. They need to change to the core.”

Mr. Farley says he grasps that reality quite fully, as well as the tortured path that Ford has been on over the last decade. During an interview, he held out the tip of a finger to illustrate his point.

“I cut this finger playing with a model plane when I was 12 or 13,” he said. “I didn’t really feel it. It was like, that’s weird. Then the whole finger came down and I could see the white of my bone.”

He paused to let the image sink in.

“Some cuts leave a little scar, and some cuts go to the bone,” he said. “Ford’s experience in the last 10 years went to the bone. My hope is that everyone at Ford never forgets what we went through.”

FORD’S current makeover started when it reached outside the auto industry two years ago to hire a longtime [Boeing](#) executive, [Alan R. Mulally](#), as its president and chief executive.

Since then, Mr. Mulally has pushed Ford to integrate its far-flung operations around the world. Under the rallying cry of “One Ford,” the company is on a mission to globalize product development and accelerate the introduction of fuel-efficient cars in the United States.

Still, years of counting on full-size pickups and large S.U.V.’s for profits have taken a toll.

Rising gas prices and shifting consumer tastes have left Ford with a product lineup ill-equipped to compete with the surging foreign rivals Toyota and [Honda](#).

Moreover, the Ford brand and its “blue oval” badge have lost their appeal to American consumers. Ford’s own research shows that while nearly 90 percent of vehicle buyers have a favorable view of Ford as a company, less than 50 percent actually consider shopping for its products.

“The most important thing we need to do is get that consideration of purchase,” said Mr. Mulally.

For that, Ford has turned to Mr. Farley, whose full tongue-tying duties as group vice president for marketing and communications include, according to the company, connecting “even more closely with customers through integrated global marketing, advertising, digital communications, brand development, product planning, research, product communications and public relations.”

A mop of tousled brown hair and a boyish smile lend a disarming youthfulness to a 45-year-old executive who has already put together an enviable track record during his 17 years with Toyota.

Despite that unassuming demeanor, Mr. Farley is zealous, driven to resurrect Ford’s image in the American marketplace.

“Intense is a good description of Jim incredibly intense,” said William C. Ford Jr., the automaker’s executive chairman and a great-grandson of the founder. “He feels everything.”

Before his speech at the Bellagio, Mr. Farley pondered his road ahead at Ford. With domestic

auto sales at their lowest point in a decade, he said it was imperative “that we make every decision right” on introducing critical new products such as the Flex crossover and the Lincoln MKS sedan.

The bigger task will be communicating, every day, a sense of urgency. Ford’s market share in the United States has fallen to 14 percent at the end of last year from 26 percent in the mid-1990s, and even the 2007 level is precarious in the current economic downturn.

No one has felt the pain of Ford’s steady decline more than Mr. Ford, who was the company’s chief executive when he first met Mr. Farley in 2006. At the time, he was seeking a replacement for himself as C.E.O., a search that led to the hiring of Mr. Mulally.

Mr. Ford also had become intrigued with Mr. Farley and the marketing prowess he demonstrated at Toyota. They met through a mutual friend, and Mr. Farley was immediately drawn to Mr. Ford’s intense pride in his company.

“He just cares so much about Ford,” said Mr. Farley. “And he puts it in a way that really makes you think about things.”

THE son of a banker, Mr. Farley was born in Argentina, spent his early years in Brazil and Canada, and eventually attended high school in Rhode Island. Even as he moved around, he retained warm feelings for Detroit, where his mother’s family lived. He was particularly close to his grandfather, who worked at the Rouge plant and became a Ford dealer. Their relationship nurtured Mr. Farley’s early interest in autos and led his grandfather to nickname him “Jimmy Car-Car.”

When he was 14, Mr. Farley spent the summer working in a factory in California that rebuilt Ford engines. He bought his first car there: a jet-black 1966 Mustang hardtop. He then drove it

cross-country in two days to a family vacation home in Michigan without a driver's license.

"I just love cars, always have," he said. "You know, I still can't believe I get paid to do what I do in the auto industry."

After graduating from [Georgetown University](#), he earned his master's degree in business administration at the University of California, Los Angeles, and spent two years at [I.B.M.](#) before Toyota hired him as a strategic planner in its fledgling Lexus division in 1990.

Mr. Farley rode the fast track at Toyota. He moved to Europe in 1995 and helped introduce versions of the Yaris minicar and the Corolla compact. He also became obsessed with what cars people drove and why.

"I used to walk parking lots all the time, all over Europe," he said. "When I'm in a new situation, my formula is to really find the truth in things, to observe and get close to the truth."

The truth, as he saw it at Toyota, was all about the customer unlike at some other automakers that let executives dictate what cars to build.

"One of the many things that Toyota does really, really well is that it can put the voice of the customer right there at the table in front of the chairman of the company, in a way that even he can't change it," he said.

In 2002, he received a dream assignment when he was named head of Toyota's new Scion youth brand. Armed with two quirky Japanese models, the xA hatchback and shoe-box-shaped xB, Mr. Farley set out to make Toyota cool with a new generation of American consumers.

He embarked on a guerrilla-style marketing campaign and took the funky Scion models to

concerts, art galleries and street fairs across the country.

He also shunned traditional advertising, instead creating one of the first truly interactive automotive Web sites. When a top [General Motors](#) executive dared to publicly criticize the odd look of a Scion, Mr. Farley fired back with attitude to spare.

“I couldn’t care less about Detroit,” he said in 2003. “My prediction is that they will follow us.”

Scion quickly became a successful brand-within-a-brand for Toyota, and a springboard for Mr. Farley.

“There was a lot of concern in Toyota on how Scion would do,” said Dennis Cuneo, a former Toyota manufacturing executive. “But Jim seemed to have an innate sense of how to market it.”

Mr. Farley became a corporate star, and his rapid rise up Toyota’s executive ranks only fueled his competitive spirit. When the automaker introduced its new Texas-built Tundra pickup, he took aim at the heavyweights Ford and G.M. with a red-white-and-blue ad campaign that made its debut during the [Super Bowl](#).

In April 2007, Mr. Farley grabbed Toyota’s brass ring the group vice presidency of the Lexus division, the best-selling luxury brand in the United States. He also had a home in Southern California, and he and his wife, Lia, had just adopted a baby girl. But Mr. Farley was, in fact, deeply troubled.

Before the adoption, his wife had given birth prematurely to twins. After a short period, both infants died. In the throes of grief, Mr. Farley questioned his values, his life and his future.

“What do I want to be?” he recalled thinking. “What do I want my legacy to be? Do I want to

spend two weeks in Japan debating the price of a new Lexus, or do I want to make a real difference?”

MEANWHILE, Mr. Ford and Mr. Mulally were tag-teaming Mr. Farley, trying to persuade him to join Ford. Each time, Mr. Farley politely rejected their overtures.

“I was just so scared to leave Toyota because all my friends were there and it’s such a wonderful company,” he said.

But every entreaty from Ford left him thinking about his grandfather and the workers at the Rouge plant. “I just could see their faces in my mind, the pride they had,” he said. “I wanted to be part of something like that.”

Finally, he agreed to meet with Mr. Mulally. In late September 2007, a Ford corporate jet en route to China touched down at Los Angeles International Airport. Mr. Mulally stepped off the plane and waited in the lobby of a private hangar.

“I was in the outer lobby and I watched Jim get out of his car,” Mr. Mulally said. “I remember his hello, his eye contact, his questions, how articulate and genuine he was. I knew right then this was the person I wanted.”

For his part, Mr. Farley appreciated Mr. Mulally’s plan to streamline and stabilize Ford, then expand the business with new cars and crossover vehicles that consumers really wanted.

“What Alan showed me was confidence that there was a plan, that he got the fact that product was the key to the whole thing,” said Mr. Farley. “Every time I asked him a question, that we peeled the onion, it got more interesting.”

Mr. Farley jumped to Ford, a move that stunned industry analysts. Those close to him, however, weren't surprised. "Toyota was a great job for Jimmy, but at Ford it's like he's part of a family," said Fran Farley, Mr. Farley's older sister. "It really was coming home for him."

But Mr. Farley gave up a sure thing at Toyota by embracing Ford and all of its uncertainties.

"Jim Farley is a real talent, but it's a heck of a lot easier to sell Toyotas than Fords," said David E. Cole, head of the Center for Automotive Research in Ann Arbor, Mich.

The Toyota cocoon, with its reputation for quality, safety and reliability, had insulated Mr. Farley from the harsh reality of the American car market. "I remember telling my wife that in all those years at Toyota when we were gaining market share, I didn't know anyone lost," he said. "I did know, but I didn't know."

At his first town hall-style meeting with his extended Ford staff, Mr. Farley opened the session with a gesture that people still remember.

"I'd like you to turn to the person next to you, I don't care if it's on the right or left, and pat them on the back," he said. Then he laid out his agenda in the simplest terms possible.

"I hope you are ready to save this company," he said, "because that's what I'm going to be doing every minute of every day." Ford, he said, "was at the precipice," and had no margin for error.

In his first weeks at Ford, Mr. Farley pored over the company's product portfolio, sales figures and marketing data. He spent hours with its product development chief, Derrick Kuzak, and concluded that Ford's improvements in vehicle quality and safety were largely unknown and underappreciated by consumers.

“Jim kept telling us we have good product but people just didn’t know it,” said John V. Felice, the senior marketing manager for the Ford brand.

Mr. Farley set up a series of weeklong test drives of Ford vehicles by consumers in select American cities and began filming their reactions. He met with psychologists to study why people had become, in his view, apathetic about Ford.

“What made Ford great in the past is that it’s a populist brand that democratizes enjoyment and technology for the masses,” he said. “You have to talk to people at eye level and show them concrete things that Ford employees are doing so they can trust a Ford product.”

In January, Mr. Farley brought dozens of Ford dealers to Michigan for an experiment. He split them into groups of five and had them discuss Ford’s marketing challenges while Mr. Farley and his managers watched from behind a one-way mirror.

Dealers attacked Ford’s credibility in the marketplace and its lame ad campaigns. “The reality that the executives in Detroit see is not the reality we’re dealing with,” said Charlie Gilchrist, a dealer from Weatherford, Tex.

Mr. Farley watched raptly as the dealers dissected Ford’s strengths and weaknesses.

“I believe that working together is about institutionalizing tension so we can make breakthroughs,” he said. “I found it absolutely liberating to see Ford people watch their own dealers struggle with the way to present the company to customers.”

This led to an ad campaign featuring Ford employees and consumers praising the quality, safety and technology in Ford cars and S.U.V.’s, and an invitation to “Drive one.”

“We needed a transactional campaign where the product speaks for itself,” said Mr. Farley. “I mean, don’t believe us. Let the product speak to you.”

Mr. Farley’s enthusiasm has proved contagious. He shows up in Ford’s engineering labs and design studios at all hours, asking questions and seeking ideas. “He has set everybody free,” said Mr. Mulally. “He’s getting the best out of everybody.”

When dealers asked Mr. Farley to carve out part of the national ad budget for regional campaigns, he approved it. A suggestion from his staff to pump up promotions on the fuel-conscious Focus sedan was given a green light immediately. Such gestures are at odds with Ford’s traditions, and Mr. Farley loves it.

“At Ford, it was like the boss was always right,” he said. “But it is fascinating how quickly the people I work with were able to shift to where they had their own opinions and expressed them.”

For the dealer meetings in Las Vegas, Mr. Farley brought 60 Ford engineers along to demonstrate firsthand the innovations under way in Dearborn. And after the Bellagio dinner, he joined dealers to tour exhibits in which Ford engineers showed off the latest air bags, scratch-proof paints and recyclable interior parts.

Several dealers crowded around a Ford chemical engineer, Angela Harris, as she showed off car seats filled with soybean-based foam. A few dealers from farming communities, she said, asked her for samples to take back home.

“Do you know how happy it makes me to see a Ford engineer talking to Ford dealers about soybean foam so they can tell their customers who are farmers?” Mr. Farley said. “I mean, how

freaking cool is that?”

ALL intensity aside, Mr. Farley sometimes seems like a kid in a candy store at Ford, as though Jimmy Car-Car has found the ultimate playground. In those moments, his resemblance to his late cousin, the comedian Chris Farley, emerges in the twinkle in his eye.

“Chris and I were very different people, but one thing is we both really believed in what we were doing,” Mr. Farley said. “We’re very passionate and very creative.”

That passion will be tested as Ford confronts its future. The reputation and fortunes of Ford, a company that once symbolized American industrial supremacy, have faded precipitously.

Mr. Farley said he sees the American auto industry in the 21st century as a “meritocracy,” in which ingenuity and commitment can turn an also-ran into a leader. “It’s helpful to take the point of view that every day I’ve got to roll up my sleeves and earn it,” he said. “I need Ford needs that kind of attitude.”

At the dealer meeting, Mr. Mulally made some concluding remarks. He posed a question to the Ford dealers and executives in the ballroom.

“What do you think of our latest new model, Mr. Jim Farley?” he said.

Another standing ovation erupted. From his front-row seat, Mr. Farley gave a small wave.

What, he was asked later, was he thinking when the applause cascaded over him.

He reflected a moment.

“What I’m doing at Ford is in one sense a dream come true,” he finally said. “But it’s also the

hardest thing I've ever done. Do I feel comfortable? Absolutely not. Do I try my best? Yes.”

This article has been revised to reflect the following correction:

Correction: April 27, 2008

An article last Sunday about James D. Farley, the chief marketing officer of the Ford Motor Company, referred incorrectly to his grandfather's work history there. While the grandfather was indeed hired by Ford in 1914, he did not immediately work at its Rouge plant. (The plant's construction did not begin until 1917.)

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