



Transforming Urban Mobility

The following speech was given by Steven Armstrong, Group Vice President and President, Europe, Middle East and Africa, Ford Motor Company at the 2017 Handelsblatt Auto-Gipfel event in Sindelfingen, Germany:

It's a real pleasure to be here. Jim Farley was at the Auto-Gipfel last year – he said that this was one of the most important gatherings of automotive leaders in Europe and I can see absolutely, he was right. We all know our industry is in a moment of massive transformation.

Gabor set the scene, and Dieter Zetsche and Matthias Müller gave us a frank account of the challenges they face.

I want to do the same but also shine a light on some of the possibilities that we at Ford see. Three weeks ago our new CEO, Jim Hackett set out the Ford story – his view of the future. New smart vehicles will pair or thrive in new transportation operating systems in cities. Our commitment to this means we will be more evolved to capitalize on new business opportunities in new mobility and transport services.

Cars and vans have always connected A to B via roads, highways, freeways, autobahns. But now they will be embedded in more complex physical and digital networks – our cities. And as we know, this century, the 21st century, is the century of the city.

Today just over half of the world's population already live in cities. The UN estimates this will rise to 66% by 2050 – that's two and a half billion more people living in urban areas.

Cities are drawing millions of us in as they promise opportunity, vibrancy and excitement – however, they also promise us traffic! Easy to see here in and around Stuttgart.

A rise in people means a rise in vehicles, and our beautiful cities here in Europe are struggling to cope. Ageing infrastructure is creaking and our customers are feeling frustrated. Congestion jams up all of our lives and is costly in many ways.

Economists can tell you what this means in terms of lost GDP but in our lives we may feel the loss in time. In Europe in 2016, we spent an average of 91 hours in traffic.

That's equivalent to more than two working weeks – giving that back to people to spend with their friends and families would surely be one of the greatest gifts.

Time is freedom. And freedom has always been central to the promise made by Henry Ford over 100 years ago – to open the highways to all mankind. The challenge now is the same but different. Back then we wanted to give people the opportunity to explore. To extend their horizons to seek new opportunity and achieve the great American dream.

Now the mission is to help our customers navigate their lives by giving them the most frictionless journeys in more complex and different environments. Ford Motor Company was built on the belief that freedom of movement drives human progress. And in turn we need to ensure that the services around them can be seamlessly delivered to enhance our lives or even just keep them running to plan.

As we know, online shopping has exploded in the last decade with over 4bn parcels being delivered each year in our European cities. This is still growing exponentially.
At the same time, we also need to keep our shops in city centres and malls fully stocked.
And most importantly we need healthcare, emergency and social services to be immediately accessible when we need it most – not stuck in traffic.

The problem is more vehicles means increased competition for a place in our most valuable public space – our roads.

Cities are made of places and spaces. When we visualise cities it is often the squares and parks that come to mind – yet we forget the sheer scale of our streets and roads. They represent the biggest public investment too – and if we can help make them work better, we will see leaps in productivity, growth and well-being.

This is key to Ford's vision of mobility, our aim of being the world's most trusted mobility company – smart vehicles in a smart world.

This is not a thing we can do on our own. This involves the newest of collaborations – with cities and their leaders, with public services, with data scientists, start-ups and many others. And it needs the oldest of skills – understanding the customer and their needs, desires and passions.
The City of Tomorrow will need different infrastructure. As electric vehicles increase, the demand for electricity threatens to overwhelm the existing grid. The gain is massive in terms of reduced pollution, the challenge great in terms of the need for new and better networks of energy distribution.

The space in cities is ultimately a finite resource that will need to be managed effectively and efficiently.

We are used to the old patterns of bikes, buses, trams, taxis and private cars sharing space. But they mainly exist in parallel – aligning them so that they are better integrated will meet the needs of citizens who want a seamless, stress-free journey. These changes will make cities more liveable.

But to reach this innovation is needed, which is why we are working on all aspects of mobility – all elements of the journey.

There's Chariot – the crowd-sourced shuttle service, now in four US cities. Here in Germany we have FordPass, the app allowing customers access to bikes in Cologne and Dusseldorf and a nationwide fleet of Call-a-bike units, which supplements the Ford Car-sharing offering.

And we don't neglect the classic form of mobility – walking. We collaborated with a smart cities start up in London to create a network of Ford Smart Benches – located in busy inner city pedestrian areas these seats will offer wifi and mobile charging - an urban pit-stop if you like. And they will collect data on CO2 levels, noise, humidity and temperature – providing information to local government for free.

Our growing team based at the new European Ford Smart Mobility office opened just a few weeks ago in London will target near-term development of smart mobility technologies while focusing on the specific requirements of European cities. Co-located in East London with a hub of world-class digital companies, academic institutions, start-ups, and existing partners, we will radically boost our collaboration in the new world.

Because collaboration – not just leadership - will be at the heart of building the smart cities we need for the future.

But what excites me the most is our work in Commercial Vehicles. The Plug-in Hybrid Electric Vehicle trial in London – testing telematics, contributing to cleaner air and feeding into our Transit Custom plug-in hybrid – in production in 2019.

And our partnership with Streetscooter here in Germany adding electric delivery vehicles to our market leading CV line up.

So we know that all of this represents unprecedented change. As a team we talk about leaping ahead of what is currently predicted and that requires of us real imagination. We have to imagine the future and then build it. How can we do that? By showing, not merely telling.

If, as the saying goes, a picture is worth a thousand words then I say a Virtual Reality simulation must be worth a novel!

I would now like to share with you a glimpse of what we think is to come - just one of our ideas for a future autonomous delivery solution.

A world of autonomous vehicles that serves our customers with just a swipe of a tablet. Please put your headsets on – you will find them beneath your seats. Let's watch.

[VR demo]

Now, that's just one light iteration of the future, one imagined use case of million use cases but it highlights some of the main themes: Ease, integration, efficiency and new ways of living. And it's easy to start to see other uses – the supply of prescription medicines after a virtual appointment with your doctor or even the delivery of parts to an elevator engineer high up an apartment block.

New ways of seeing mobility lead to new ways of delivering for our customers in a modern setting. We at Ford are excited about the possibilities ahead and the Freedom of this progress.

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 203,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

Ford of Europe

is responsible for producing, selling and servicing Ford brand vehicles in 50 individual markets and employs approximately 52,000 employees at its wholly owned facilities and approximately 66,000 people when joint ventures and unconsolidated businesses are included. In addition to Ford Motor Credit Company, Ford Europe operations include Ford Customer Service Division and 24 manufacturing facilities (16 wholly owned or consolidated joint venture facilities and eight

unconsolidated joint venture facilities). The first Ford cars were shipped to Europe in 1903 – the same year Ford Motor Company was founded. European production started in 1911.