Visteon Explores Electronics for Growth Markets

by Stefanie Carano
Staff Reporter
Detroit Auto Scene

Visteon Corporation is developing vehicle electronics specifically designed for use in emerging car markets.

The technology was created in collaboration with 3M and is intended to create the appearance of space in the vehicle and improve safety using entertainment and climate controls in traffic conditions specific to these markets.

"We're exploring what product concepts in interiors, lighting and climate might be for growth markets," said Mark Jarvis, innovation project manager for North America.

"We also did some market research in the India region and based on our understanding of where the technology is going, we blended all that knowledge to come up with some of these concepts."

Visteon currently demonstrates these products in an A segment production car, what might be a typical car in these markets, especially India.

"They would have raised their family maybe up to motorcycle where there was mom and dad and maybe two kids, then they move into a car," he said.

In India, for instance, Jarvis said everyone has a mobile phone.

So, when considering technology for the vehicle, the company created an integrated control panel showing an easy-to-use, easy-to-read capacitive touch panel.

"So, it's a completely flat surface using capacitive touch controls for climate and audio and infotainment," he said.

"We do have one mechanical control and that's the volume knob. That's an easy-to-use knob in any market. You never need to teach anyone how to use a volume knob and there still seems to be a preference for that sort of control for that feature."

He said they made the panel large and easy to read primarily because driving in some of these growth markets is a challenge.

"Traffic is very busy, there's lots of different things in traffic," Jarvis said. "There's cars, there's trucks, there's motorcycles, there's bikes, there's people, there's animals and a driver needs to be constantly aware of what's around him, even much more so than here in North America. I've noticed there's constant checking, they're always using their mirrors, they're always looking around."

Visteon has kept an eye on price, he said, by using a little bit smaller display than you might find in a product of this size and have stayed within a monochromatic color range of blues to keep cost down, rather than offering the full color scheme.

"Even with this reduced color range, it's still an attractive display and it's easy to use and easy to read at a quick glance," said Jarvis.

Going with the idea that the typical vehicle in these markets would be a driver's first car, the company offers driver information in the instrument cluster as a separate feature.

"It's using package space efficiently and yet it still gives the features a first car owner would expect," he said.

Visteon has also reshaped the instrument panel to give it a flowing shape.

"With this sized car, it's a challenge to make it larger," Jarvis said.

"We're trying to do some visual tricks to make it larger and you could do it with shapes, you could do it with colors.

"The color palette that seems to be preferred in this market are traditional blacks and grays and tans as opposed to North America or Europe where there might be some vibrant colors and it could be that because this market tends to keep their cars for a long, long time (and) they want to stay away from colors that they might think might go out of fashion."

Even with the traditional color set, he said, they're proposing a laser-edged decoration that allows for some element of decoration even within a limited color palette.

They also designed in a pedestal for objects of personal significance.

"The other thing we've done with interiors is we've added illumination, in this case a blue color," said Jarvis.

"I think it works great on an A segment car because one of the things it does is it makes it feel larger and also it adds an emotional ambiance to it that makes you feel like you've got a cool technology in your car."

Ford Reports 27 Percent Rise in January Sales

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To wit, Fiesta posted January sales of 4,270 in the U.S. In 2010, it was Fiesta that played a key role in helping Ford to achieve its highest retail share in California since 2006.
The Los Angeles region continues to be the top-selling region for Ford's smallest such mainstream new car.

Focus retail sales increased 41 percent for the month as well.

The Focus and Fiesta combined to boost the company's small car retail sales to a level almost double a year ago – up 99 percent, in fact. The all-new Focus arrives in dealerships later this spring.

"Higher gasoline prices are factoring into vehicle purchase decisions," added Ford's Czubay.

"Ford Motor Company is leading the way for consumers with the best, or among the best, fuel economy with every new vehicle we introduce. We also have four vehicles with 40 mpg or higher fuel economy – Fiesta, Focus, Fusion Hybrid and Lincoln MKZ Hybrid – more than any other automaker."

And Fusion, Ford's popular midsize sedan, set a January sales record of 14,346, up 18 percent.

Fusion retail sales were up 39 percent. In 2010, Fusion set a full-year sales record of 219,219 units – the first time since 2004 that a Ford car has eclipsed the 200,000 volume milestone.

Also, Ford Mustang retail sales were up 17 percent, and Lincoln MKZ retail sales increased 42 percent. In January, the new MKZ Hybrid accounted for 24 percent of MKZ retail sales – the highest since it was introduced in October.

Ford Motor Credit Has $2 Billion Net Income

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of 2010, compared with $714 million in the previous year. The decrease in pre-tax earnings primarily reflected lower volume and the non-recurrence of lower lease depreciation expense related to lower gains as fewer leases terminated and the vehicles were sold.

"We are pleased with our 2010 performance, which enabled us to increase our planned distributions" Ford Credit Chairman and CEO Mike Bannister said.

"We expect results to be solid though more moderate in 2011 as we continue to provide strong support for Ford, our dealers and customers."

On December 31, 2010, Ford Credit's on-balance sheet net receivables totaled $81 billion, compared with $93 billion at year-end 2009. Managed receivables were $83 billion on December 31, 2010, down from $95 billion at year-end 2009. The lower receivables primarily reflected the discontinuation of Jaguar, Land Rover, Mazda, and Volvo financing and lower industry volumes in recent years.

On December 31, 2010, managed leverage was 6.7 to 1. Ford Credit distributed $1 billion to its parent in the fourth quarter of 2010 for a total of $2.5 billion of distributions in 2010.

For full-year 2011, Ford Credit expects to be solidly profitable but at a lower level than in 2010, reflecting primarily the non-recurrence of lease depreciation expenses and credit loss reserve reductions of the same magnitude as 2010. At year-end 2011, managed receivables are anticipated to be in the range of $80 billion to $85 billion. Ford Credit expects to pay distributions to its parent of about $2 billion in 2011.

Ford Motor Credit Company LLC has provided dealer and customer financing to support the sale of Ford Motor Company products since 1959. Ford Credit is an indirect, wholly owned subsidiary of Ford.

Ford Credit's announcement coincides with positive earnings from Ford Motor Co. for both calendar year 2010 and for the month of January.

Auto analysts have said that Ford's cash position, relative to its competitors, remains the strongest among the domestics and even as Ford shakes out the Mercury brand, its product lineup with Ford brand and Lincoln should be strong enough to carry the Dearborn automaker forward going into winter - spring sales season.

Blind Driver Safely Pilots Ford Escape Hybrid SUV

By KYLE HIGHTOWER
Associated Press

DAYTONA BEACH, Fla. (AP) – It's a cloudy morning at Daytona International Speedway, but Mark Riccobono can't tell, nor does it really matter to him.

He walks up to the driver's side of a black, Ford Escape Hybrid parked on the start-finish line, opens the door, sits down and adjusts his seat. After a few minutes the car revs up and takes off.

None of that's unusual at one of the meccas of motorsports racing, except for one thing: Riccobono is blind.

Last week, Riccobono took part in a public demonstration, driving independently with the help of new nonvisual technology and a specially modified car. The event, spearheaded by the the National Federation of the Blind, is part of the pre-race activities of the recent Rolex 24 event at Daytona. Riccobono actually drove a portion of the same course as the drivers in the race.

"I pretty much shut out the idea that driving was possible, because I didn't want to focus on that aspect of something I couldn't do," said Riccobono, 34, who has been legally blind since age 5 and was selected from a group of test drivers to be behind the wheel recently. "But I think this project is a clear example that when you dream big and put your heart and resources into it, you get to unimagined places."

The NFB, an advocacy group of more than 50,000 members, hatched the idea a decade ago.

In 2004 it began the Blind Driver Challenge through its Jernigan Institute. The challenge encouraged partnerships with universities and manufacturers to create technology that would enable a blind driver to safely operate a vehicle.

The recent event has been in the developmental phase for the past three years thanks to the NFB's partnership with Virginia Tech University's College of Engineering and TORC Technologies. The students developed the equipment Riccobono will use. TORC integrated those into a working vehicle.

Several Virginia Tech students teamed with TORC and won $500,000 when they placed third in a 2007 competition put on by the U.S. Defense Department to build a fully robotic vehicle.

So when Dr. Dennis Hong, director of Tech's Robotics and Mechanics Laboratory (RoMeLa), heard about NFB's challenge, he thought it was a no-brainer to get involved.

"We said, 'Hey, we already have a fully-autonomous vehicle, how difficult would it be to put a person inside?'" Hong said. "We couldn't have been more wrong. They did not want a vehicle to drive a blind person around. They wanted a vehicle that a blind person could make active decisions in and actually drive the vehicle. So we had to start from scratch."

Hong said the biggest challenge was figuring out a way to convey real-time information to a driver who can't see. They came up with a combination of mounted laser and camera sensors around the

A blind driver safely completes a road test at the Daytona International Speedway in this modified Ford Escape Hybrid.

vehicle, which scan the environment and feed information to sensors worn by the driver.

Working with just $5,000 in initial funding, the first vehicle they built in 2008 converted a dune buggy they bought on eBay for $2,000. That car featured vibrating chairs and vests and was debuted in the summer of 2009 during a program the NFB held for 175 high school-age blind students.

The BDC is now funded through grants.

The Ford Escape Hybrid that he used is fitted with more elaborate lasers and a camera system designed by TORC that will react with the new DriveGrip and SpeedStrip devices the Virginia Tech students designed.

DriveGrip consists of two gloves that send vibrations over the knuckles to tell the driver how much to turn the wheel. SpeedStrip is a cushion down the back and legs of the driver which tell them how much to accelerate.

"One of the main things I want to do is build technology that helps society," said Paul D'Angio, 23, the lead Virginia Tech grad student on the project. "You can work with the military and make plenty of awesome technology, but it won't help people until years later ...This is something happening now."

Anil Lewis, the NFB's director of strategic communications, trained alongside Riccobono to drive the Escape. He didn't lose his sight until age 25 when he developed an incurable form of blindness called retinitis pigmentosa. Having learned to drive as a sighted person, he said relearning to drive blind wasn't a big difference.

"It's very close to the same kind of learning curve as a sighted person learning to drive," said Lewis, 46. "You learn different techniques, but as you drive you get more comfortable."

Ford Supports Safe Teen Driving Program in U.S.

WASHINGTON – Ford Motor Company Fund and the Governors Highway Safety Association (GHSA) are intensifying their effort to educate teen drivers about the dangers of distracted driving – such as texting while driving – through its nationwide Ford Driving Skills for Life (Ford DSFL) program.

Back by popular demand, Ford DSFL announces that the popular songwriting contest, "Belt it Out," will return for a second consecutive year. Teens ages 15-19 are encouraged to compose and perform original songs focusing on distracted driving.

Ford DSFL was created in 2003 in partnership with GHSA to combat the No. 1 killer of teens, vehicle crashes. It is one of the nation's most comprehensive teen driver safety programs.

Ford DSFL offers learning tools such as hands-on driving events and an interactive website (www.drivingskillsforlife.com) that features learning modules, quizzes, car care videos, and games. Free educator packets are available for students, parents, educators and community organizations.

Teens are invited to visit www.drivingskillsforlife.com to find a complete description of the contest and the application.

Applications will be accepted from February 1-May 1, 2011. The public will be invited to visit www.drivingskillsforlife.com on June 1st to help select the top five finalists that will compete for the 1st, 2nd, and 3rd place grand prizes.

Winners of the competition will be announced on www.drivingskillsforlife.com in July of 2011.

"We are very pleased to offer this exciting program to teen drivers for the second consecutive year," stated Jim Graham, Community Relations Manager, Ford Motor Company Fund. "Belt it Out is an outstanding opportunity for teens to educate their peers about the dangers of distractions through creativity."

About Ford Motor Company and Community Services:

Ford Motor Company Fund and Community Services are committed to creating opportunities that promote corporate citizenship, philanthropy, volunteerism and cultural diversity for those who live in the communities where Ford operates.

Established in 1949, and made possible by funding from Ford Motor Company, the Ford Motor Company Fund supports initiatives and institutions that foster innovative education, auto-related safety, and American heritage and legacy.

National programs include Ford Partnership for Advanced Studies, which provides high school students with academically rigorous 21st century learning experiences, and Ford Driving Skills for Life – a teen-focused auto safety initiative.

The Ford Volunteer Corps, established in 2005, continues Ford's legacy of caring worldwide. Through the Volunteer Corps, Ford employees and retirees participate in a wide range of volunteer projects in their communities.

Has Ford's 2010 Success 'Spoiled' Wall Street's View?

By DEE-ANN DURBIN
and TOM KRISHER
AP Auto Writers

DEARBORN, Mich. (AP) – Ford Motor Co. is the most profitable it's been in a decade, since the days when Americans were snapping up SUVs. But maintaining that momentum – and meeting the high expectations of buyers, workers and investors – will be a big challenge in the coming year.

Ford got a taste of that recently. Despite reporting a profit for 2010, the company's stock fell more than 13 percent to close at $16.27. Investors were disappointed that the results fell short of expectations. Ford also posted an 80-percent drop in fourth-quarter net income, missing forecasts and ending two years of better-than-expected results.

It was clear Ford won't have much room for error as it tackles nagging problems, from the huge loans it took out to fund its turnaround to its upcoming labor talks to its stodgy, slow-selling Lincoln brand.

"When a company consistently beats expectations, analysts and investors start pushing. They raise the bar to the extent that eventually they're going to miss it," Standard and Poor's analyst Efraim Levy said.

Ford earned $6.6 billion, or $1.66 per share, last year, more than double the $2.7 billion, or 86 cents per share, it made in 2009. That was the most it's made since 1999, when it earned $7.2 billion.

But excluding charges from debt reduction and other items, Ford earned $1.91 last year, below the $2.05 analysts expected.

Ford said it should have kept analysts better informed about potential problems in the fourth quarter, including a loss in Europe and a $1 billion increase in costs in North America, partly to fund the launch of new products like the Ford Explorer.

By any measure, Ford has made big improvements since CEO Alan Mulally joined the company in 2006. Using a $23.5 billion loan it got from mortgaging its factories and other assets, including its blue oval logo, Ford sold or shuttered five of its seven brands, closed or sold a quarter of its plants and cut its global work force by more than a third. It also slashed labor and health-care costs, plowing the money back into the design of well-received new products such as the Ford Fusion sedan and Ford Edge crossover.

As a result, a leaner Ford was in a good position to scoop up U.S. market share when its Detroit rivals, General Motors and Chrysler, filed for bankruptcy protection in 2009 and when Toyota announced a damaging series of safety recalls last year.

Ford's U.S. sales jumped 20 percent in 2010, double the rate of the rest of the industry. The Ford brand was the top-selling brand in the U.S. last year, besting Chevrolet and Toyota for the first time since 2003.

Ford wants to hang on to those gains, but that won't be easy. While U.S. sales are expected to recover further this year as the economy improves, Ford heads into 2011 with two fewer brands than it had in 2010, after selling Volvo and closing Mercury.

Many Mercury buyers will consider Fords, but not all of them. According to Edmunds.com, 37 percent of people trading in a Mercury in December bought a Ford, but 39 percent bought Japanese or Korean brands.

Levy said buyers' memories of GM, Chrysler and Toyota's struggles also are fading.

"Those factors are moving into the rear-view mirror, so the competition is there," he said.

Ford also trails in the luxury segment, where its Lincoln brand has struggled for years with an uncertain identity and dull cars that don't measure up to Cadillac and other rivals. Ford plans to release seven new or revamped Lincolns in the next four years, and it's closing hundreds of Lincoln dealerships in order to make the remaining ones more upscale and profitable. But Mulally says it will be two years before buyers start to see real changes.

Another potential drain on Ford's income could be the United Auto Workers union, which negotiates a new contract with Ford this fall. Ford's U.S. factory workers turned down a 2009 agreement that would have frozen entry-level wages and limited their ability to strike. With an eye on Ford's healthy profits, workers also may demand that the company restore some of the wage cuts they agreed to in their last contract.

Ford made a peace offering to its 40,600 U.S. factory workers Friday, announcing that they would get $5,000 profit-sharing payments this year. It's the first time Ford has handed out the checks since 1999.