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## CHAPTER

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# The Rouge

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**O**n the first day of February 1999, times at Ford Motor Company could seemingly have not been better. America was at the peak of the go-go 1990s, and its love affair with bigger, faster, better had translated for the automaker into sports utility vehicle (SUV) sales by the millions, accompanied by extraordinary profits.

The company had introduced the Explorer in 1990 and created a sensation. That first year and every year since, Explorer has been the world's best-selling SUV. The larger Expedition and even larger Excursion followed in subsequent years, scoring with customers as well as stockholders, who admired their profitability. For six consecutive years beginning in 1993, Ford averaged more than \$5 billion in annual profits. By 1998, Ford Motor had one-year gross sales in excess of \$140 billion. More important, the company sat on a whopping \$22 billion in excess cash in 1999. The only question in Dearborn and on Wall Street seemed to be, how could it be used best to make a giant company bigger and stronger?

William Clay "Bill" Ford Jr., the great-grandson of Ford Motor Company founder and industrial revolutionary Henry Ford, was in just the first day of his second month on the job as chairman of the board of the world's second-largest automaker. He was the first member of the Ford family since Henry Ford II retired as chairman in 1979 to hold a senior leadership position

at Ford, but he was not widely known inside the company other than by his family name. Bill Ford had risen through company ranks with 15 jobs and had served on its board of directors since 1988, but at 41 years old, with boyish looks and an athletic frame, he was still seen and known by many as the son of longtime influential director William Clay Ford.

Bill Ford Jr. joined the automaker as an entry-level product planner after graduating from Princeton in 1979. He advanced through an array of jobs, moving to another department every 10 to 12 months, in Ford Motor Company tradition, where any manager who stays in the same job for too long may not stay on an executive track. Long a part of Ford's develop-leaders-within culture, the idea was that executives in the making must learn about all areas of the business, from finance to sales and marketing to product development. Bill Ford was doing just that, following a mobility path to executive leadership similar to one once followed by his father.

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A short but trim amateur tennis champion and scratch golfer with a personality becoming of a Southern gentleman, Bill Ford Sr. married the former Martha Firestone (granddaughter of tire magnate Harvey Firestone) in 1947. He was well-known at Ford Motor Company in the 1940s and 1950s as a product design and development guru. So talented was the elder Ford that he was given his own company division to run, Continental. The Continental Mark II luxury car was to be more prestigious than the Cadillac, an exclusive, limited-edition product destined to be a corporate loss leader, but an enhancement beyond the company's grassroots image. An updated version of the graceful, hand-built Lincoln Continental manufactured in 1939 under the leadership of Bill Ford Sr.'s father, Edsel B. Ford, the Continental Mark II was launched in 1955 to rave reviews.

“My dad,” says Bill Ford, “is a very talented artist. He clearly inherited his father’s eye for design.”

The only problem was that Bill Ford Sr.’s brother, Ford Motor chairman Henry Ford II, was preparing to take the company public in 1956 and believed the money-losing Continental division would trouble potential shareholders. A great car by all accounts, the Continental was killed before it ever got started, its remnants folded into the profitable Lincoln division. Bill Ford Sr. soon left the employment of Ford Motor Company, remaining only as a member of the board of directors.

Bill Ford Sr. and Martha Ford lived in Grosse Pointe Shores and had four children—three girls and one boy. William Clay Ford Jr. was born in 1957. They called him Billy, a nickname still used by his mother but dropped by most others in the mid-1990s. Despite his lineage and plush, wealthy home in Detroit’s suburbs, Bill Ford was not raised as a crown prince of Ford Motor Company. No longer working for the automaker, his father purchased the Detroit Lions, a storied National Football League franchise, in 1963 and instilled in his son and daughters a passion to compete in whatever they did.

“Everything we did in our house was hypercompetitive,” Ford says, “whether it was playing cards, a trivia game . . . even our conversations were competitive, like who knew the stats better of some athlete.

“My sisters were a part of it,” Ford says, smiling. “The most innocent after-dinner game became cutthroat. There were no gracious winners and no good losers.”

A student and athlete first, Bill Ford made straight As in school, spending much of his spare time playing and following sports. He was a youth leagues soccer and hockey hound who on fall Sunday afternoons could be found in the stands at Lions games. Under the spell of football, he watched the championship-starved Lions play amid occasional heckles from nearby fans, directed at the team’s owner—his father. “Get us a winner, Ford.” “Can’t you afford a decent quarterback, Ford?”

Bill Ford's mother did not want him spoiled. She signed him up for youth league play in nearby St. Clair Shores, a blue-collar town, and drove him across town on weekends to play hockey with boys who did not know or care about his wealthy background. He never had bodyguards or chauffeurs, and his mother picked him up from grade school by waiting in line with all the other mothers.

"I think they wanted me to have as normal a childhood as possible," Ford said. "That was important to them. They ultimately wanted me to sink or swim on my own merits."

He learned to fish, hike, and understand and appreciate the outdoors at Fontinalis, a private fishing club the family belonged to in northern Michigan. The family membership dated back to Ford's grandfather, Edsel Ford. Neither of his parents fished, but his mother believed it was important that her son be exposed to the outdoors. She took him there for the first time when he was five or six and it was love at first sight. Ford begged his mother to take him there at any opportunity. He says she "sat on the porch for four days" while he'd "hang out" with camp caretaker Walter Babcock, learning to fly-fish for trout along the Sturgeon River. Ford so loved Fontinalis, and Babcock in particular, that a trip there was all he asked his parents for as a birthday present. He and the caretaker would spend 16 to 17 hours outdoors in a single day.

"[Babcock] had a profound influence on my life," Ford says. "He spent hours with me in the woods. Not only did he teach me how to fish, but . . . he would grab edible plants or say, 'See that tree? That's a beech tree,' or 'See those marks? Those are slash marks from a bear.'"

"I was so fascinated," Ford says, "that he could read things where I would just walk past them. He was so patient with me, he'd spend hours and I would ask him a million questions about everything. Sometimes he could not answer, but he would go home and research or check with a friend and get back with me. He always answered eventually."

To earn money, Ford worked one summer at Henry Ford's

Greenfield Village. He was a gardener, punching in and out on a clock for minimum wage along with other workers. One day he was told to fertilize a plant bed, using fertilizer mixed in water colored with blue dye. It was a windy day. A lady in a white dress walked by, getting sprayed with the blue solution by Henry Ford's great-grandson.

"It probably took all the money I earned to pay for that dress," Ford says.

In school and on the playing field, Ford's tenacity helped him gain an edge. He became a fierce competitor, routinely engaging in battle on the ice in hockey as a teen or excelling in the classroom. Following family tradition, he left home as a teenager to attend Hotchkiss School, a prestigious prep boarding high school in Lakeville, Connecticut—the same school from which his father and grandfather had graduated. When Ford did research at Hotchkiss, it was in the Edsel B. Ford Library. If he played tennis, it was on courts that bore the name William Clay Ford Tennis Courts, in honor of his father. But these were only minor distractions for Bill Ford. He captained the football team, starred on the hockey team, and continued to make good grades. And when he called home, Ford was far more likely to check on the progress of his beloved Lions football team than to inquire about the automobile business.

"I was never terribly aware of [Ford Motor Company] when I was young," Ford says. "I was concerned with how my friends were doing, how the team I was on at the moment was doing. . . . That's just the nature of a kid, and I was not any different."

At Princeton University, Ford majored in history and studied great leaders like Abraham Lincoln, fueling a passion for Civil War history that continues today. Around campus, he traveled in his high school graduation present, a metallic green Ford Mustang. It was the first car that was officially his, as his parents only let him use an extra family car—often a Ford station wagon—the first three years he had a driver's li-

cense. The Mustang had a special, one-of-a-kind paint job picked out from the studio by his father.

"It was so metallic," Ford says, "it swam in the sun, which was great, except that it was a show color never meant for extreme use. I took it one day up to northern Michigan in the middle of winter and the temperature dropped below zero. I woke up the next morning and the paint was literally standing up in strips. It had torn off the car."

Ford played rugby and sported a bumper sticker on his green Mustang: "In rugby there are no winners, only survivors." He was exposed to and intrigued by Eastern mysticism, studying philosophy and beginning to ask himself questions about social responsibility. In his senior year at Princeton, Ford was elected president of Ivy, the oldest and most prestigious club on campus. When a female classmate tried to diversify the all-male club amid threats and complaints, it was Ford who extended friendship and the invitation of an interview to join. Her entry was denied by the club membership as a whole, but the student never forgot the classmate willing to give her a chance.

During his senior year, Ford met his future wife, freshman Lisa Vanderzee, who was also from Grosse Pointe, though they had not previously known each other. A friend introduced them.

"She had three great-looking roommates," Ford says. "Because I knew Lisa, I had an in. My friends were jealous."

Ford's senior thesis at Princeton, "Henry Ford and Labor: A Reappraisal," was a work he produced in six days. While he blushingly passes it off as something less than his best effort, the fact that he turned to family and Ford Motor Company history as his college career came to a close showed the young Ford was becoming more aware of and interested in his roots. Upon graduation, he announced that he wanted to work at Ford Motor Company, in the family tradition. His father was pleased, though he had never pushed his son into the automotive business.

"The only advice my dad ever gave me," Ford says, "was

when it came time for me to graduate [from college]. He said, whatever you decide to do, give it one hundred percent. If it is Ford, fine, but make sure you do what you really want to do and then give it all you've got."

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When Bill Ford joined Ford Motor Company in 1979, he took extra steps to try to blend in as just another employee. During his first days on the job, he tried to work incognito under the name William Clay, not wanting to draw attention and advantage with his name and heritage. Once fellow workers figured out his identity, Ford worked hard to overcome any notions that he was a privileged employee, but it was not easy.

"Many superiors," he says, "were either afraid to give me meaningful direction and feedback or bitter and harsh. I was self-conscious for a lot of years, frankly, because I never wanted anyone to say I was not pulling my weight. I thought it was important to change coffee filters and stand over the copy machine making copies."

Ford's father worked diligently from all angles to make sure Ford learned the business properly. Bill Ford Sr. got his 25-year-old son on the company's labor negotiations team in 1982 during a year of crucial UAW talks. When Ford took a job in commercial truck engineering years later, he thought it wise to learn the intricacies of driving an 18-wheeler. He took classes to obtain a commercial truck license, driving an 18-wheeler with a full load on a round-trip from Detroit to Toledo as a final exam. The hardest part, he says, was maneuvering the truck backwards through a busy McDonald's parking lot.

Ford's first opportunity to lead an operating unit came when he was named managing director of Ford of Switzerland in 1987. The division was small but troubled. The assignment was clearly a test of the young Ford by then-chairman and CEO Donald Petersen. The automaker had been entrenched in Europe for

decades, and assignments there were typical for company rising stars. If you earned results in Europe, you found promotion in North America. Ford was married with one child (Eleanor Clay, born in 1985) at the time and was understandably homesick on occasion, calling to his parents in the United States on fall Sunday afternoons for Lions game updates, even asking his mother to put the telephone receiver close to the television set so he could hear game action. Still, he turned Ford of Europe's Swiss operations around in a short time, restoring profitability and earning the respect of dealers in that country, who still talk today about his hands-on leadership.

When Henry Ford II died in September 1987, Bill Ford Sr. believed it was time to directly involve the family's fourth generation in the leadership of Ford Motor Company. He wanted his son and his nephew, Edsel B. Ford II (Henry Ford II's son), to have seats on the company's board of directors so they could learn while he was still an active member. At the time, Bill Ford Sr. was the only Ford family member serving on the board. Bill Ford Jr. and his cousin Edsel Ford were just young employees of the company, but they were representative of future Ford family involvement. Donald Petersen was chairman and CEO of the company, and the automaker was in the midst of record performance, due in large part to the success of the Taurus, launched in 1985. This success, combined with the death of Henry Ford II, gave Petersen the feeling that he could and should distance Ford Motor Company from the Ford family, even though members still controlled 40 percent of the voting rights. Petersen outwardly resisted having "the Ford boys" join the board, on the premise that the company was outgrowing its founding family and needed more experienced, qualified directors from the outside.

"There was a feeling among some at that time," remembers Carl Reichardt, a Ford Motor Company board member since 1986 and the former chairman and CEO of Wells Fargo (he retired in 1994), "that the [Ford] family was great, but having independent management would serve all shareholders better.



They thought the family should be on one side and management on another.”

With the support of Reichardt and other outside directors, Bill Ford Sr. persuaded Petersen to go along with the addition of Bill Ford and his cousin Edsel Ford to the company’s board.

“My dad did the heavy lifting on this,” says Ford.

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Born in 1948, Edsel is older than his first cousin Bill and had been working at Ford Motor Company since graduating from Babson College, near Boston, in 1973. Edsel Ford rose through the company on a fast track himself (he retired as president of Ford Credit in 1998). The ascension of the fourth-generation duo to the board represented a youth movement that would signal family involvement in Ford Motor Company for years to come.

Reichardt had delivered memorable results at Wells Fargo (the company’s stock price rose 1,668 percent during his 11-year tenure) and earned a reputation among management and investment leaders for his ability to deliver growth through extraordinary focus on primary principles of business. He had known members of the Ford family since meeting Henry II years before when the then-Ford chairman was securing financing through Wells Fargo Bank for the massive Renaissance Center project he orchestrated in downtown Detroit. As one of the board members to thoroughly question the board-hopeful Fords, Reichardt remembers seeing glimpses of Henry Ford II, the legendary industrial leader who led Ford Motor Company for 35 years, on the faces of Bill and Edsel Ford.

“I thought, they are young,” says Reichardt, still an influential member of Ford’s board, “but on the other hand, they had essentially been with the company since they were babies. These guys understood the car business. When they would wake up in the morning, that’s what they talked about at the breakfast table.”

The Fords were appointed to the board in 1988, but in an attempt to restrict their influence, Petersen refused to assign Bill and Edsel Ford to any decision-making committees. Barely 30 at the time, Bill Ford says he was “probably not completely prepared” for a seat on the board, but was eager to learn. In all, there were 19 Ford Motor Company directors in 1988, but only Bill and Edsel Ford had no committee assignment. The duo sat speechless at board meetings for most of the first year until they could not take it anymore, and then they fought back publicly.

“I’ve made it clear on one or two occasions to Mr. Petersen,” Edsel Ford said in a *Fortune* magazine interview in 1988, “that it does seem a bit odd to me that there are three classes of directors: inside, outside, and Billy and me.”

One public swing was all it took. In May of 1989, the fourth generation Ford family members received meaningful assignments and became active participants in the board management of Ford Motor Company. Bill Ford was appointed to the company’s powerful finance committee and Edsel Ford was appointed to the executive committee. They never sat silent again, despite the fact that Ford Motor Company’s board, including the likes of Reichardt and former Hallmark Chairman and CEO Irv Hockaday, contained some of the biggest names in American business. Bill Ford saw the lineup of heavy hitters as a gift and took advantage by constantly searching for opportunities to amass business wisdom.

“I was like a sponge,” he says. “I would quiz all of them about this business and also about their own companies.”

With Ford Motor Company’s top leadership, however, Bill Ford’s position on the board was a delicate situation, considering he was still just a middle-level company employee who was questioning the CEO—his boss—during board meetings. Ford says he tried to “always be respectful,” but found occasions when he considered it important to get his point across on matters of consequence.

In the midst of a major downturn in the U.S. economy in

1990, Petersen retired a year earlier than expected, due largely to his inability to deliver the payoff from the diversification efforts he had pushed for in the late 1980s, and what could be best termed a lack of long-term corporate vision. Harold “Red” Poling took over upon Petersen’s retirement and led the company for the next three years.

Serving on the company’s finance committee during the trying times of 1990 and 1991, when Detroit’s Big Three automakers posted record losses and appeared to be crumbling under pressure from the Japanese, Bill Ford began to assert himself in a more vocal and substantial manner. By late 1990, when Ford Motor Company was flush with investment cash—holding almost \$10 billion—voices of reason from the family members, who maintained long-term corporate views as opposed to the quick, profit-purging approaches that often satisfy short-term investors, were becoming more valuable to the company. At a time when the U.S. auto industry was in the midst of a cyclical decline, Ford Motor Company reinvested much of its cash in key, existing plants like the Louisville truck plant and Taurus facilities in Chicago and Atlanta and began to look toward global diversification, hoping to alleviate some of the cyclical nature of the American car business. For his part, Bill Ford emerged during this period as a vital player on the company’s powerful finance committee. His leadership resulted in his being named head of the finance committee in 1995, a move that required him to cease being employed by the company.

“He earned it,” Reichardt says of the appointment. “We would not have put a lightweight on as chairman of finance.”

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Out of a day-to-day job at Ford Motor Company due to his new role, Bill Ford assumed duties as vice chairman of the Detroit Lions, the National Football League team owned by his father. He ran the team, dismissing one coach and hiring another,

restructuring operations, and instituting a comprehensive marketing plan that included putting the Lions on the Internet before the cyber world was fully developed. He also met egocentric NFL owners head-on over issues he felt were important to Detroit and the Lions. At his first NFL team owners meeting in 1995, the opening topic of business was moving the traditional Thanksgiving game away from Detroit and the Lions, rotating it among a number of hosting cities. Ford fought back and won.

"This game does not belong to you or us," he told owners. "It belongs to the fans who've been watching it since 1934—which predates most of the franchises trying to take it away."

Ford spent the rest of his work time in his role as chairman of the finance committee, focusing on the financial well-being and long-term success of Ford Motor Company as the automaker amassed billions in surplus cash while profits soared during the SUV boom. It was during this stretch that fellow board members and Ford executives respected his desires and stopped calling him by his childhood name.

"He earned the right," Reichardt says, "to be called Bill."

When Alex Trotman announced near the end of 1998 that he was stepping down as chairman and CEO one year earlier than expected, Henry Ford's great-grandson was convinced by supportive family members that the time was right for the first Ford to step into a top leadership role at the company since his uncle Henry Ford II retired in 1979. Ford board members agreed. The much-anticipated move, a Ford returning to Ford's future, was made public in fall of 1998. Few were surprised, including Trotman, who used to taunt his successor behind his back by calling him "Prince William." Ford did not deny the obvious—his heritage—but pointed to his constant aspiration to be more than just an extension of a rich bloodline.

"I grew up in a wealthy neighborhood," Ford said, "where there were plenty of second- and third-generation kids who were crushed by their family's expectations. I always thought I

was good enough to go beyond that, but I was never sure whether I'd have the opportunity."

Some questioned why he would take the responsibility at all, considering that with a net worth estimated at more than \$100 million (including 2.7 million shares of Ford stock), Bill Ford could do anything in the world he wanted, avoiding the responsibilities of a job altogether. But not working was never an option for Ford.

"My dad said, 'A vacation is not a vacation if it is not earned,'" Ford says.

He found opportunity at Ford Motor Company as chairman, but the vision and directive from the board of directors was clear. Still young and with a wife and four children ranging in ages from 3 to 13 at his Grosse Point, Michigan, home, Bill Ford was not viewed as having the hard-core automotive experience or the time to run the company day to day. He had paid his dues, advancing through more than a dozen jobs and earning a master's degree from MIT (1984) since joining the company in 1979. During that time, he had amassed significant operating experience, running Ford divisions large enough to stand on their own among most publicly traded companies in the world. But Ford was believed by some to lack the killer instinct and hard-nosed car savvy gained from years of experience in the cutthroat, global automotive industry. His job was to run the board, just as he had run the finance committee of the board. The power of running the \$160 billion Ford Motor Company would go to a seasoned executive.

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Jacques Nasser, who earned the nickname "Jac the Knife" for his cost-cutting prowess as president of Ford Motor Company, was a blunt-talking, high-ego personality who helped the company raise profit margins in a short period by cutting billions in costs and reducing personnel. What Bill Ford was

believed to lack in grit and in-the-trenches experience, Nasser more than made up for with a military-like approach, commanding presence, and numbers-driven results from top-level responsibilities.

When Trotman retired, the duties of chairman and CEO were effectively split: Nasser was given the job of CEO of Ford, running the day-to-day operations; Bill Ford ran the board. Analysts praised Nasser as an industry hero of Ford's SUV-driven success of the 1990s and believed his leadership was perfect for taking the company into its second century of business.

"Jac's been the catalyst," said Lehman Brothers auto analyst Joseph S. Phillippi in late 1998. "Jac's the general."

Nasser joined Ford of Australia as a financial analyst in 1968 after earning a business degree from the Royal Melbourne Institute of Technology. He advanced with international assignments in places like Thailand, the Philippines, Venezuela, and Argentina, honing his fluency in four languages (English, Arabic, Spanish, and Portuguese) and his reputation as a diminutive (he's five-foot-six), hard-driving manager with a charismatic personality, a quick trigger finger, and a taste for fine wine and clothes.

Nasser returned to Australia in 1990 to lead the Ford division he had started in, and found an operation losing money and market share. He cut Ford of Australia's workforce of 15,000 in half, improved productivity by 40 percent, and earned a promotion to head of Ford of Europe in 1993, before moving to the United States in 1996 as head of automotive operations at Ford Motor Company. He was named president of automotive operations in 1997.

The mix of Nasser as CEO and Ford as chairman seemed odd only because philosophically and personally they were so different. A prime example: Ford believed internal combustion engines would be obsolete in his lifetime; Nasser did not. Ford preferred a quiet room to think; Nasser liked a room full of listeners. But the two were friendly, having worked together in the 1980s when Bill Ford was a financial analyst in

charge of Venezuela and Nasser was head of finance for Latin America and Asia.

"We have a running start on this," Ford told Mary Connelly of *Automotive News*. "We've known each other a long time. We find we are in sync more than we are not."

The fit seemed to be perfect from the perspective of Ford Motor Company's board of directors and Wall Street investors. Fifty-two at the time, Nasser was considered the business guru who appeared to be in complete command of himself and the company, while Ford was considered the quiet chairman with long-term interests and the right last name, an obvious balance to Nasser's edge.

"We had the strong operations guy and the guy who was strategic and visionary," Reichardt says. "It seemed like the ideal situation."

From the start, Nasser moved fast. That was part personality (he was known during his 30-plus years at Ford for nonstop energy and drive) and part reflection of the times. The business he inherited from Trotman was old-economy in a raging new-economy world, and Nasser believed that required expedient action on his part. Ford Motor Company had morphed in the 1990s from a car company that made some trucks into a truck company that made some cars. This transformation produced record automotive operation profits, but hardly excited investors mesmerized by the dot-com craze. Nasser pledged to reposition the company, and it was no secret that along the way he hoped to position himself in the pantheon of management leadership circles with General Electric's Jack Welch and IBM's Lou Gerstner. Nasser, who stood out in a crowd despite his diminutive frame, consulted with University of Michigan business professor Noel Tichy, co-author of the best-selling business management book *The Leadership Engine: How Winning Companies Build Leaders at Every Level* (New York: HarperBusiness, 1997), and had barely been announced as Ford Motor Company's CEO-elect in late 1998 when he

was already making headlines for restructuring management and shaking Ford's corporate trees at the highest levels.

Ford Motor Company was blowing past slumping rival General Motors at the time, claiming 25 percent of U.S. market share and on its way to record profits of more than \$7 billion. General Motors was still the biggest, but Ford was widely considered the best, delivering higher profit margins and owning a superior product lineup. Yet Nasser trimmed the number of vice presidents from 45 to 40 and rolled out a new performance-based profit-sharing plan before he even officially moved into the CEO office. The tactics made him a hero on Wall Street, where investment bankers overwhelmingly approved his aggressive mind-set. The company's stock price reached all-time high levels in anticipation of the growth ahead as Nasser prepared to take complete charge of operations.

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Like Bill Ford, Nasser was in just the first day of his second month on his new job on February 1, 1999, when the pieces for a rich and robust future appeared to all be in place. Nasser was out of the office and the country, traveling in Europe on Ford Motor Company business. Ford was in his car, not far from World Headquarters, returning from lunch, when the news came over the radio:

"There has been an explosion at Ford's Rouge manufacturing facility. The full extent of damage is not known, but there are injuries."

Ford looked out his car window toward the distant massive Rouge complex, which sits along the river from which it took its name and rises above the flat, treed landscape in the Dearborn area. He saw smoke billowing toward the sky.

The Rouge was the brainchild of Ford's great-grandfather, Henry Ford, who dreamed of building a car from start to finish, raw materials and all, in one location. Henry Ford had the Rouge constructed in 1918 to accomplish just that. Raw



materials entered, fully completed cars exited, and there was nothing like it anywhere else. The vertical integration process gave Ford Motor Company total self-sufficiency in owning, operating, and coordinating all the resources needed to build complete automobiles. The 1,100-acre complex was for many years the world's largest auto manufacturing facility, employing 100,000 workers at its peak in the 1940s. But by 1999, the entire complex was showing its age. Fewer than 10,000 employees worked at Ford's six plants in operation at the time, and facilities were in need of renovation. Plans were already under way to replace the 78-year-old powerhouse that energized the Rouge. The powerhouse was still capable of producing enough juice to light the entire city of Boston, but the aged facility was a throwback to the heyday of the massive complex.

Boiler control room 6 was the biggest of the seven control rooms on the third floor of the powerhouse, with space to store coffee pots and snacks. Workers often congregated there to snack and chat during break times. Half a dozen men were gathered just before 1 P.M. on February 1. They had no idea that imminent spontaneous combustion would take some of their lives and change the course of a corporation.

Made with one-inch steel and standing 60 feet high, boiler 6 was heated by a furnace that consumed about 400,000 cubic feet of natural gas each hour. The firebox, in turn, heated its water capacity of up to 28,000 gallons to a temperature as high as 550 degrees. The boiler was in shutdown mode for annual inspection just before 1 P.M. Four workers had blanked the flow, physically preventing gas from entering the boiler. After lunch, the men planned to blank the natural gas line. Gas was building up in the firebox inside the boiler while they took a break for lunch, becoming an accident in waiting. Something, maybe a small ember of coal dust, caused ignition, and in an instant the boiler exploded like a gigantic pipe bomb with a force felt blocks away, strong enough to split it open, spewing heat and water in excess of

300°F on nearby workers. Fire from the explosion shot across the room to other boilers, catching them on fire as well.

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Like many employees at Ford Motor Company, Jim Vella had not spoken with Bill Ford before February 1, 1999. But as director of manufacturing public affairs, Vella took the company lead in crisis management in the absence of Ford vice president of public affairs Vaughn Koshkarian, who, like Nasser, was out of town on business when the Rouge explosion occurred. Koshkarian had a finance background but had been appointed by Nasser to lead the company's public affairs, despite having no experience in the field. In his absence and in the need for an experienced professional in crisis, Vella stepped forward, speaking with the new company chairman on his mobile phone to brief him on the startling event.

"The accident is serious. There are injuries, maybe deaths. The site is unstable. We are in contact with authorities."

Bill Ford Jr. drove to World Headquarters and was met in his 12th floor office by Vella and by Neil Golightly, who was in his first weeks as director of the chairman's office, with duties that were part public affairs and part executive assistant for Bill Ford. Golightly remembers Ford being visibly concerned and distraught when he walked into the office and sat down for updated information on the accident. Details were still sketchy.

"Do you think I should go?" Ford asked.

Golightly was barely three weeks into his job and still getting to know and understand the man he worked for. The company's CEO was out of the country. Its head of public affairs was out of town. The chairman bore the company name, and the Rouge was an unstable accident scene at a volatile, 78-year-old powerhouse with boilers fed by natural gas. Golightly followed his first gut reaction and advised Ford not to go.

"That's ridiculous," Ford said. "I've got to go."

"Generals don't go to the front lines," another company adviser told the chairman.

"Bust me down to private then," Ford responded, "because I'm out of here."

Ford went straight to the accident scene at the Rouge, taking Golightly along. When they arrived, heavy gray smoke was still escaping from the windows of the powerhouse and a dozen ambulances lined the streets around it. Water from the boilers and from fire extinguishing efforts flooded the street, while coal ash and smoke filled the air. An emergency command center was set up in an adjacent building and Bill Ford went there first, talking to doctors, firemen, paramedics, and employees—searching for answers about how many might have been injured and what their conditions were.

The news was not good. One person was known to be dead. Nineteen others were severely injured, most with burns, and being transported to hospitals throughout the region. Ford worked to stay out of the way in the command center, letting emergency personnel do their job, but wanted to help and offer support because he felt like he needed to do something. Most people did not recognize him. But once they learned he was a Ford, bearing the DNA of the man who had founded the company and built the Rouge, they gravitated toward him and found stability in the difficult moment through his presence.

Ford stayed at the Rouge for almost two hours. When it became obvious there was nothing more to do at the scene, he wanted to go to hospitals where injured employees had been taken. On the way out of the Rouge complex in his car, he passed a throng of media gathered and waiting for updated information on the accident. Realizing his initial thought of keeping the chairman away from the accident scene had been a mistake, Golightly advised Ford that stopping and speaking with reporters would be a good idea since thousands of employees at Ford Motor Company plants throughout the country were watching live news broadcasts, concerned

about the fortunes of fellow workers and deserving of firsthand information.

A light rain was falling and smoke was still pouring from the powerhouse in the background when the cameras rolled, but the face of Bill Ford, showing visible emotion, said it all. Cameras zoomed in close as the company chairman spoke with no script, voice quivering. This was not a staged public relations event, but a moment of pure concern and sorrow.

"It's awful," Ford said. "Everyone who works for Ford is an extended member of the family. This is the worst day of my life."

Ford drove to hospitals treating the injured and met with families filling waiting rooms. He gave them the cash from his wallet and offered credit cards to buy food, hotel rooms, anything they might need. He returned the next day and the next as injured employees fought for their lives in intensive care units. Two families asked Ford to visit badly burned employees at bedside, and he obliged, witnessing and sharing the pain firsthand. Other family members of injured employees simply wanted to be near him, finding strength from his heritage and outward compassion.

The days and weeks that followed were long, and there was little good news. Six more Ford employees died, bringing the total deaths from the Rouge accident to seven. There was anger, some directed toward the company for using the aging equipment at the Rouge, but Ford remained personally involved, assuring those around him it was "the right thing to do."

Koshkarian, who had been head of Ford's developing China operations before being handpicked by Nasser to lead the company's 250-person PR staff, was away at public relations firm Burson Marsteller, taking a one-on-one course in public relations when the accident occurred. Koshkarian did not call back to Dearborn to see if anything had happened during the workday until 5 P.M., hours after the explosion. In his absence, the crisis management lead at World Headquarters went to Vella, a native of Detroit who had worked in television news management for 14 years before joining Ford.

Vella led the company's response team, providing employees and news media with up-to-date information on rapidly changing details surrounding the Rouge accident.

In the tragic days that followed, Vella, at Bill Ford's request, helped plan employee funerals. He, Bill Ford, Nasser, and other Ford executives went to each of the services, grieving with the families. After the seventh, they were exhausted, worn out from the unexpected crisis and mental anguish of burying Ford employees. The Rouge explosion and ensuing weeks had been devastating for Ford Motor Company, its employees, and its new chairman. It would be more than a year before the rest of corporate America would face a rude awakening from its blissful times, but Bill Ford and Ford Motor Company got their taste of disaster when the Rouge explosion rocked, rattled, and violently disrupted the destiny of leadership and corporate direction. The pall of death fell heavily over the satisfaction of prosperity in Dearborn. But in the face of tragedy, a new leader emerged.

"Bill earned the respect of a hell of a lot of people that day," says Carl Reichardt.

