

## Ford to sell Volvo

Ford has been focusing on selling the Volvo name plate as it has been a money losing venture for them for a while now. They are currently negotiating with U.S. based bidders and are working towards narrowing the talks down to one potential buyer. The Crown Group, which is headed by Michael Dingman, a former Ford director (from 1981 to 2002), his son James Dingman and Shamel Rushwin, who is a former manufacturing and labor executive for the automaker, is currently a front runner to the purchase of Volvo. Ford has succeeded in being the only major U. S. auto manufacturer that has avoided bankruptcy. They are working on making themselves leaner by shedding the international luxury lines in order to focus on its own name badge products, believing it will again become profitable by 2011.

Crown, who entered into negotiations with Ford about two months ago, has offered less than the two billion Geely Holding Group Co, offered. Volvo has not lost favor as a brand, it still has its loyalists and still has a good name, sales have just stalled. This company can and will succeed if it is purchased by a company that allows the people that know Volvo the best to do what they do best. Crown is working towards that goal by trying to attract former Volvo executives as equity partners. Those being sought after include Roger Holtback, who was chief executive officer of the Swedish auto manufacturer in the late 1980s.

Ford is hoping to finish negotiations and conclude a successful sale during this quarter. They may be narrowing the list of bidders down to one in just a couple of weeks. Geely is currently China's biggest private automaker and they are currently the most likely successful bidder in a bidding war that started more than a year ago. Everyone in Ford, Crown and Geely are being hush hush about the progress of negotiations and which way they might go. Ford will continue to be the supplier of engines and other components for Volvo is working the protection of its intellectual property into the negotiations. Ford needs to be very careful about intellectual property but that is pretty difficult. It is possible to be so closed mouth about intellectual property that you end up damaging the product and damaging the relationships with the auto makers who take over the Volvo nameplate. Still in negotiation are the responsibilities of liabilities such as pensions. Ford is looking to sell Volvo for approximately 2 billion dollars. This less than a third of what the automaker paid for the nameplate ten years ago. Ford had a 'pre-tax' loss of 231 million in the second quarter compared with 120 million lost in the full year prior. Investors seem to be happy about Ford's decision, as the Ford stocks rose .21 cents to \$7.05 in composite trading on the New York Stock Exchange. I'm sure we'll see some upcoming changes in Volvo after the new ownership takes over and starts investing money and ideas in this old standard.

## About the Author

This article was written on behalf of Foray Motor Group offering great deals on [Ford Focus in Pool](#) and [Ford Ka in Pool](#).

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