

Ford Motor Company's Value Enhancement Plan (A)

Introduction

As outlined in the case study, the decision made by Ford Motor Company; otherwise called the Value Enhancement Plan (VEP) is strategic in the company's effort to redesign its capital structure, attract investments, and create value for its shareholders.

VEP and its Goals

The VEP was born out of Ford's understanding that while the firm's revenues have been high, its market capitalization was not representative of its business performance. VEP was Ford's strategy to meet the rising competition, and market expectations for the company

Enhancement Plan

The plan offered Ford shareholders an innovative choice: they could either be given more Ford common stock or they had the option to take cash instead. This prepared the company to meet the variability in the investors that it was dealing with and thus increasing the satisfaction of the shareholders.

Conclusion

The VEP of Ford also paints the picture the significance of propelling the capital restructuring strategy for value. The case is useful for understanding how Business Finance can combine short-term shareholder's demands with company's long-term needs.

Recommendation

This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.

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