



## Westport Innovations: Streamlining its Way to Success

### Description

Back in January, **Westport Innovations** (TSX:WPT)([NASDAQ:WPRT](#)) consolidated its North American **Ford** ([NYSE:F](#)) operations into one plant in Dallas, Texas. This was done in order to streamline supply and production chains and trim some expenses from the company that has been in the red for the past two years.

Westport has a long relationship with Ford, converting multiple F Series and E Series platforms to natural gas engines. Westport has also become a leading partner in Ford's Qualified Vehicle Modifier (QVM) program.

Now in another attempt to streamline, it has announced that it will be uniting its bi-fuel and dedicated natural gas fuel system products and body configurations for Ford vehicles under the Westport WiNG™ Power System product brand. Bringing more products under its Ford QVM quality standards gives potential customers greater ability to convert their current or future Ford vehicles to Westport OEM integrated products.

### Cummins Westport

Ford isn't the only North American company that Westport has worked to integrate itself with. Back in 2001, Westport entered into a 50/50 joint venture with **Cummins Inc** ([NYSE:CMI](#)) to form Cummins Westport. Much like the arrangement with Ford, Cummings Westport is an amalgamation of development and production. It gives customers the ability to purchase natural gas-powered heavy duty (tractor trailer) vehicles direct from the manufacturer, or conventional dealerships.

Since the beginning of the joint venture, more than 35,000 heavy duty vehicles have entered service. Having this type of partnership also gives Westport quality control protection and gives customers an easier way to correct an issue.

Recently, 25,000 vehicles were recalled. This was due to a weather sensor, which in cold weather could ice over, causing the engine to take in too much fuel. This could overheat the exhaust and cause fires in the exhaust pipe or cause flames to shot out the exhaust pipes.

## Foolish bottom line

Being so integrated with the manufacturers means Westport is able to quickly address any issues that may rise in its engine systems, and the same is becoming more true with its arrangements with Ford. These small steps show how Westport is lightening its load while maximizing its ability to reach customers. By working so closely with manufactures and OEM producers, Westport instantly gains consumer confidence by reducing perceived risk.

This cooperation with Ford echoes similar deals that have recently been struck with other OEM manufacturers like [Delphi](#), and with overseas manufacturers like [Tata](#). Last year, 19,250 new natural gas vehicles were sold in the U.S., with 10,425 being light duty vehicles (Ford sized) and 7,375 being heavy duty (Cummins Westport sized).

As Westport continues to integrate itself with companies like Ford and Cummins, the hope is sales will continue to rise and customers will embrace natural gas vehicles.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:WPRT (Westport Fuel Systems Inc.)
2. NYSE:CMI (Cummins Inc.)
3. NYSE:F (Ford Motor Company)

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## Date

2025/08/18

## Date Created

2014/03/21

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