IQ Category Two: The Adopters

Automotive

Radial chart labels (outer to inner):
- Defined digital strategy
- Business model innovation
- Collaborative ecosystems
- Tangible progress
- Ecosystem governance
- Core and more
- Data ownership
- IT platform

Scale markers: 0, 20%, 40%, 60%, 80%, 100%

Legend: Strategy | Execution | Enablers
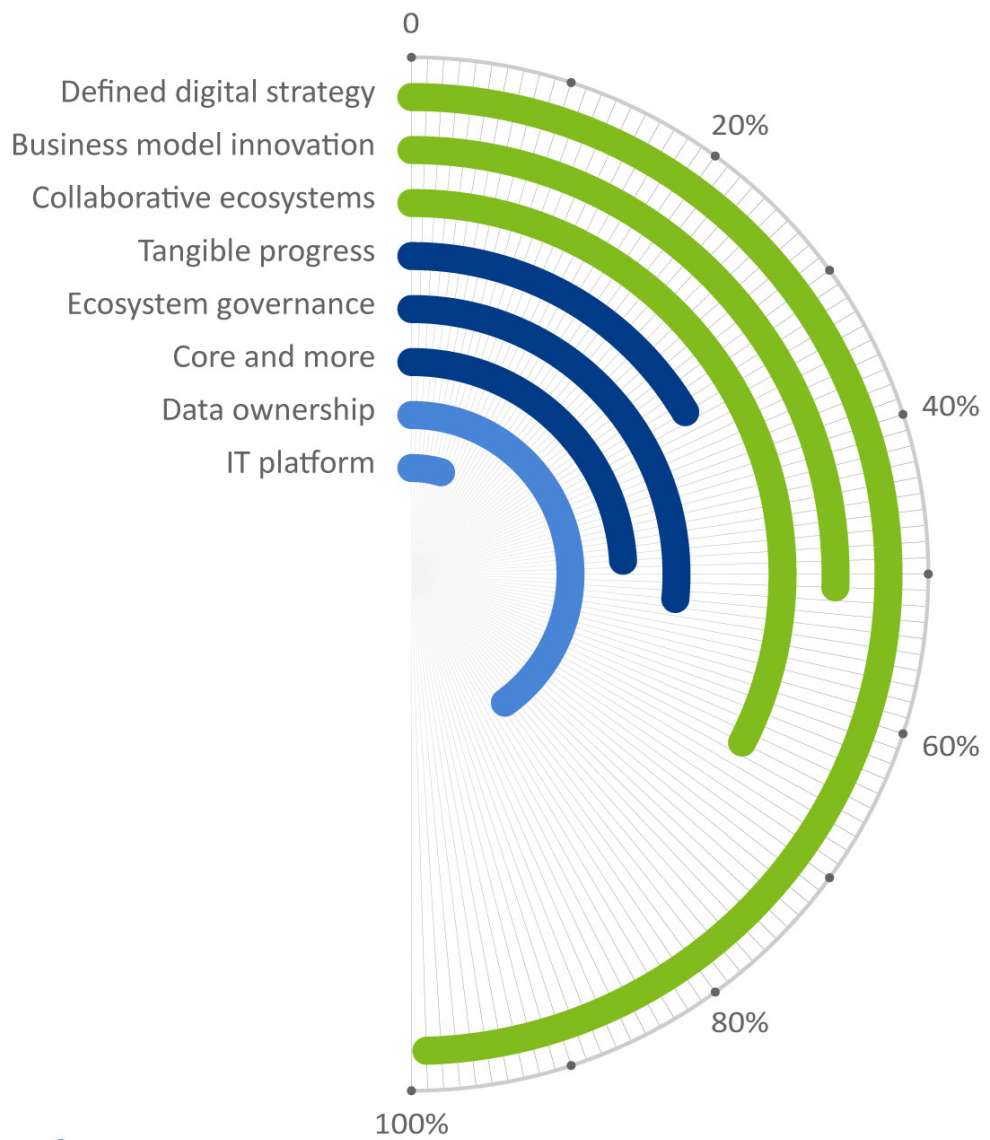
Source: 2018 ecosystem survey, BearingPoint.

Digital and platform disruption

Cars have always been synonymous with mobility, but what people mean by mobility today is undergoing a revolutionary shift. The innovations that are driving this shift – which range from autonomous vehicles to connected road networks – mean that the competitive landscape has changed fundamentally, as the sector's traditional players find themselves joined by new players, from technology giants to start-ups in the "battle for the dashboard".

Ecosystem evolution

Automotive players are not yet out of the slow lane. Strategic progress has failed to accelerate into the fast lane. In an industry, where manufacturer have been historically notorious for building a walled garden around themselves to protect new vehicle designs, close to half of organizations (48%) are already working on expanding the reach of the company outside of their core competency via a partner ecosystem, just 40% have a specific person in charge of the ecosystem with clear metrics and performance measures.

Ford CEO Jim Hackett predicted that by 2030 50% of revenues would be vehicle sales and 50% other services.[10] Tesla is another good example. Contrast this with just 51% of automotive respondents who thought changing their business models was important for future growth, the lowest-ranked score in our research.

Case study

In 2018, BMW and Baidu – the Chinese technology company – announced an agreement between BMW Connected and Baidu's 'Internet of Vehicles' that would support home-to-vehicle capabilities.[9] This service enables customers to access vehicle information by voice control and operate relevant functions easily from their home. For example, they can check fuel levels or lock their car doors via remote control.

Moving forward

Automotive players are in a battle for the dashboard with big technology and will need to embrace a new age of collaboration. They need access to the economies of scale and innovation. This means moving away from the business-as-usual mindset to develop a strategy for the future that recognizing the world has changed. No single player will have the capabilities needed – which range from manufacturing capabilities to artificial intelligence expertise – to deliver tomorrow's model of digital and mobility services. An interesting statistic is that a new car has up to 100M lines of code within the vehicle which compares with Facebook which has 60M lines of code but a vastly superior wealth of technology skills and capabilities.