

Digital Service Offering for Connected Bikers



BearingPoint joined forces with Continental ITS to design an ideal platform for motorcyclists, enabling them to transmit important road-related information in real-time. The breakthrough project equipped ITS with a whole new set of digital service offerings and value network, paving the way for the next wave of turbo-charged growth.

About Continental

Founded in 1871, Continental AG has transformed itself over the decades from a tire and rubber specialist from Hanover to one of the world's top five automotive suppliers. The company develops intelligent technologies for the transport of people and goods for B2B and B2C customers. Today, it employs over 212,000 people in 55 countries and, in 2015, generated sales of €39.2 billion. Its Intelligent Transportation Systems (ITS) Business Unit connects wireless communication technologies with the Internet of Things to create intelligent transport solutions, which tackle challenges such as Mega-Cities, and form the foundation of a multimodal mobility concept.

Continental ITS' challenge: establishing a direct relationship with end consumers as the basis for digital services

Continental ITS wanted to build a direct relationship with consumers and thereby transform its business model. The company's core business centered on selling vehicle parts to OEMs and garages, as well as sending data analysis to drivers in the form of short messages to their onboard unit, for example, on fuel consumption, range, efficiency. ITS realized that if it could enhance this service, it would transform the customer experience for motorcyclists – and move beyond selling parts and components to selling a raft of novel, interactive services.

Thanks to electronic horizon (eHorizon), Continental ITS saw an opportunity to do this. eHorizon is a dynamic mapping system that enables car drivers and motorcyclists to 'see' around corners. In the future, it will offer a common platform allowing drivers and riders to share key route information.

The system harnesses 'swarm intelligence' to continuously supply the digital map in the back end with accurate and up-to-date information. The stored data is collected in the cloud and made available to all riders in real-time. This ensures that drivers and riders are informed in advance of obstacles along their route, such as road works and debris, accidents, or traffic jams, which enhances safety not only for them but also for all other road users.

In this project, BearingPoint supported Continental ITS to help identify the right digital services specifically for motorcyclists. Based upon this bottom-up analysis, the team built the right value network and business model. Furthermore, we were involved in developing the step-by-step process by which Continental ITS could transform from a traditional service to a digital service model business.

Our solution: from extensive research and collaborative teamwork to the digital transformation of Continental ITS' business

ITS first needed to understand the needs of end consumers. Therefore, BearingPoint organized several Design Thinking workshops to glean insights from the motorcyclists themselves. We used this feedback to inform the development of various minimum viable products (a strategy for rapidly creating a prototype to get customer feedback). The outcome was the identification of several safety warnings as well as community sharing aspects the motorcyclists desired.

This predefinition of services and the team's extensive global market research were presented to ITS in a workshop, during which the views of colleagues from across the business were considered. Within this group, we assessed the potential services against more than 150 criteria using the BearingPoint Digital Innovation Generator. This tool combined technical, internal and external perspectives with customer and data aspects, enabling ITS to select the five most suitable digital services for motorcyclists; thereby defining its new value proposition.

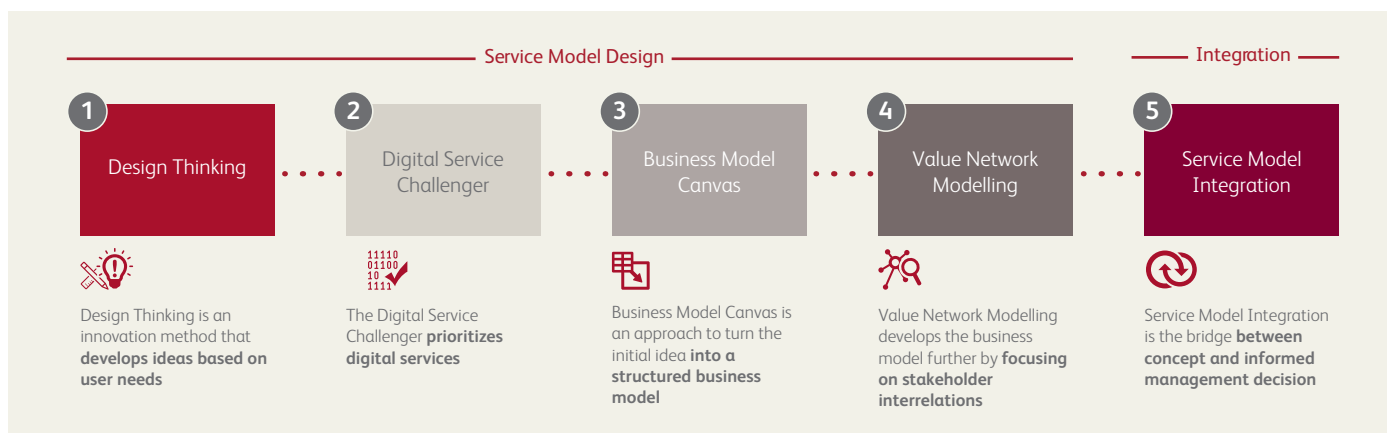
In the context of the new stakeholder interrelationships, Continental ITS and BearingPoint modeled various system scenarios in support of the implementation of these new services. Working with the data provided by this modelling, the team drew

“Continental, as one of the biggest global players in the technology sector, connects their products with impressive speed and will dominate the next generation field ‘Smart Mobility’ in the future.” – Dr. Stefan Penthin, Partner, BearingPoint

upon the facilities of BearingPoint's Digital Innovation Generator. The tool combines various innovation approaches from different industries, such as automotive, telecommunications, and manufacturing, to reformulate current offerings and aid clients in the transition to becoming a digital service provider. It uses a tailored, iterative approach based upon the company's starting position, and includes product/service development, business model definition and implementation support.

By leveraging the BearingPoint toolset, the team could assess the business resources, budgets, and KPIs, for this project. They were then able to generate a launch strategy and market entry roadmap, which helped to organize and manage internal and external resources. In this way, the new digital services offering was defined.

"BearingPoint's Digital Innovation Generator considers all relevant facets of a service offering. In this way we were able to reduce learning curves and use a structured framework to convince all participants of our approach." – Rene Kömer, Senior Manager Strategy & Business Development, Continental AG



Results: Positioning Continental ITS as an end-to-end service provider through the launch of eHorizon

In working closely together, BearingPoint and Continental ITS laid the groundwork for an entirely new, high-growth business model. The project demonstrated how an already supremely successful business can adopt platform technologies with innovative business models in a pragmatic way. Continental ITS was able to leverage the proven internal expertise the business had accrued over the years with external data sources, all in the service of a much larger group of customers. The team succeeded in:

- Setting up new value propositions for both existing customers (automotive OEMs etc.) and new customers (the motorcyclists) by launching eHorizon
- Developing the business concept eHorizon for motorcycles with Continental ITS as an end-to-end service provider
- Creating a sophisticated digital service offering, which forms the basis of a broader digital ecosystem
- This digital ecosystem will enable the business to participate in such areas as 'smart cities'
- Presenting Continental ITS as an 'orchestrator' in smart mobility, by combining hardware and software

"With BearingPoint's help we were able to rapidly accelerate and professionalize the process of becoming a digital ecosystem." – Arno Semmelroth, Director of Ideation, Continental AG

Following the initial implementation of this digital service offering, Continental ITS is now empowered to build additional components onto its business model with a minimum of risk, for example, by using direct feedback from users for R&D and marketing/sales. As Arno Semmelroth, Director of Ideation, Continental AG, notes: "With BearingPoint's help we were able to rapidly accelerate and professionalize the process of becoming a digital ecosystem." The project has equipped the business with the mindset and the technical know-how to quickly identify and capture business opportunities in the future for exceptional market share growth.

Committed consultants with adaptive intelligence

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our global consulting network of more than 10,000 people serves clients in over 75 countries and engages with them for measurable results and long-lasting success.

For more information, visit our website www.bearingpoint.com.

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