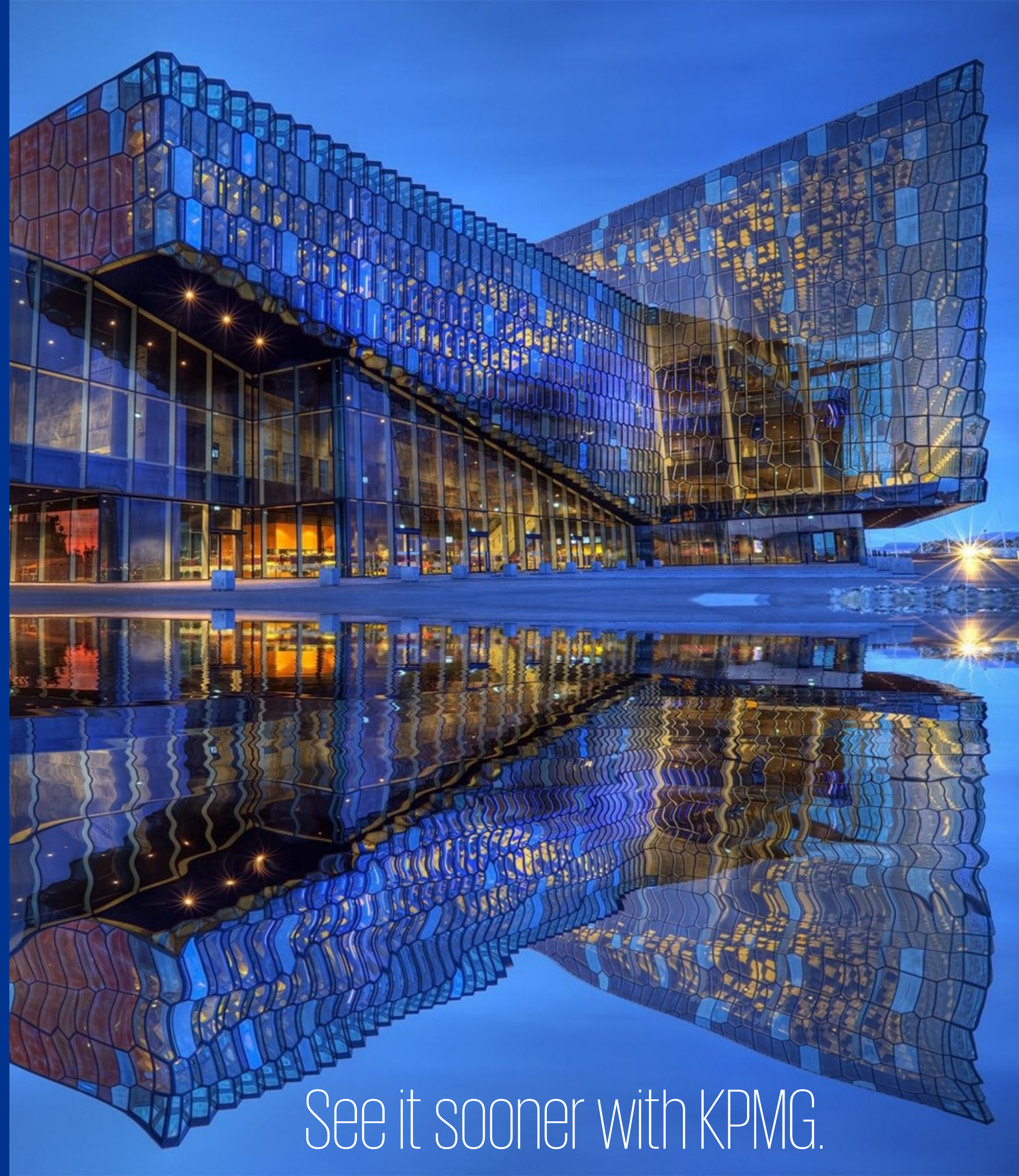
Heading towards a „mobi-listics" ecosystem

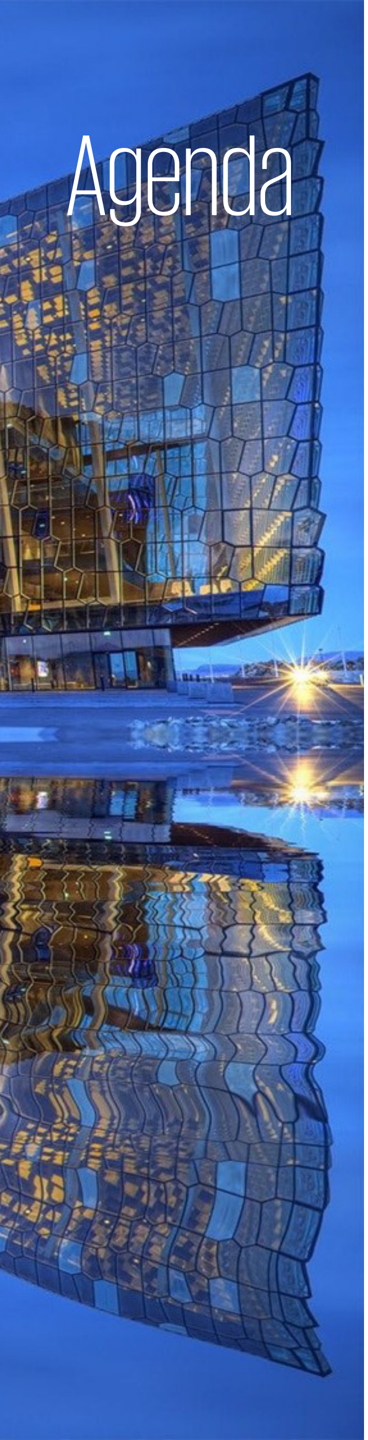
Áfram Veginn

Ráðstefna Um Framtíð Samgangna Á Landi
15. Nóvember Í Hörpu

Moritz Pawelke,
Global Executive for Automotive

KPMG International



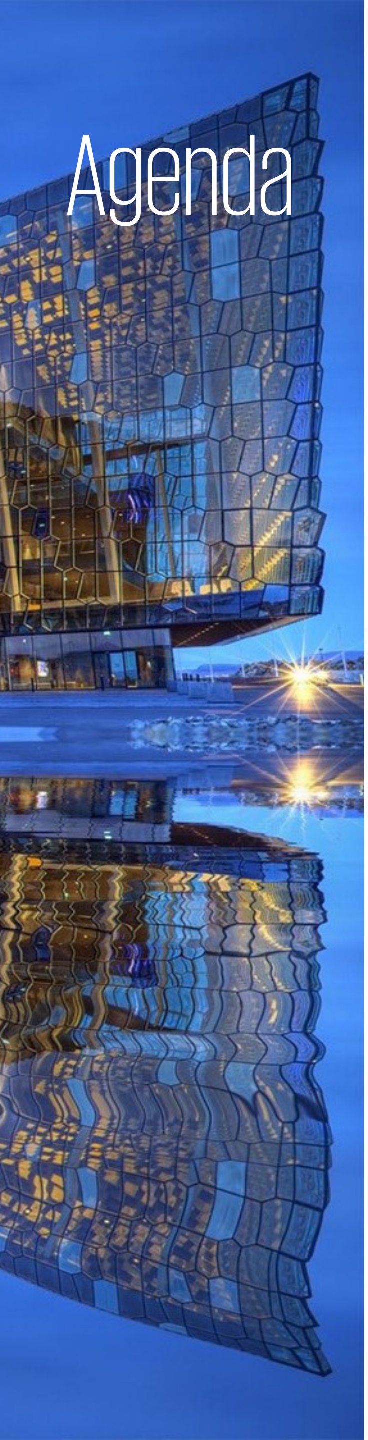


Agenda

1 **Introduction**
See it sooner with KPMG – Global Automotive Executive Survey 2017

2 **Platformization in the ecosystem**
How to ensure to be a part of a complex self-organizing ecosystem

3 **The “Mobi-listics” Ecosystem**
Examples how to make best use of our resources in the future



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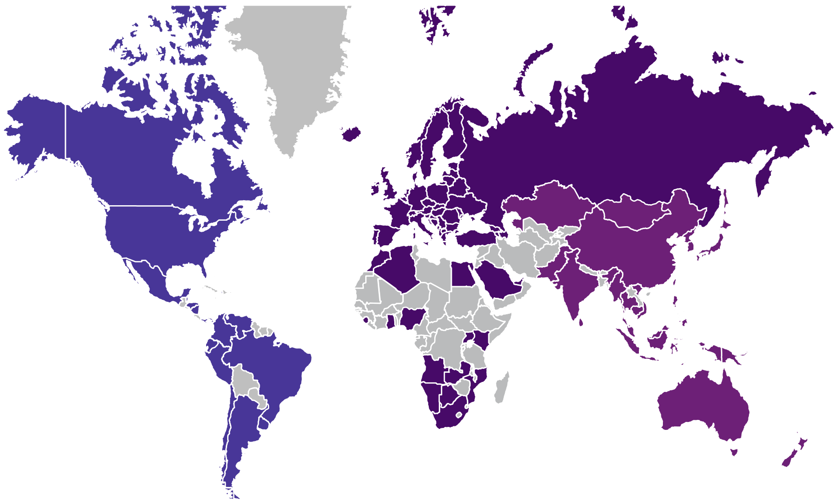
KPMG's Global Automotive Sector Network

Global Automotive Sector

With over 4.000 professionals KPMG is one of the leading service providers to the Automotive industry.



Providing Audit, Tax and Consulting services to automotive clients in over 100 countries globally.

KPMG's Global Automotive Community (Headcount)

	Total	Audit	Tax	Advisory
Partners	**257**	126	69	62
Practitioners	**3,764**	1,851	861	1,052

KPMG's Global Automotive Revenues

FY 16 *(in $ m)*	**Total**	Audit	Tax	Advisory
Automotive revenues	**792**	290	203	298
Function share		37 %	26 %	38 %

Our Global Automotive Steering Group consists of 18 permanent members from all major automotive markets around the globe.

Yezdi Nagporewalla, Ulrich Bergmann, Doug Gates, Huu-Hoi Tran, Sam Fogleman, Gary Silberg, John Leech*, Andreas Feege, Dieter Becker, Moritz Pawelke, Brigitte Romani, Megumu Komikad, Fabrizio Ricci, Ricardo Bacellar, Ulrik Andersen, Laurent Des Places, Seung Hoon Wi, Axel Thümler

* Will be succeeded by **Justin Benson**

Please note: Totals may not add up due to rounding.

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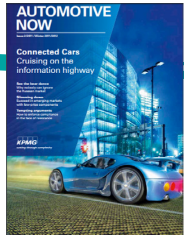
See it sooner with KPMG - we are thought leaders for many automotive key trends

Automotive Now – Connected Cars
(2011)

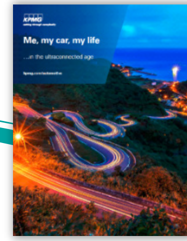


"Within the next decade the **internet will revolutionize private transport.** Web providers and car manufacturers are vying for supremacy."

Self-driving cars: Are we ready?
(2013)

„Get ready for the post powertrain ecosystem. **Acceleration is not all that matters** in self-driving cars"

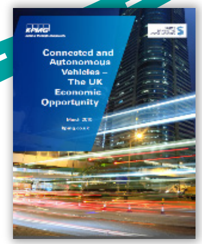
Me, My Car, My Life
(2014)



"KPMG sets out to better understand how the automotive industry will adapt to and shape the converging world of **personalized mobility** and the **internet of everything."**

KPMG's Global Automotive Executive Survey 2015
(2015)

"Mobile **connectivity**, the value of **customer data** and **self-driving** cars are the **next big thing!"**



Connected Autonomous Vehicles
(2015)

"Connected autonomous vehicles will **expand our industrial base**, **improve safety** and congestion, **drive up productivity** and **free up space** usually devoted to vehicles in urban areas"

Metalsmith or Grid Master
(2015)

"OEMs need to think about how to **reshape their business model** from a genuinely product-driven approach to a more service- & customer oriented model."

The Future of the Car
(2015)

"As technology takes over driving from human beings it will **dramatically cut traffic congestion**, serious accidents and **give people back valuable hours in their day"**

The Clockspeed Dilemma
(2015)

„We're riding a wave of fantastic innovation that is **moving faster and faster**. Who will be among the next generation of leading companies?"

KPMG's Global Automotive Executive Survey 2016
(2016)

"**Connectivity and digitalization is sky rocketing** – this trend has finally outpaced growth in emerging markets and alternative drivetrain technologies as the key trend in 2016."

KPMG's Global Automotive Executive Survey 2017
(2017)

"Say goodbye to a **complete auto-digital fusion** – say hello to the 'next' dimension of **co-integration**"

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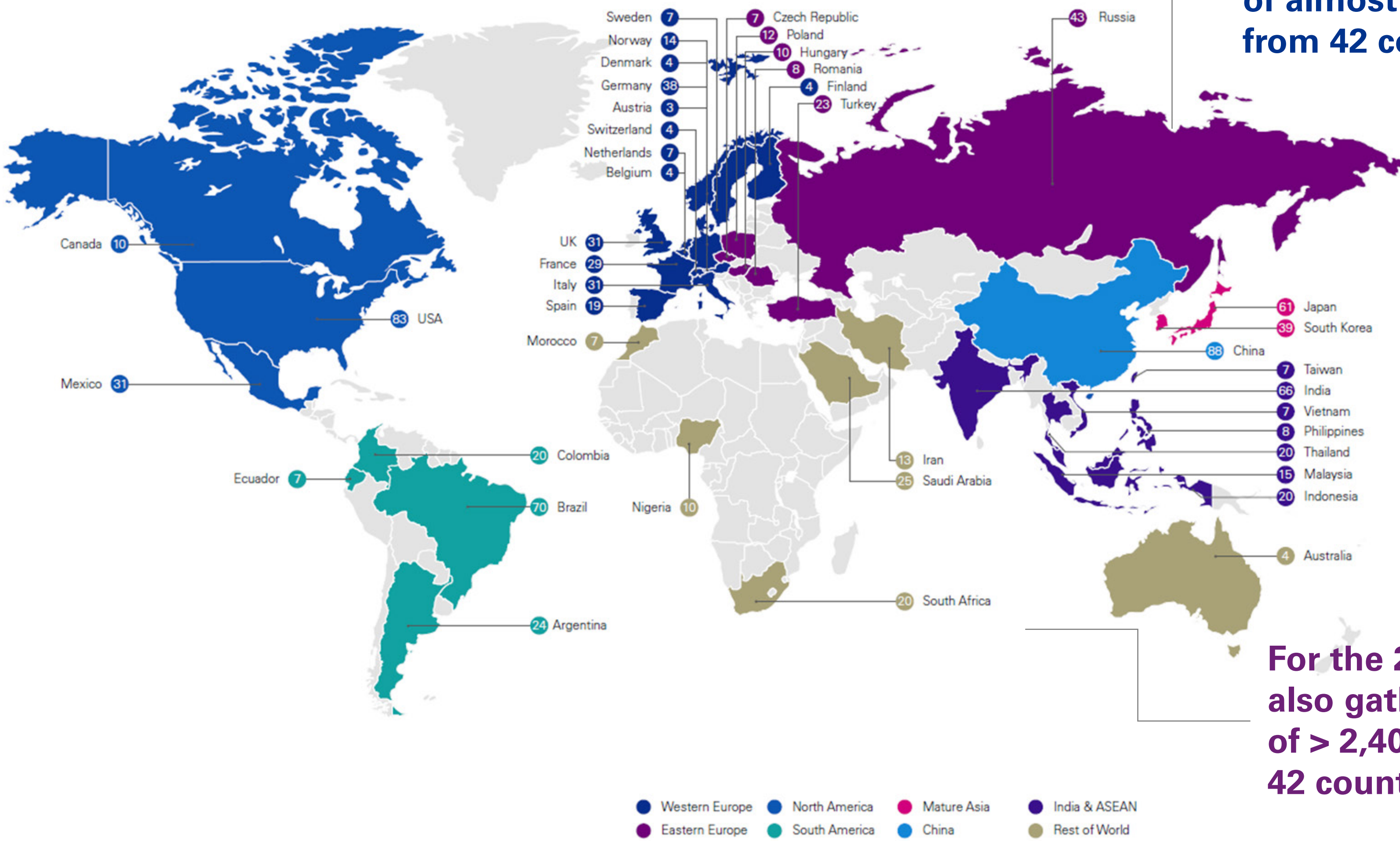
About the executive survey

For the 2017 survey we gathered the opinions of almost 1,000 executives from 42 countries.

Executives



For the 2017 survey we also gathered the opinions of > 2,400 consumers from 42 countries.

Consumers

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About the executive survey

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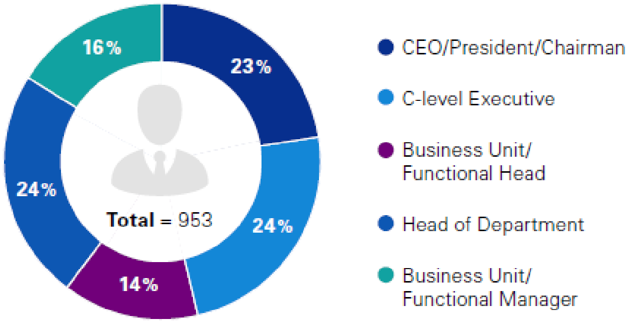
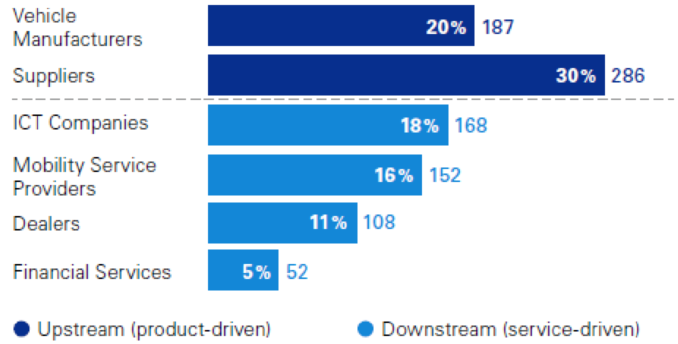
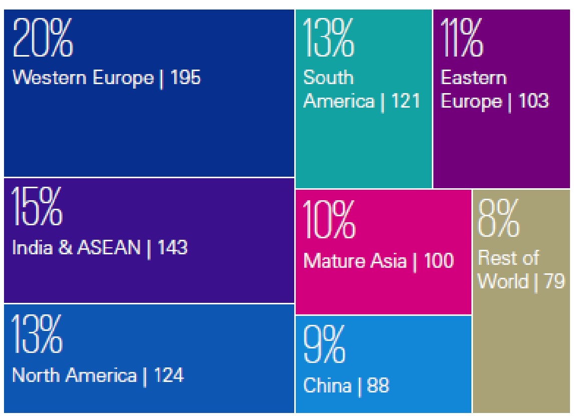
Respondents by job title



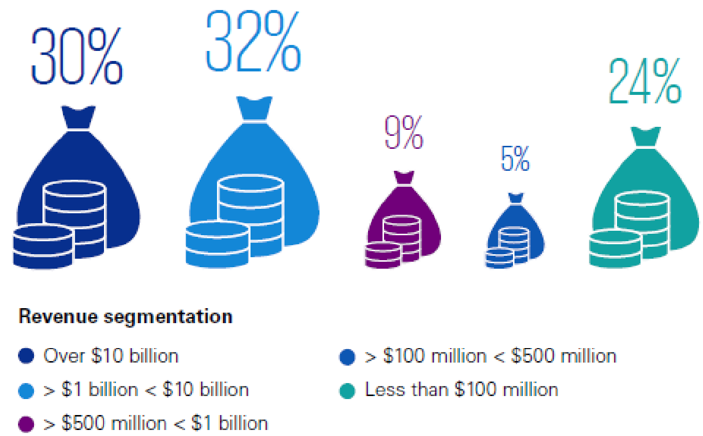
Respondents by company type



Respondents by regional cluster



Respondents by company revenue



Note: Percentages may not add up to 100 % due to rounding, ICT = Information, Communication and Technology
Source: KPMG's Global Automotive Executive Survey 2017

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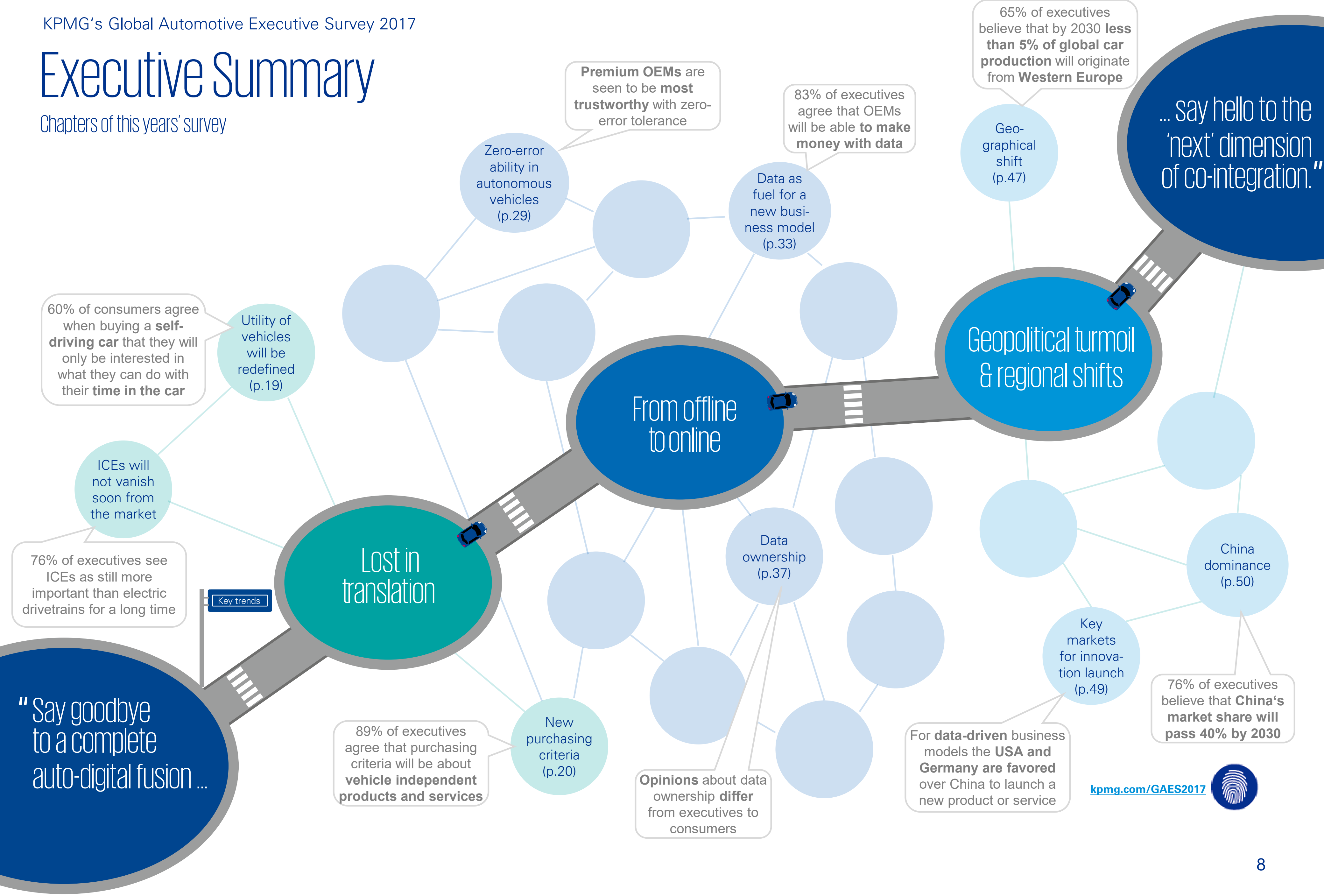
KPMG's Global Automotive Executive Survey 2017

Executive Summary

Chapters of this years' survey



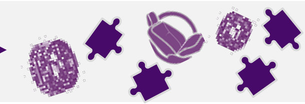
The de-materialisation of hardware will bring us closer to the best use of our resources

Megatrends

Hardware · Product focus · Technology oriented · Offline — *Better use of resources in the digital ecosystem* → Software · Online · Service · Customer orientation

Centricity

De-materialisation & changing customer behaviour →

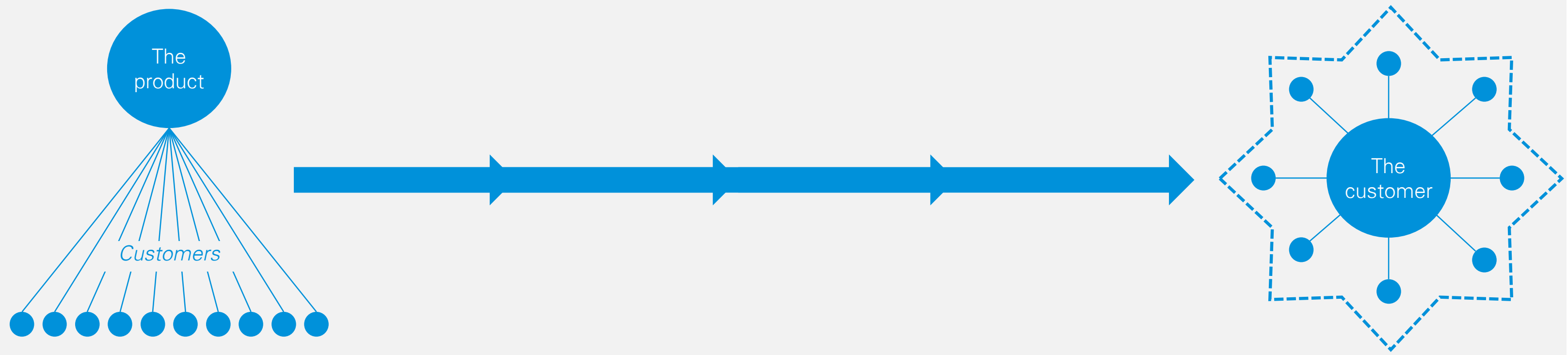


Business model

Vehicle — Function on demand — Vehicle on demand — Mobility on demand — Optimized use of resources (powered by all players in the ecosystem)

Product culture · *Service culture*

Value creation



Steering logic

Product profitability → **Customer value**

$ *Product divisions with P&L* → *Customer segments with P&L*

Rewards metrics

Performance KPIs based on units sold	*Performance KPIs based on customer lifecycle value*
One-off transactions	***Recurring transactions***

Source: KPMG Automotive Institute (2017)

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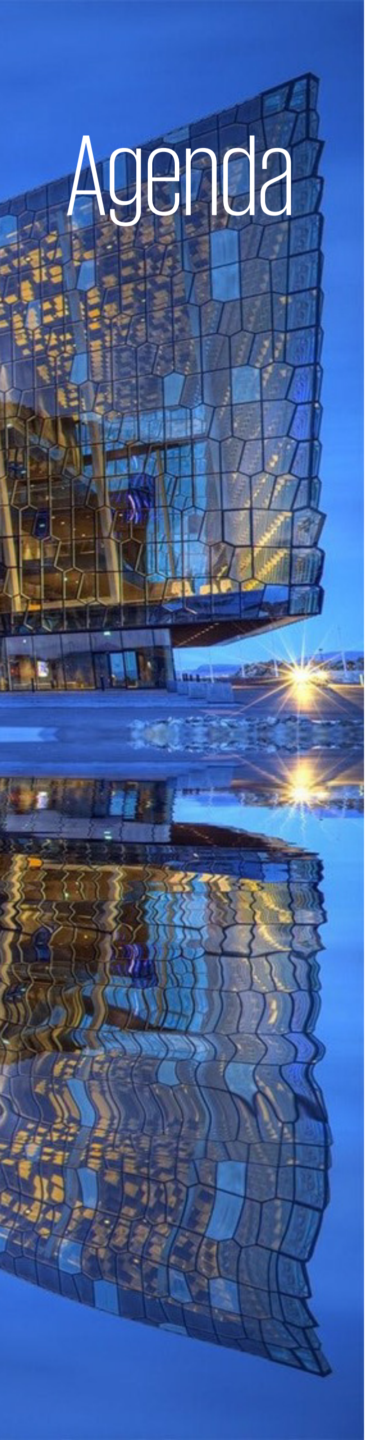

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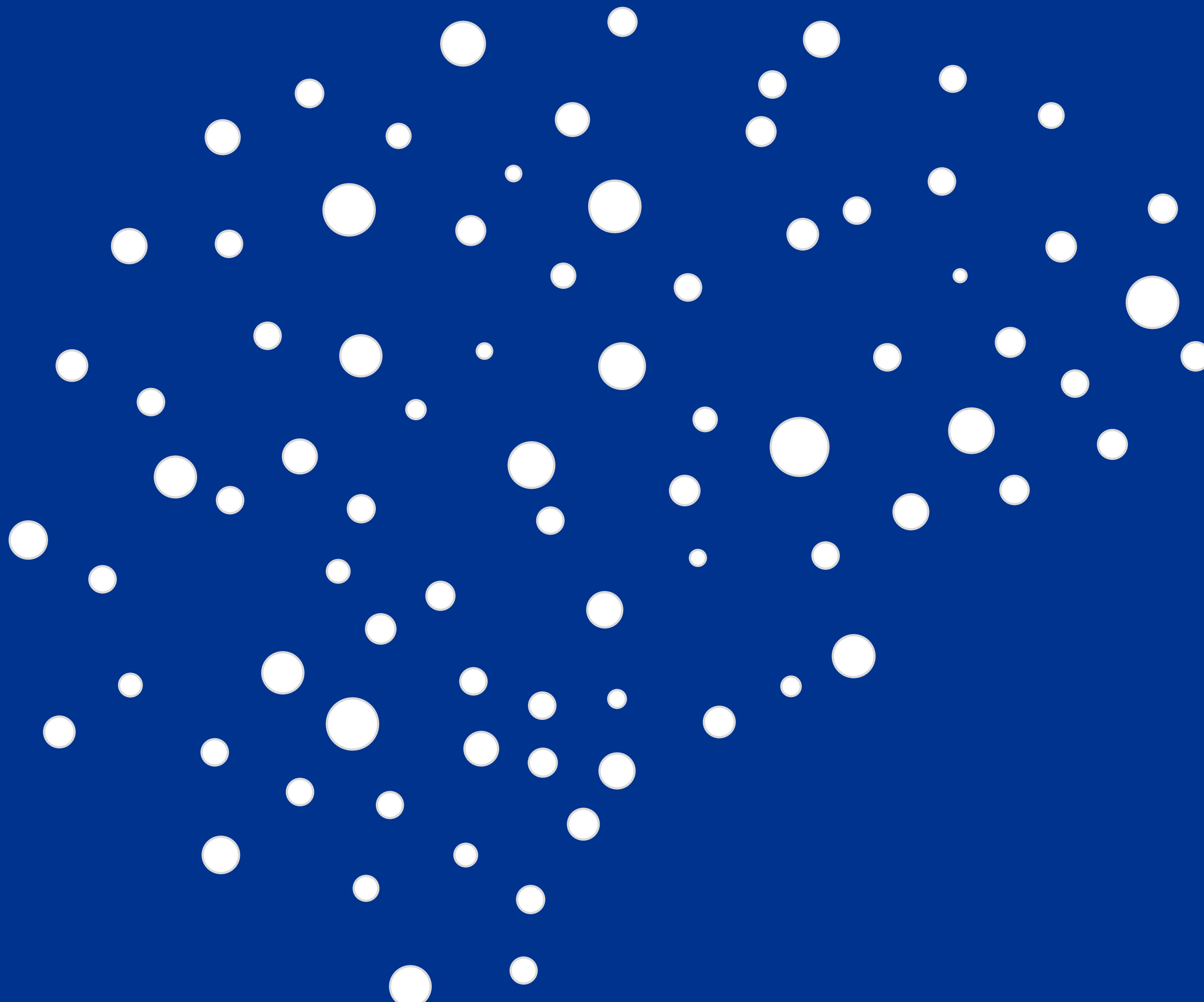
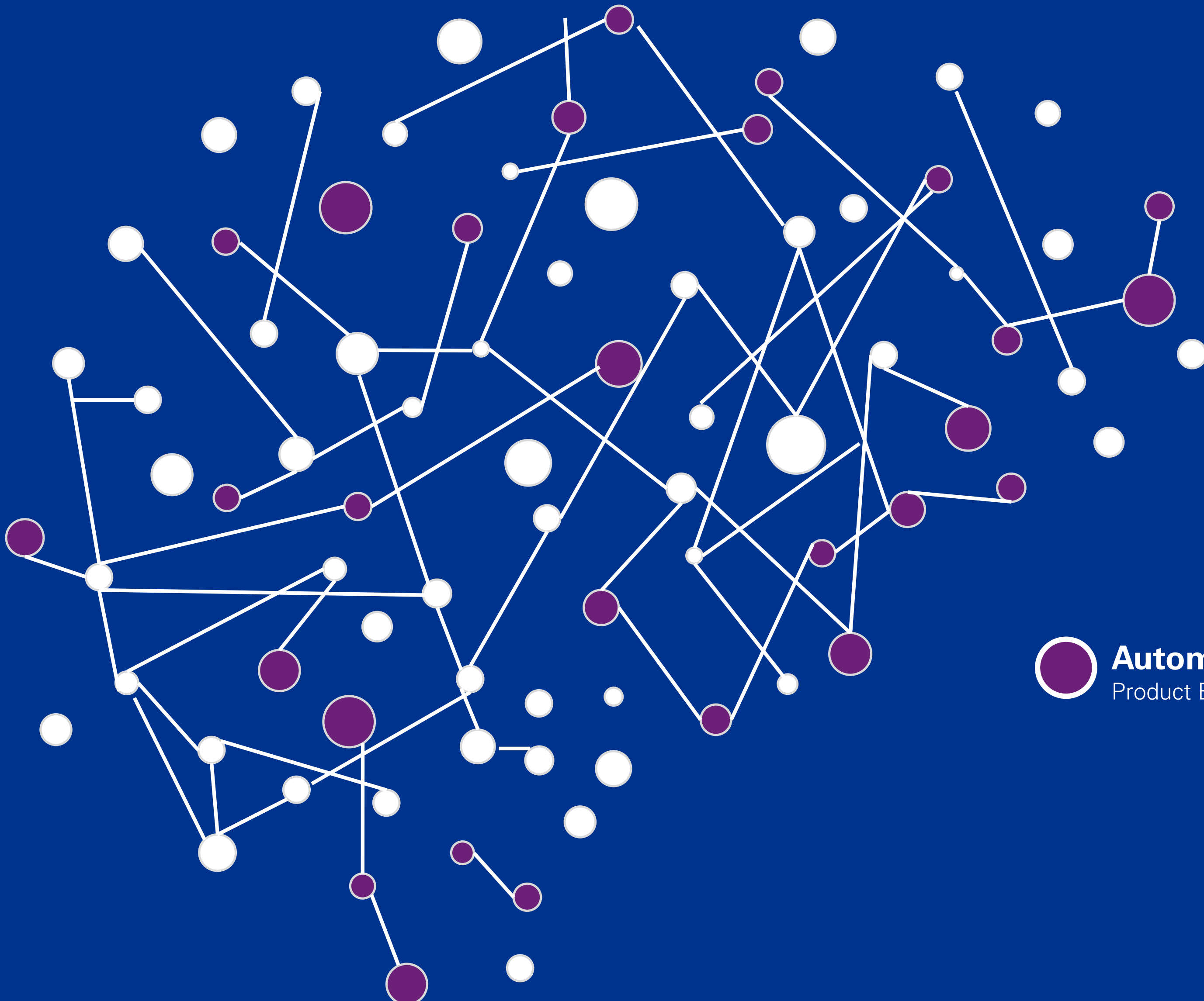
How to achieve the next dimension of co-integration...?



From a product-centric world & linear trails...



...

CARS

DRIVETRAINS

OWNERSHIP

INTERIEUR

EXTERIEUR

INDUSTRIAL DESIGN

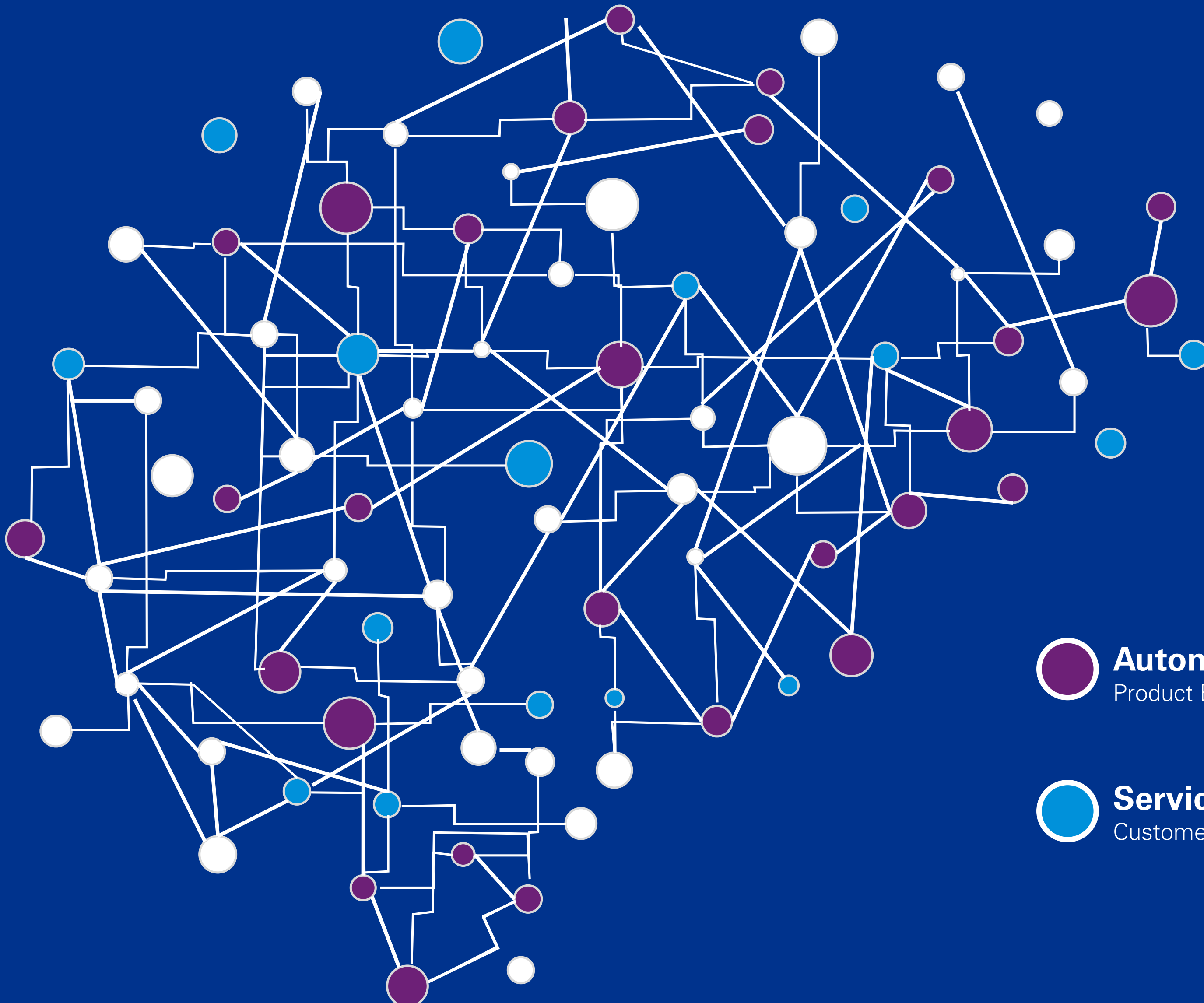
...

Automotive
Product Experience (PX)

Focus

PRODUCT VALUE

...to a service-centric universe & non-linear trails...



...

CAR FINANCING

CAR INSURANCE

CAPTIVE BANKS

RIDE HAILING

RIDE SHARING

CONNECTED SERVICES

...

Automotive
Product Experience (PX)

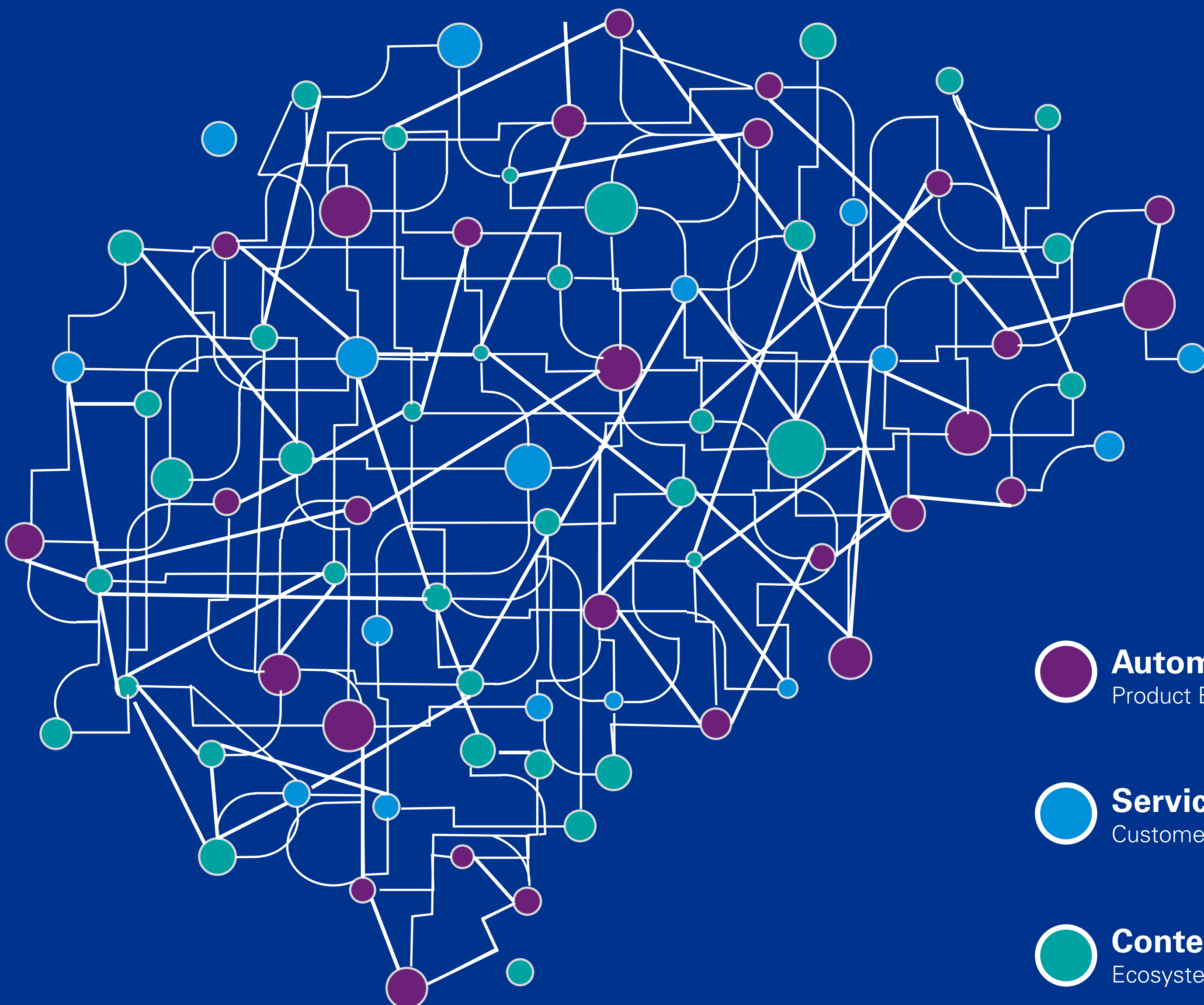
Service
Customer Experience (CX)

Focus

PRODUCT VALUE

SERVICE VALUE

...to a content-rich system & self-organizing trails?



...
LOGISTICS
ENTERTAINMENT
HEALTH
WORK
SOCIALIZING
REMANUFACTURING
...

Focus

Automotive
Product Experience (PX)

PRODUCT VALUE

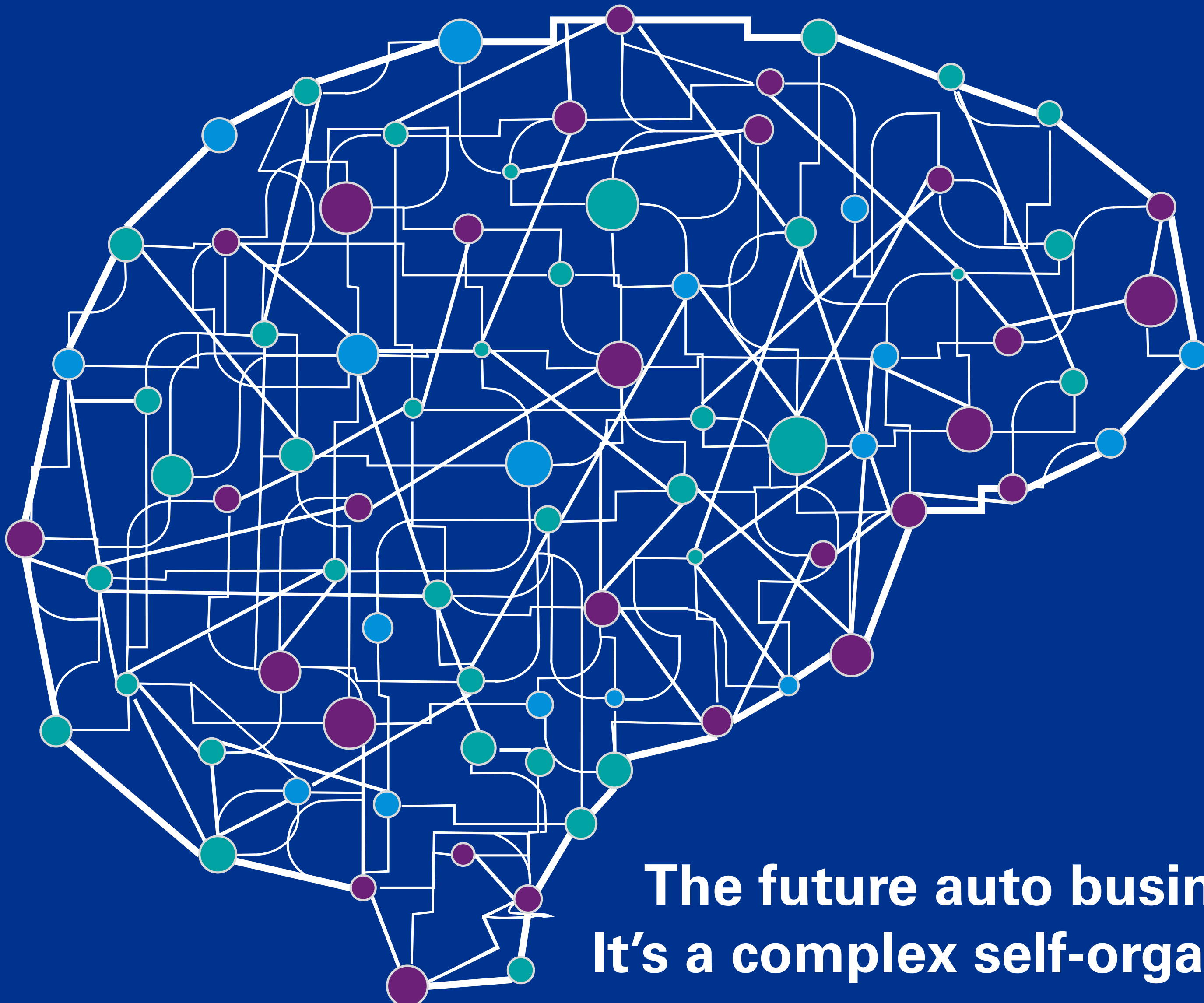
Service
Customer Experience (CX)

SERVICE VALUE

Content
Ecosystem Experience (EX)

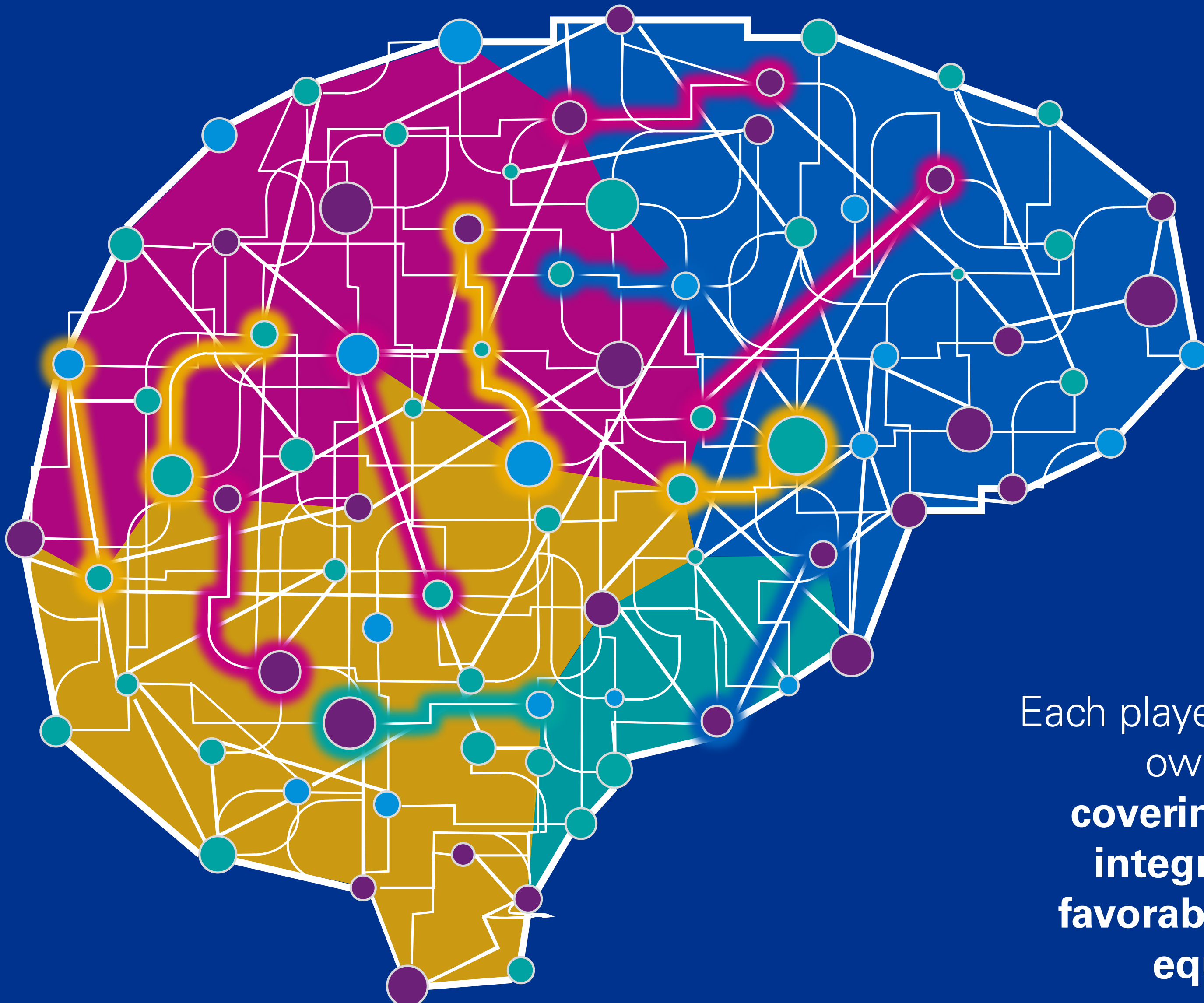
ECOSYSTEM VALUE

The brain-ecosystem analogy



The future auto business is like a brain.
It's a complex self-organizing ecosystem.

Platformisation in the ecosystem



What is your homeostasis?

Stay hardware manufacturer?

Become service provider?

Become software company?

Become content provider?

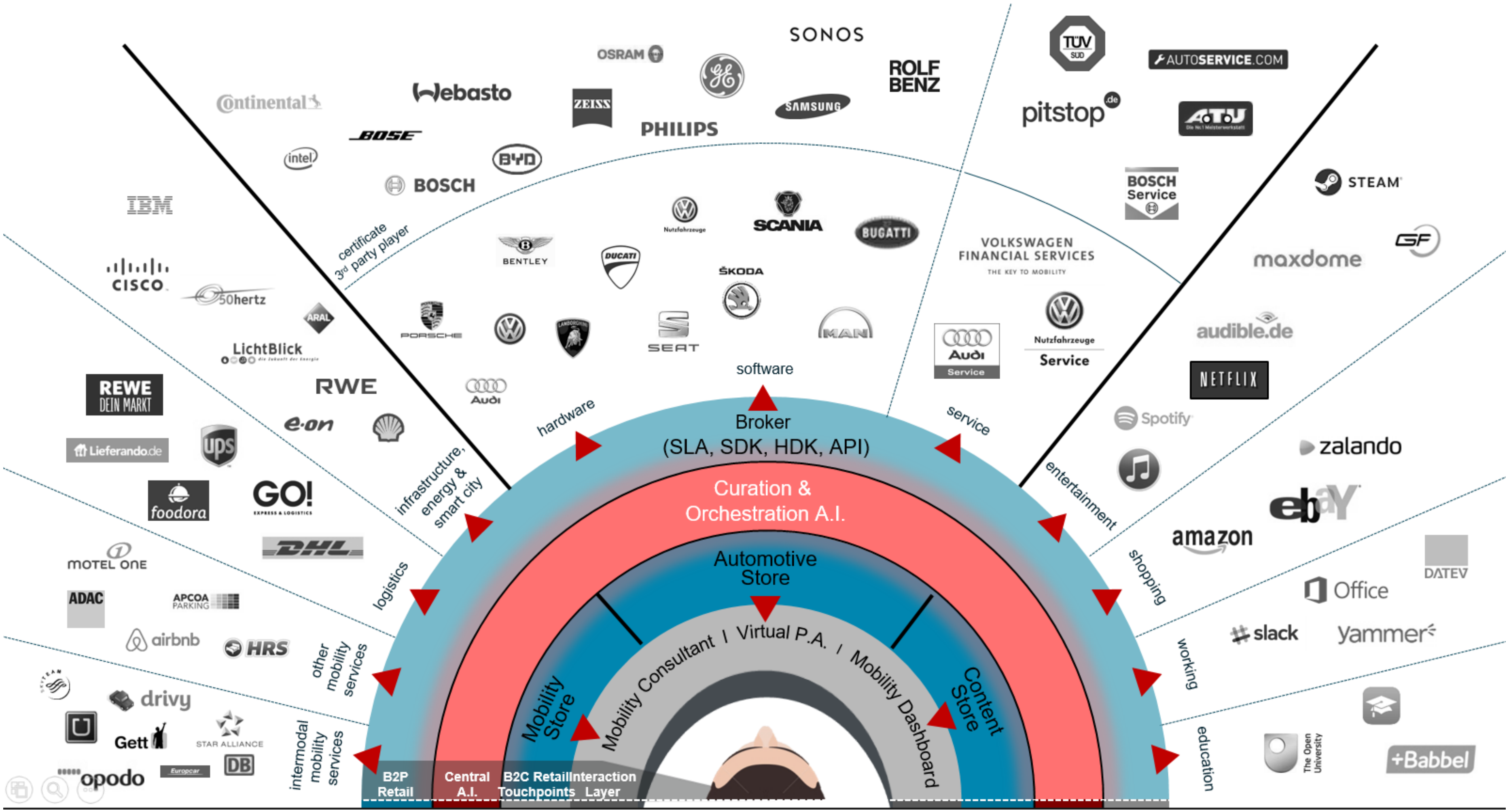
Be the brain in the ecosystem?

...

Platformisation

Each player needs to create its very own **stable environment** by **covering as many trails** and **co-integrating as many nodes as favorable** to achieve its very own **equilibrium / homeostasis**.

Future playing fields need to go far beyond mobility to satisfy future customer needs



Source: Volkswagen AG

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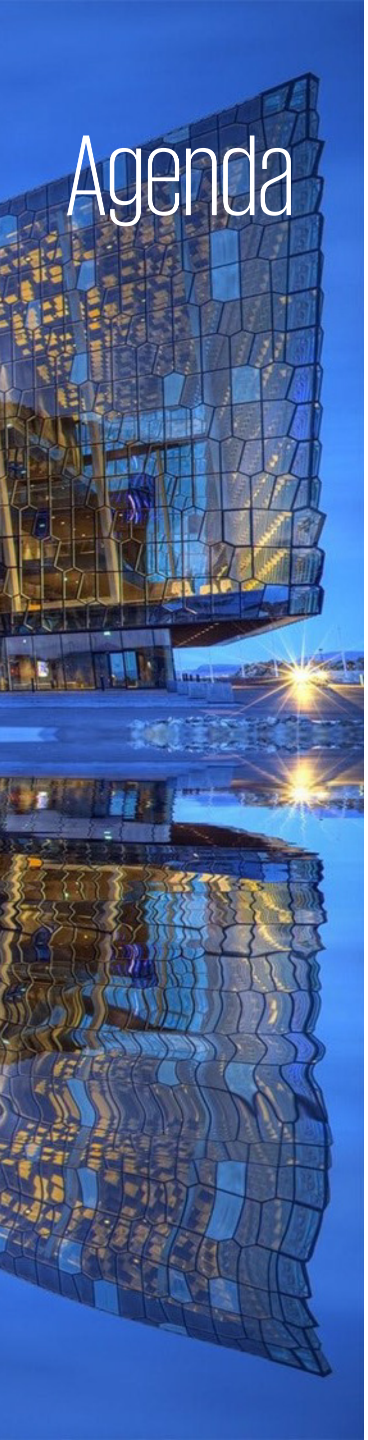

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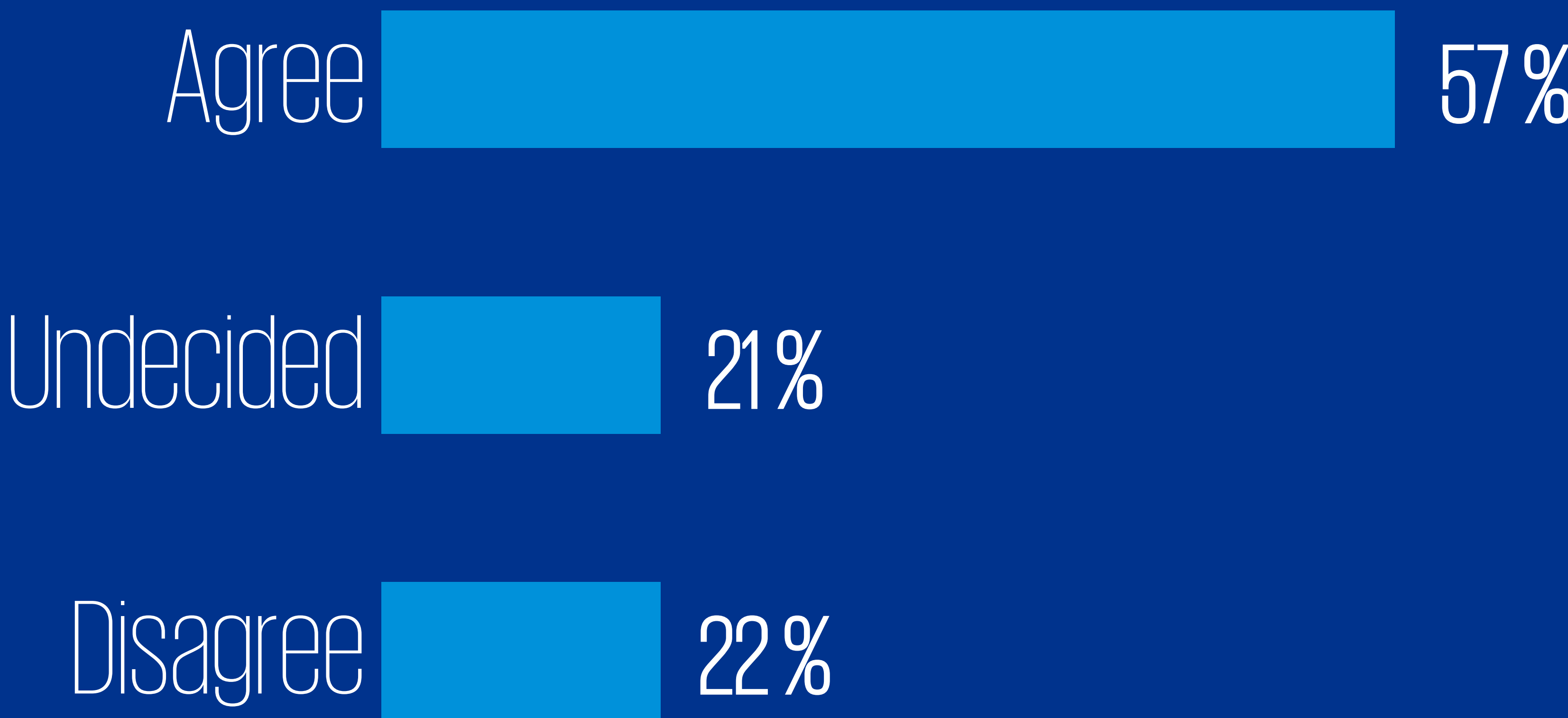
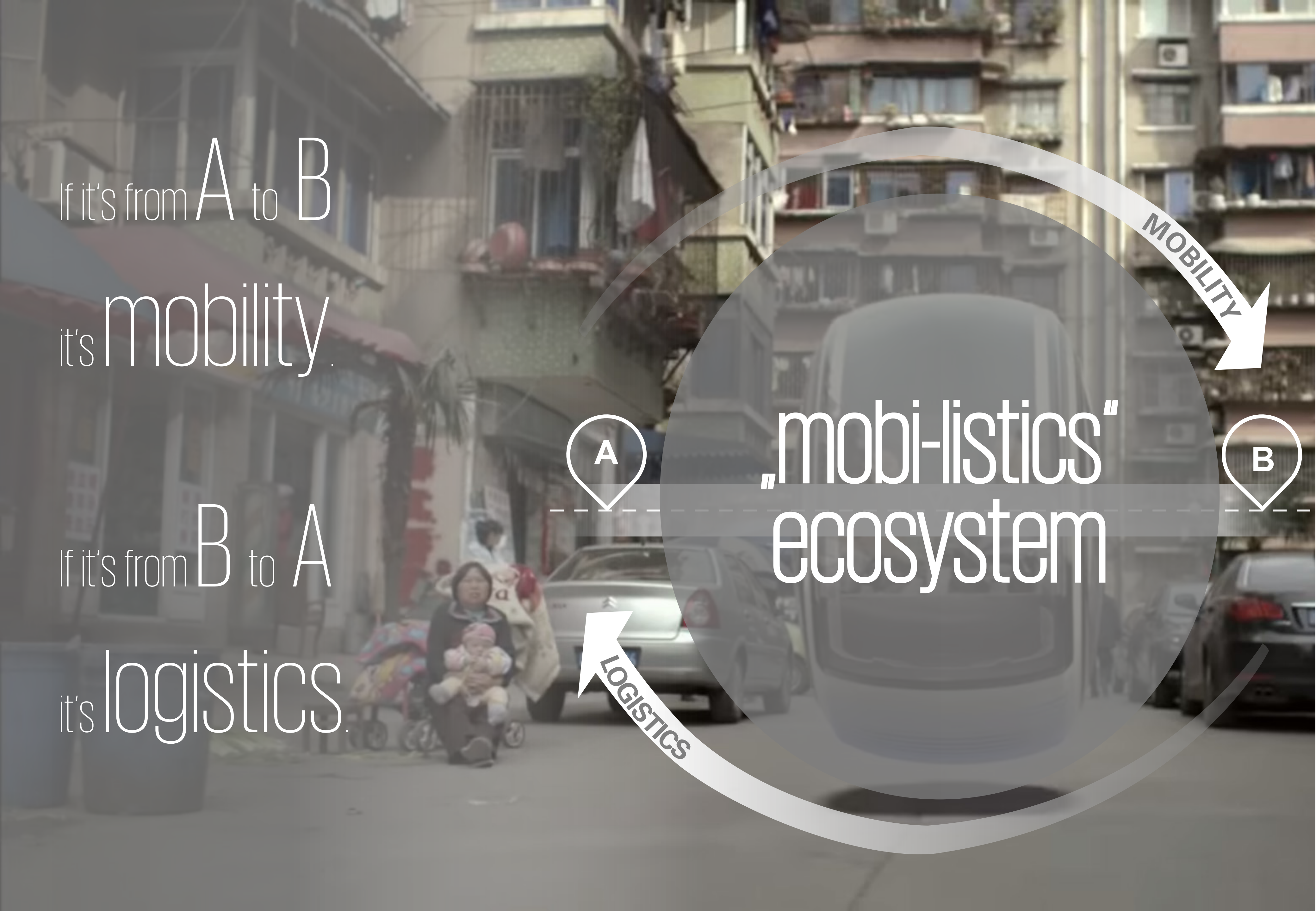
Hypothesis

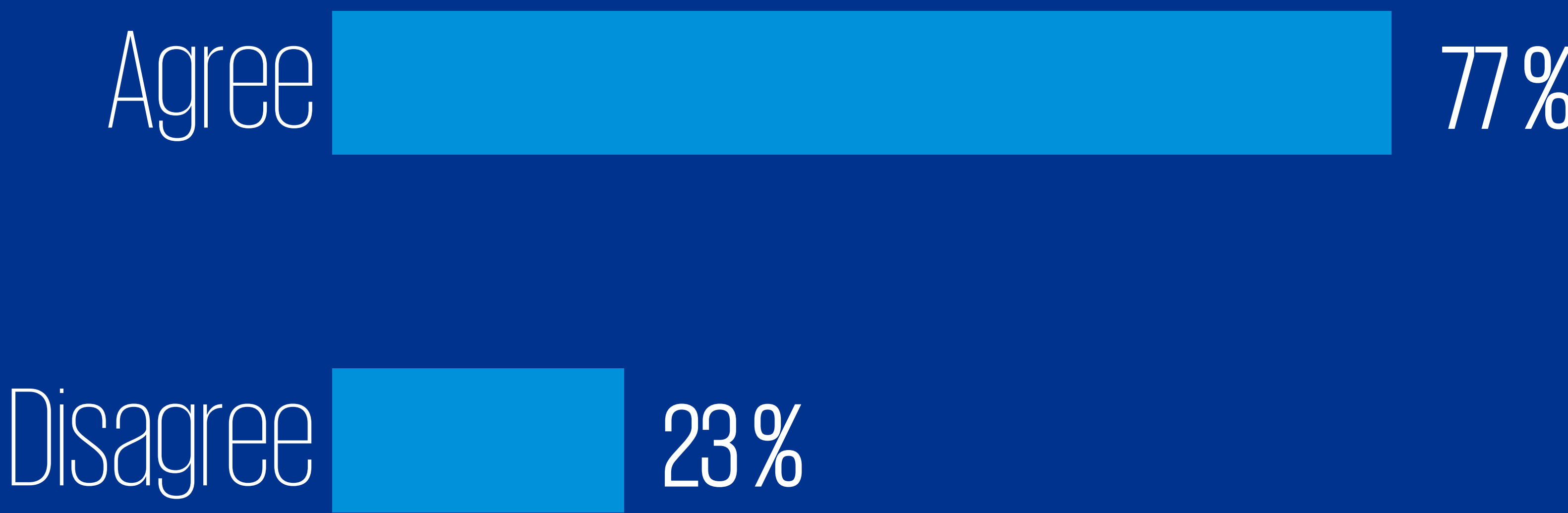
In the future we will not differentiate between the transport of goods and humans anymore.



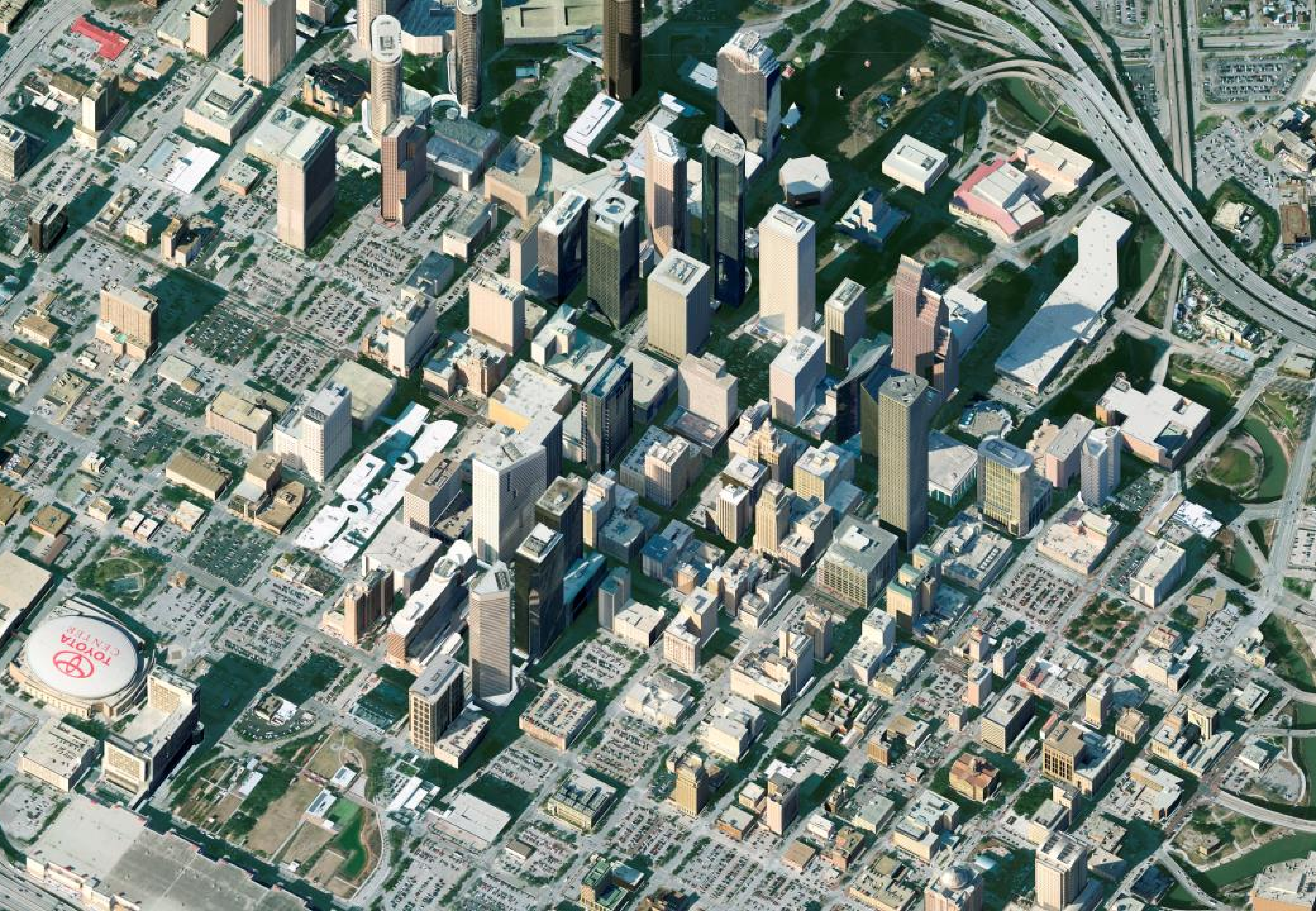

If it's from A to B
it's mobility.
If it's from B to A
it's logistics.
MOBILITY
A
B
„mobi-listics"
ecosystem
LOGISTICS

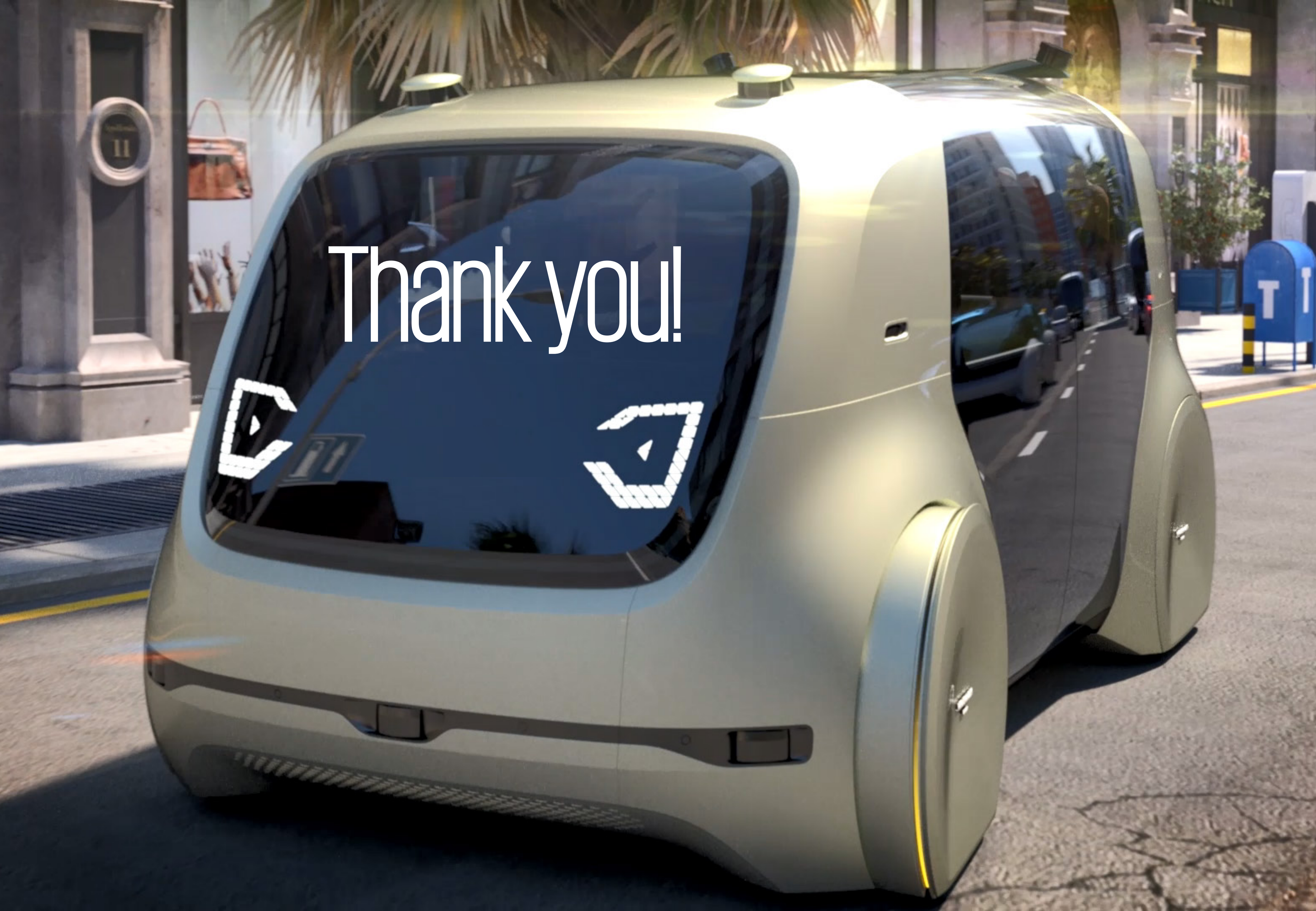
Hypothesis

One of the big drivers in the industry will be to make the most efficient use of resources.

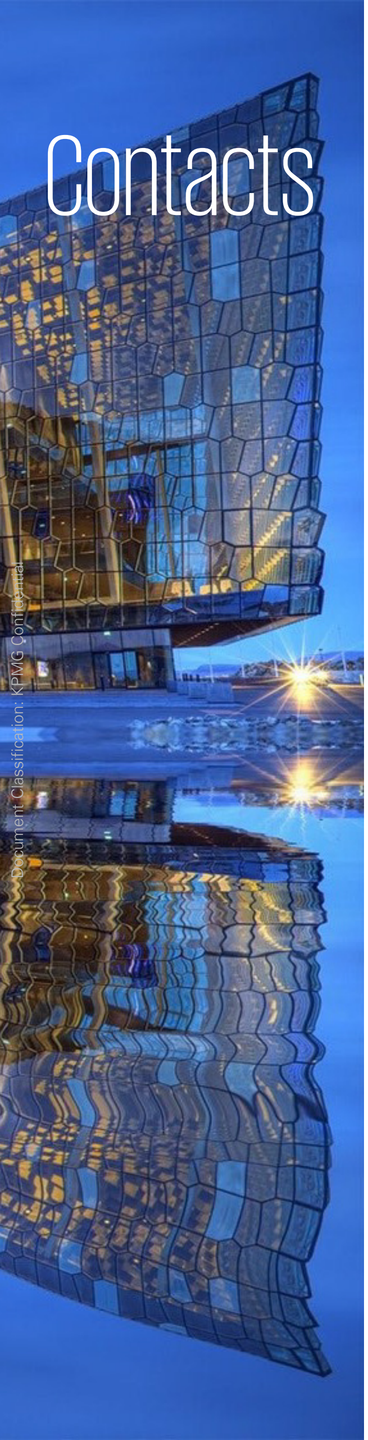



37,668 hours


TOYOTA
CENTER


Thank you!

Contacts



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