Expression of Interest

VALCON equity

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Statement

Instead of integrating every successful feature from the mobile internet, OEM should care about security and focus on non distracting driver interfaces. They have many other opportunities and challenges for mobile value added services related to cars, which are mostly neglected yet. Technology is available, so there is no reason to wait.

Different companies from the area of automotive as well as telecom and internet are desperately trying to adapt services from the web and bring them into the car. But do customers really need these features while driving? Messaging, Facebook and Twitter would definitely be distracting. Even a Google car will take some years to drive really autonomous.

Turn by turn navigation in cars is definitely one of the most useful assistant systems in cars since years. With a mobile connection they are much better. Real time traffic, point of interest and personalized information are already available, there will come many more. But differentiation with connected services will be harder in premium segments, while other OEM are already integrating cheap PND or offering interfaces to Smartphones.

Are people willing to pay an additional charge for services in the car that they already use on their smartphone? Are hotspots in cars really a sensation? Do they bring more value and is the price reasonable? You can easily use your Smartphone to connect other devices, no need for a further data plan.

Voice Interfaces with a connection to an external ecosystem can be a possible for the future. Even if the customer experience is partly poor – systems will learn in the next years and become more intelligent and useful.

But what is the right strategy for OEM? Open interfaces for service provider and focus on the human machine interface or build an own infrastructure and develop individual applications? Do they really want to position themselves as an other Google or Apple? From our perspective that will be hard to achieve, driving these services into the market and keeping them under control. The ICT and CE industry is far ahead and much faster than an OEM can be. New cooperation models may be a key to keep the pace – with infrastructure, service and content suppliers and, when it comes to security features, also between competitors.

Besides applications inside the vehicle there are a lot of car related services possible. Smartphones can play an important part as a secure gateway to the car and as an interface to the customer. Some remote monitoring or control apps can already be downloaded from different app stores today and many apps are part of electric cars concepts.

Connected vehicles and Data out of the car bring more opportunities especially for OEM. They still keep some secrets but this intelligence can be used to create more values, improve the customer service and to manage the cars lifecycle.

The hurdle today is not the technology. Most components are ready for series production; many are used in transportation business since a decade or longer. There is no reason to wait for the next maturity level. Market players should begin to provide services, which might be a different approach to todays technology selling.

About VALCON

VALCON is a management consulting company with a focus on strategy (expansion or downsizing) and structure (effectiveness and efficiency). We cooperate with our customers as an entrepreneurial partner in putting value-increasing processes into action.

Our strong background and long term experience comes from both worlds, with several project for mobile services and connected cars, inside the automotive industry and ICT.