

# How mobility players can compete as the automotive revolution accelerates



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What is required to navigate the emerging personal-mobility landscape in an uncertain future?

**We often hear** people ask, “Who will be the winner in the transformation the mobility sector is facing?” As autonomous driving, shared mobility, connectivity, and electrification disrupt the industry, there is uncertainty about who will come out on top: traditional players or new entrants, the hardware or the software guys, Western or Asian companies, product or service companies? In our perspective, however, success in the emerging personal-mobility landscape will depend less on what individual players are doing today and more on the choices they make regarding tomorrow’s strategic direction.



In our first article on [the acceleration of the automotive revolution](#), we offered an integrated perspective on two key questions: What is the speed of change, and what do the new value pools look like? In this one, we present our perspective on the logical third question: What is required to successfully navigate the emerging personal-mobility landscape in an uncertain future?

The previous piece introduced the concept of a new personal-mobility landscape in which players move beyond rigid roles and, instead, may employ more than one business model, engage multiple technologies, and be active across mobility layers as their capacity to deliver value to their customers allows.

Successfully growing or transitioning into the new mobility industry will require more than simply defining or reorienting a fixed strategy. Strong navigators will learn how to choose based on probabilities. At the same time, they will remain agile and not fixate on a single road forward. As such, mobility players should take four actions, which we will discuss in more detail: define their strategic posture and select differentiating capabilities to build, choose their individual strategic setup, pursue optimal partnerships, and actively manage the transition from traditional to disruptive models.



### ***1. Prioritizing capabilities to realize a healthy strategic posture***

The future of the mobility industry is characterized by uncertainty. As such, there will likely be several ways forward due to the impact of regulations, technological disruptions, and divergence of consumer needs, for example—each unfolding at a different pace. Players thus need to think about which developments they consider more probable than others and how well they are positioned to follow those paths toward successful outcomes.

In doing so, identifying relevant technology and business-model competencies that will allow for differentiation is an important step and should be taken early on in order to define a suitable strategic posture. On the technology side, mastering software capabilities or creating advanced skills in electrification may become key areas for successful differentiation. Similarly, in considering where to focus concerning business-model competencies, it could be critical to [choose competencies using a customer-centric perspective](#).

Moreover, trends in the space will also require players to develop a robust organization that enables capabilities around digitization, automation, and innovation, for instance, to the point that they are able to compete along their newly chosen core competencies.

Taking a closer look, we find 25 competencies in the areas of technology and business models, which can be clustered into front-end and back-end competencies, as well as five organizational enablers. Companies must master them all to successfully differentiate and serve consumers across all four disruptive trends (autonomous driving, shared mobility, connectivity, and electrification). And most differ from what traditional players have become used to refining for decades, such as a skill set around optimizing the development of internal combustion engines (ICEs).



## ***2. Choosing a mobility strategy based on a clear profile of qualifications***

To build up the new mobility landscape, all segments in all five layers will have to be fully served. Individual players will have an ever-growing number of ways to compile their offers and define their mobility strategy in line with their aspirations.

To succeed within each archetype, players must carefully select and master a minimal set of technology and business-model competencies, as we outlined in Exhibit 2. For example, a “pointed niche” player may decide to bet on one trend—say, autonomous-driving technology—and therefore, depending on the planned focus, will need to cover all software-based front-end and back-end technology competencies. This player might need to build advanced machine-learning capabilities, double down on driving software, and create the relevant set of business-model competencies such as the effective processing of front-end offers.

To offer a complete and differentiated portfolio within a selected archetype, a company—such as the autonomous-driving niche player—will need to have a minimum profile of qualifications. Five characteristics should be considered in selecting the most suitable strategic archetype:

- ***financial strength***, that is, the minimum available funds and the ability to invest effectively in accordance with the selected strategy over the course of five to ten years
- ***customer access***, that is, the level to which one has wide access to the relevant base (for example, serving a broad range of different customers across segments, needs and wants, demographics, and geographies) or deep access to build relevant knowledge and serve effectively (for instance, understanding a specific customer type down to daily routines, individual wants, and needs)
- ***talent access***, that is, the opportunity to widely (across a broad range of disciplines) or deeply (through specific knowledge in a selected field) recruit

and retain relevant talent—such as software engineers or designers—given the employer’s attractiveness

- **organizational agility**, that is, **the ability to quickly adapt significant parts of the organization** to a rapidly changing company focus (by adopting structures, processes, or employee skills to new market requirements, for instance)
- **ecosystem embeddedness**, that is, the extent to which one is or can be networked with relevant partners and vendors in a targeted field or the broader mobility landscape

Accordingly, each strategic archetype demands excellence across a unique combination of various competencies as well as specific qualifications. Players looking to be successful in a given archetype will need to build their capabilities with respect to their current individual portfolio of skills and assets.



Companies that understand their profile and the archetype requirements can quickly grasp when a specific strategy could be met or exceeded, or in which circumstances underdelivering might become a risk. Identifying individual nuances can clarify appropriate archetypes and then help players fine-tune their strategy once a choice has been made.

Imagine, for example, a company that aspires to become the standard provider for holistic autonomous-driving technology kits. The company has the necessary expertise in software, is well networked to also cover required hardware components, and has a strong employer and consumer brand. While this sounds promising for a holistic systems-player strategy, the company is also financially well-equipped and could therefore consider becoming an even broader player in the industry, potentially moving into the domain of a fully integrated mobility player instead of focusing on a single system. It is then up to the company to evaluate its strategic posture and preferred way of moving forward in the new mobility landscape.

### ***3. Forming the right partnerships for managing reach across technologies and business models***

Besides gaining clarity on where and how they want to position themselves, players need to think about [how they can extend their reach](#) in the mobility landscape and build relevant partnerships for future success. We have identified 13 types of partnerships, each of which offers a specific approach to help manage a player's reach across technologies and business models, and to create and capture additional value.

Partnerships, by nature, are unlikely to be a fixed construct. They may vary by area of the mobility landscape, as well as by the core competencies they are best suited to cover. For example, dedicated partnerships for setting new standards in the industry may, generally speaking, be well suited to cover technology and business-model topics but should ideally be oriented toward disruptive offers, such as how to think about and handle the deployment of robo-taxis, once available. By contrast, partnerships on synergetic product offers primarily focus on expanding business based on existing technologies and thus can be optimally used for a gradual transition into more disruptive business models.

At the same time, as new partnerships grow more mature, they will probably include more elements of capturing existing value, even if they originally set out with the goal of creating entirely new value pools. Consider a newly established platform for sharing data on autonomous-vehicle behavior: while at the beginning such a partnership may be focused on opening up new opportunities for its contributors, it may shift toward securing the created—and potentially other existing—value pools.

Selecting where to partner, the most suitable type of partnership, and the right structure will not be straightforward as the industry becomes more complex and diverse. Players will presumably face an increasing number of potential partners across all layers of the mobility landscape and from a large set of industries that are all looking to serve the mobility end consumer.

Not surprisingly, we already observe many new offers stemming from rather unconventional partnerships in the mobility space. Take, for instance, competitors collaborating on high-definition maps or new players from different industries such as retail and fashion building on opportunities from fully connected vehicles and car data-enabled services (for more, see sidebar “Example partnership models around Lyft”).

As advances in mobility continue, we expect more and rather diverse partnerships to evolve. For example, multiple industry players have already started discussing the need for autonomous-vehicle remote-control centers, which would serve to help navigate highly autonomous cars in unexpected or emergency situations. Such centers could play a crucial role in getting autonomous technology off the ground and achieving an initial, critical level of adoption, for example, through providing consumers and safety authorities with a sense of security, knowing there is a defined fallback mechanism to start with. A variety of stakeholders, including regulators, fleet operators, and AV-system providers, may be interested in controlling these centers in the future.



On a less concrete level, we could include making electric vehicles serve as mobile power banks for businesses and private households, leveraging autonomous vehicles for more attractive storage or even real-estate deals, or basing entire interior-design businesses on equipping purpose-built vehicles of all kinds. However such partnerships are structured, the future is likely to bring interesting collaborations to benefit the industry and end consumers.



#### ***4. Actively transitioning from the traditional automotive world to the new mobility landscape***

Beyond looking at how to choose the right strategy and partnerships, we also need to acknowledge the automotive revolution as a fundamental transformation of the industry. In our perspective, players should approach it as such—and [the rules of transformational change](#) still apply (see sidebar “Key considerations for a successful transformation”).

We hope this article encourages organizations to think about probable futures, decisions, strategic alternatives, the moves of other players, and the importance of a future-oriented vision. The next 15 years will usher in a new mobility landscape, with large shifts in the deployment of capital and the capture of profits. Navigating what's ahead will require businesses to approach the market with a long-term vision and to clearly communicate with shareholders and partners about the road ahead.

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