



## How to survive the mobility disruption

6 strategy archetypes and 8 tactical moves  
if your business is threatened by  
the next era of mobility

Electromobility and autonomous driving will come. I remember well, that even in leading automotive companies this statement was fundamentally questioned just a few years ago. Today, this statement is a common industry assumption. The disagreement remains about the speed of change and the urgency of action.

Leaders of successful automotive companies, suppliers and mobility service providers are already setting their companies up for the next era.

But what can a vision for the new era be if much of today's business is threatened? In which direction can suppliers develop?

Every company has a different starting position and thus also its own future opportunities. However, in the more than ten years that I have been supporting mobility companies on their way to the future, I have come across some recurring archetypes for strategic direction. These are now summarized in this white paper.

In addition to our own experiences and those of our clients, we have evaluated about 50 studies on future trends, market scenarios and strategies for car manufacturers and suppliers.

Each of the strategies and tactics described has its own unique implications, opportunities, challenges and tactical opportunities. To successfully lead your business into the future, the archetypes must be aligned with the status quo of your business and with your vision for the future.

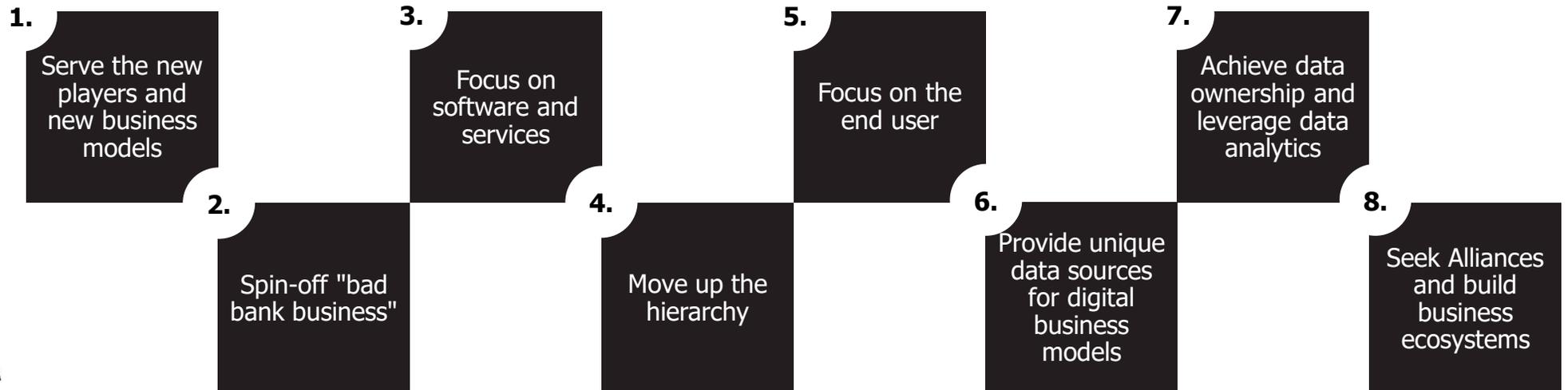
This overview shall serve as a checklist and starting point for the review of your future strategy.

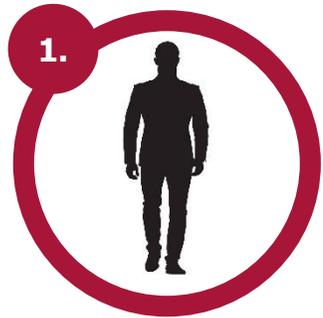


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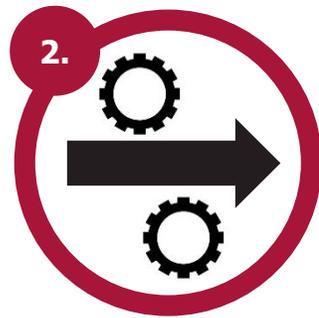
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# Overview of strategy archetypes and tactical moves

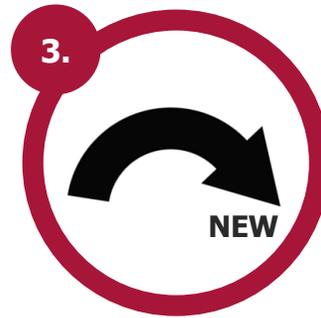




**Last man standing**



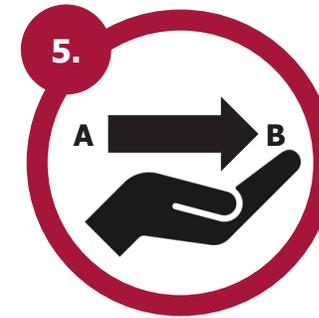
**Transfer competencies outside automotive**



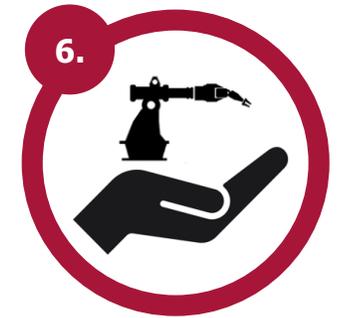
**Pivot to solutions for new mobility**



**Leapfrog into technologies for new mobility**



**Become a mobility solutions provider**



**Become a white label manufacturer**

**6**

**strategy archetypes**

# Last man standing



## Key aspects

- Focus on current core business even if threatened to a large extent by new mobility
- Focus on scale, global footprint and price
- Consolidate the market segment through M&A and by driving out competitors
- Manage costs through operational excellence, modularization, standardization and automation
- Lead in performance innovation and incremental improvements
- Pro-actively manage capacity

## Opportunities

- Develop a dominant or even monopolistic position
- Reduced need for R&D investment in the long run
- Take over segment-related activities from OEMs and system suppliers

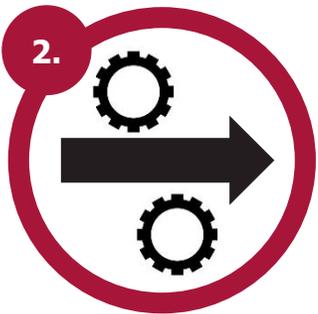
## Challenges

- Surviving in a shrinking market with potential overcapacity
- Risk of price wars
- Reduced strategic relevance of segment for OEM-customers

## Related tactics

- Move up the hierarchy
- Provide unique data sources

# Transfer competencies outside automotive



## Key aspects

- Transfer technological, process or other know how to other industries
- Transfer existing solutions or develop new solutions based on existing capabilities for other industries

## Opportunities

- Create new revenue streams outside automotive
- Leverage synergies in R&D and operations

## Challenges

- Understand customer needs in unknown industries
- Finding sufficiently large areas of application
- Lack of market access
- Risk to miss industry trends and disruptions due to lack of market knowledge
- Risk to lose strategic focus

## Related tactics

- Focus on the end user
- Seek alliances and build ecosystems

# Pivot to solutions for new mobility



## Key aspects

- Use existing capabilities, currently delivered effects or targeted customers as the starting point to shift focus
- Shift focus to solutions for newly arising needs caused by the mobility megatrends, entrants of new players and proliferation of alternative business models
- Extend portfolio in line with this refocus through increased research & development, M&A and venturing

## Opportunities

- Develop strong growth segments
- Develop attractive niche markets

## Challenges

- Managing the "old" and the "new" at the same time
- Balancing resources and management attention
- Limited transferability of traditional mechanical competencies to new digital needs
- Risk of being outpaced by leapfroggers

## Related tactics

- Serve new players
- Focus on software and services
- Focus on the end user
- Provide unique data sources
- Seek alliances and build ecosystems

# Leapfrog into technologies for new mobility



## Key aspects

- Select one or several of the (technological) segments for new mobility and heavily invest there, regardless of established businesses
- Move quickly with venturing and M&A

## Opportunities

- Be first or early mover in strongly growing segments
- Potentially high returns

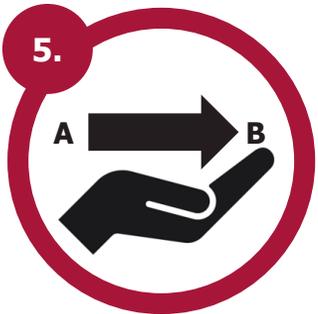
## Challenges

- Risk to overpace the organization
- Risk to bet on the wrong technologies
- High competition, especially when focusing on obvious needs in connectivity, automation, electrification and data analytics

## Related tactics

- Serve new players
- Spin-off "bad bank business"
- Focus on software and services
- Focus on end user
- Achieve data ownership
- Seek alliances and build ecosystems

# Become a mobility solutions provider



## Key aspects

- Become an integrated mobility solutions provider offering transport as a service business models
- Focus on end user services, moving away from hardware manufacturing

## Opportunities

- Winner-takes-it-all market
- Strong leverage and potentially high returns if a successful platform can be established

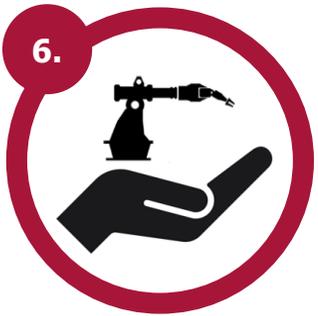
## Challenges

- Achieving sufficient scale in the market
- Very strong players (OEMs and venture backed tech firms) already in the market

## Related tactics

- Spin-off "bad bank business"
- Focus on software and services
- Focus on the end user
- Achieve data ownership
- Seek alliances

# Become a white-label manufacturer



## Key aspects

- Serve as a production as a service provider for new entrants to the industry

## Opportunities

- Leverage the historic reshuffling of the industry to become a vehicle manufacturer
- Addressing new potential customers like large fleet organizations and mobility service providers

## Challenges

- Risk of being interchangeable
- Integrating third party systems and components
- Potentially competing with current customers

## Related tactics

- Serve new players
- Move up the hierarchy

# 8

## tactical moves



1. Serve the new players and new business models
2. Spin-off "bad bank business"
3. Focus on software and services
4. Move up the hierarchy
5. Focus on the end user
6. Provide unique data sources for digital business models
7. Achieve data ownership and leverage data analytics
8. Seek Alliances and build business ecosystems

### Serve the new players and new business models

- For the first time in decades new players are emerging on the competitive landscape at a larger scale, especially e-mobility pure players, Chinese OEMs and digital mobility platforms
- Building relationships with the rising stars now provides a position to win with the winners in the future
- New business models also mean new customer needs which need to be addressed with novel solutions

1.

2.

### Spin-off "bad bank business

- Some supplier segments, competencies, resources and infrastructures are heavily threatened by the disruptive forces in sight
- Spinning off or selling such traditional business fields with little strategic relevance can free resources to invest heavily in emerging business fields

### Focus on software and services

- The relative share of profits generated with hardware components is expected to shrink
- Focusing on software and services allows to tap into these strongly growing revenue pools

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### Move up the hierarchy

- Traditional OEMs are trying to reduce their inhouse value creation in non strategic fields
- New OEMs are looking for partners that can integrate as many systems as possible
- At the same time supplier consolidation of traditional segments continues. Many suppliers are rebalancing the priorities in their portfolio
- This opens opportunities to move from a position as component manufacturer to subassembly to systems manufacturer to systems integrator



### Focus on the end user

- The dominance of OEMs in interpreting the needs of the end user is over
- Suppliers can change from a OEM-oriented to an end-user-oriented perspective

5.

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### Provide unique data sources for digital business models

- The importance of data increases in the age of digital value creation
- Suppliers can differentiate by integrating unique data sources in their products and adding value through new insights from sensor fusion

### Achieve data ownership and leverage data analytics

- Going beyond providing data sources and instead achieving data ownership can create opportunities in analytics for product development and customer insights
- This data might also be used to create completely new business models and revenue streams

7.

8.

### Seek alliances and build business ecosystems

- Sailing through the disruptive phase and thriving in the next era requires massive investments as well as diverse new competencies
- Building strong alliances and being part or even driver of an established business ecosystem can increase the probability of success





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**About FutureManagementGroup AG**

Since 1991, FutureManagementGroup AG supports management teams of international companies in identifying opportunities in future markets and in developing and implementing a motivating and future-proof vision and strategy.

This creates the most important foundation for competitive advantage, effective leadership and great sustainable success for companies and employees.

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