

# The All-American Road Trip – As a Service: How the Auto Industry Must Rethink its Business

By **Shauna Finnie McIntyre** | June 6, 2016



The auto industry, like so many others, is in the midst of both turbulent upheaval and awe-inspiring innovation. The promise of driving in the very-near future is filled with the excitement of affordable high-performance electric vehicles and self-driving cars that can avoid accidents, safely transport you while you text and execute perfect three-point parking maneuvers. Tomorrow's cars will be networked four-wheeled extensions of our smartphones. But even in a world on the verge of wholesale innovation, most auto companies are still grappling with how to harness these enormous technological opportunities because of the complexity of what is required to compete—completely reinventing a legacy industrial manufacturing business.

The successful business model of the future will be more akin to driving as a service, versus one built on discrete auto ownership. The required shift in mindset for the automakers will be enormous. It means the difference between delivering a car to a customer and hoping to see them again in four or five years to sell them a newer model, to delighting consumers with a superior user experience throughout the entire lifecycle of the vehicle.

The change demands an entirely new way of thinking about the talent behind the auto industry. It will mean hiring and operating more like a technology firm, and that will have an impact on corporate culture, and even office locations. It's no surprise that many automakers have established innovation labs far away from the corporate headquarters—often in Silicon Valley. Fulfilling the promise of tomorrow's vehicles will require an entirely new type of employee. This will mean less emphasis on assembly-line workers, and more on user-experience developers.

There will not be just one model to success. Each automaker—from new entrants to legacy brands—will have to develop a formula that works for them. All of these businesses, however, will need to assess how their unique structures—and cultures—will evolve. They will have to attract, integrate and retain software engineers, and keep them engaged. The individuals needed to help these businesses succeed are highly skilled, mobile, and in demand, and if they aren't engaged they'll find a different place to make an impact.

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