The vehicle redefined

Oliver Bahns on the importance of connected cars, why they continue to evolve, and avoidable braking maneuvers.

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Oliver Bahns, VP – Connected Mobility at T-Systems

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1996 is generally considered to be the year of birth of the "connected car", when General Motors and Motorola introduced the OnStar system in Cadillacs. You would think that, more than 25 years after its market launch, the topic would no longer be worth the current ongoing discussions. Why do you think that is, Mr Bahns?

It's mainly due to the fact that the possibilities of connected cars have expanded significantly in recent years. OnStar, your example, essentially brought one functionality into the car: assistance in the event of accidents, thereby saving human lives. It is without a doubt an important functionality. But instead of triggering a connected car boom, the topic didn't gain traction. The reason: car man-ufacturers saw connected cars as more of an accessory; a "nice-to-have" rather than an essential "must-have".

And what's your take on the topic now?

Now the importance of the connected car is changing significantly. Shaping future business is becoming a key strategic element for car manufacturers. In this respect, the importance of connected cars cannot be overestimated. I would rank it on par with the transition to e-mobility.

It is of central importance for three essential future topics in the automotive environment: connected cars redefine the car itself as a product, enable new business models for OEMs, and allow a completely new customer relationship between OEM and vehicle user that did not exist previously. In this sense, connected cars are disruptive.

How can providers differentiate themselves?

Manufacturers need to focus on differentiating themselves from the services that digital companies can bring to the car. The strength of OEMs lies in their "insider knowledge". They know who is in which seat, they are in control of the in-car devices. This allows them to offer the right service at the right time appropriate to the individual situation – with the greatest level of convenience and user friendliness.

This paves the way for new, personalized, and situation-specific business models. Both sides – OEM and user – benefit from this user interaction. And "user" does not have to be synonymous with driver; they could also be front-seat passengers or fleet operators.

What does it take?

OEMs need their own scalable platforms with which they can develop digital services and bring them into the car in a highly automated manner. The most promising approach to building such a powerful automotive platform is not to re-invent the wheel. Here, too, it is much better to concentrate on value creation which differentiates from the competition.

For everything else that adds only little value, OEMs should rely on standards. Technology-agnostic modular functions for these kinds of cross-domain services enable scaling, reduce costs and, last but not least, create a high level of flexibility. This is exactly what T-Systems has specialized in with its automotive platform. OEMs that create the right mix of standards and their own lucrative added value will be ahead in the race for the car of the future. ∎