



When is it time to strategically consider self-driving vehicles?





When is it time to strategically consider self-driving vehicles?

When and how to engage in self-driving is dependent on many factors; for example, what industry are you in, what are your future goals, how much are you prepared to invest in the future, what risks are you willing to take and what timeframe have you set for a return on your investment?

Today, how to hedge their bets has become a strategic headache for many Senior Executives. Should they become a leader or a close or late follower in their industry? How should they position themselves in the ecosystem and who should they collaborate with? Would creating a consortium to share the substantial risks/rewards be beneficial? What new products or services are/will be required? How can they become competitive and relevant in a few years from now?

A general recommendation is that all companies who are potentially being affected by vehicle automation should, at least, assess the situation and make a conscious decision on if, when and how to act in order to avoid strategic drift. Do you remember Kodak? When photographs relied on film, Kodak was the industry leader and widely viewed as an innovator; but, management didn't recognize the threat of digital photography. Kodak kept an eye on its core business, but, ran into major problems when the digital market was conquered by other companies. This epic strategic failure caused Kodak's decades-long decline as digital photography destroyed its film-based business model.

We offer a possible future analogy related to vehicle automation where commercial vehicles are automated on highway routes. What will happen to truck stops along that route? Since there wouldn't be any more drivers needing a hot meal, the core business of the truck stops would be disrupted. Truck stop owners who are unaware or in denial of developments in the industry might, like Kodak, see their business decline or even die a slow death. Others might realize that their current asset could be a future goldmine if they adapt and transform their business to meet the new demands. What if strategically located, existing truck stops transform into one-stop full-service centers for autonomous trucks? Potentially, there are a great many new services that could be offered to autonomous fleet owners. A few examples include:

- Breaking bulk loads and reloading them before the transport reaches a city and its final distribution
- Energy management adapted to refuel or recharge the propulsion systems of autonomous trucks
- Service and maintenance centers for autonomous trucks
- Mission management service centers close to the route to direct and monitor the traffic
- Teleoperation services to temporarily take over operations and execute manual driving if needed
- Active services to quickly support trucks, whenever needed, on the autonomous route

Is it possible that truck stops are a tremendously undervalued asset given the future potential? The above example, of truck stops, is just an illustration of a possible future development in one industry. At this time, no one knows who will take the initiative; will it really be the truck stop owners or someone else? In all actuality, it might be OEMs, transport providers, new entrants, start-ups or even a combination of several different actors.

We are convinced that vehicle automation will be a game-changer in many respects; but, the timing will differ, depending on the industry. The above example is just one of many. Profits are already within reach for confined applications, such as in mining, harbors and agriculture, but, are still a few years away for public road applications. However, one thing is for sure - now is the time to strategically consider autonomous transport solutions! The "only" questions that the many management teams in the different industries need to consider are when and how to engage in vehicle automation?



This article was written by Fortos Autonomous Transport Solution practice. Please feel welcome to contact us to discuss this topic in greater detail or challenge our views.

WANT TO KNOW MORE?

Staffan Brahe, Partner

Head of Autonomous Transport Solutions
Staffan.Brahe@fortos.se
+46(0)76-517 27 83

**Rikard Boije af Gennäs,
Senior Manager**

Rikard.Boije.af.Gennas@fortos.se
+46(0)73-945 66 42

**Transformation
is our heritage.**

Fortos has a long history as one of the most valuable advisors to leading multinational organizations in the Automotive industry. We support our customers to achieve successful transformations through our deep understanding of their business, our world-class transformation competence and long term commitment to deliver sustainable client value. Learn more about us at [Fortos.se](https://www.fortos.se)

FORTOS

Transforming business

