

Richard Sikkel delivering Keynote speech at Geneva Motorshow 2014

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Our lead of the Automotive Sector for Booming Industries, Richard Sikkel, will deliver a Keynote speech at the Fleet Event on the press & opening day of the “Geneva Motorshow 2014” on March 5th.



(condensed version)

From Automotive to “New Mobility” to “New Automotive”, or:

What became reality of the 2005 vision on New Mobility and what will happen next?

Until 2005

Almost all business mobility is about transport per car. However....

- Costs of (lease) cars are perceived as high and inflexible....;
- Traffic jams get longer and longer...;
- There was something about CO2 and Global warming....., and even if Al Gore’s “inconvenient truth” wasn’t entirely accurate, it was a hell of a story and influenced public opinion and politicians worldwide!

Future oriented research showed as trends:

- Mass Urbanization, in 2025 more than 60% will live in (mega cities) -> more use of public transportation, very limited parking space..., etc....;
- Generation “Y”, younger generation more interested in a ‘better world’, less in raising their status via their car ownership. Less interested in a “job with a company car”....;
- Natural resource oil estimated to run out by 2050.

If that is all true, car leasing will become no more than a niche on a quickening road to extinction. We are nearing the end of the classic Product – Life cycle, or at least way past the peak.

Around 2005, the new Mobility thinking rises:

Many providers came to the conclusion that they cannot facilitate problems such as Congestion and Air Pollution and leave the solution to others. We have a responsibility!

This is especially true for those that have the ambition to develop opinion- and be market leaders.

To counter clear car related problems AND in search for alternative earning models we developed the “5 step mobility plan”.

1) Only travel when really necessary. – Use of Teleconferencing, Central meeting facilities, Allow Tele (home) working.

Actually selling Cisco Equipment?

2) If you need to travel, which alternatives could be more beneficial: train, bicycle? Several earning models with i.e. National Rail Companies were developed.

3) If it needs to be a car, then it should be at least a “low emission” vehicle. Car choice policies were designed that drive down CO2 emission over the years, exactly to the targeted amount.

4) With that low emission vehicle it is still very relevant to influence and improve driver behaviour with motivation or even rewarding programs in order to save fuel and therefore CO2.

5) All the savings in step 1 -4 to be reinvested in further CO2 decrease, rather than buying off or to pay for CO2 compensation. We choose to decide in the development of Electric Vehicles and EV Infrastructure.

Looking back today, almost 10 years later:

1) We have been caught up by Technology. Today everybody will answer “Yes” to the question “Who owns an iPad or tablet” that makes free Skype calls possible, whilst 5 years ago the answer would have been: “What is an iPad?” Strongly reducing the necessity of travel but not developed by the Fleet Industry.

2) Alternatives for the car for example: Employees travelling by train has not in essence ‘taken off’. Hardly any ‘suits’ are seen on the train outside of the major conurbations and employees on the train according to statistics are mostly government employees. Nowadays, there are no strong business models present for lease providers; no international solutions are available either.

3) CO2 emissions have been drastically reduced by the car industry, as well as on conventional combustion engines plus the development of (plug-in) hybrids and EV’s. Even though real emission of hybrids is heavily debated, it is the tax rules in most countries that have really driven down the choice of new low emission vehicles.

4) Programs to encourage low fuel usage by training or rewarding employees: they do exist!

5) Re-Invest in further CO2 reduction: Yes, the Car Industry has done so, but no significant investments by Car lease providers have been reported.

2015 – 2025

What will be left of the Vision on New Mobility and where and why did we get it wrong?

- Congestion appeared to be very much a function of economic activity and has therefore reduced in the last 5 years, at the same time public (road) infrastructure construction has been started to boost economic development.
- Car manufacturers were suddenly able to massively decrease the level of CO2 in new cars, of course totally driven by international legislation. Car manufacturers that ridiculed the chances of the electric car, all presented a “zero emission electric vehicle” at the 2011 Frankfurt Messe.

At the same time:

- Recent research shows that only 6.8% of people in Europe are prepared to not have “ownership” of their car.
- 76% of workers are not able to work remotely as personally desired.

- Many of the largest UK companies have signed up to the Agile Future Forum: A commitment to flexible working – in practice leading to a 40% increase in Freelancer working.
- So many organizations are striving to create start-up cultures within their businesses, but guess what: Start-ups start at home, not from grand offices! Example given of Plug and Play Technology Campus (www.plugandplaytechcenter.com) where corporates as Panasonic, Mercedes Benz and BMW invest a few hundred thousand USD each to be allowed to pitch their companies to inventive graduates! #theworldupsidedown.

The power of the “Hardware industry”:

- Car Manufacturers made the switch to producing Clean Technology vehicles just in time, pushed by sexy newcomers such as Tesla. The question remains: What took them so long?
- Like internet and telecommunication, electric energy is argued to be almost “for free” in 2030 by optimized use of mega solar farms. In the long run there is just no competition for the electric car that by then will easily do 1.000 kms on a full battery..... Even at the loss of Better Place, they were just too early!
- Alternative Mobility “payments and reporting” are now mostly organized by specialized providers (Outsourced!) – Not enough investments were made by the Fleet and lease industry.

Looking back, “we” as the Car Lease Industry failed to innovate.... We were just there, looking around at a changing world, but didn’t do anything really meaningful in terms of shaping the future....

> Therefore the future is to “New Automotive”:

- Cleaner Technology, via plug-in hybrid and ultimately to full adoption of “zero emission” Electric Vehicles, using endless no-cost energy, by 2025: >40% of all new car sales will be EV’s.
- Traditional “ownership” of cars will remain, however combined with the use of car based short-term solutions as ‘Car Sharing’ business models and advanced Taxi concepts such as Uber and Drive-ugo....

Some of the statements were intentionally provocative to secure a heated discussion. A valid remark brought forward by Mr Jan van Roon (MD of Alphanet Belgium) was: “There are several examples of innovative products”! Although “recognized as being true, this is by far most valid for those Lease providers that are backed by a strong Manufacturer, utilizing its Leasing subsidiary to support Car related innovative products”.

Lastly, Richard wishes to thank all participants for their undivided attention and discussion!