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Connected & Autonomous Cars

Blog 4: Mapping & Harvesting the Benefits of Industry Intersections

The blessing and the burden of being an analyst who covers the IoT and telecoms technology are that the breadth of industries impacted is huge, and the pace of development is relentless and frantic, which means it's very difficult to keep track of all the shifts occurring. For the executive leadership of companies, the tracking of these is an even greater, if not impossible, challenge given their focus on delivering results and sustaining performance.

The intent of the three previous Analyst's Corner blogs was to step back, and, as we transition from 2017 to 2018, take stock and freeze-frame the dynamics to provide a canvas for forward thinking.



This canvas attempts to put the automotive and telecoms industries in the context of the other factors impacting industries, as they transition from purely physical to cyber physical operations and solutions.

The first blog identified where opportunities will abound: at the intersection of automotive telecoms and the frontiers of adjacent industries. This is due to the impact of digital transformation and the disaggregation of business models by digital startups, as well as the application of new technologies that fundamentally change the nature of the products being sold, together with the services and support around them. In this scenario, paradigms and silo thinking can blind companies to opportunities and the necessity to rethink business models.

We also highlighted the need to be hypervigilant of the “gradually suddenly” scenario where gradually evolving combinations of technologies are suddenly having an exponential impact due to the addition of a simple catalyst technology. The critical thing to recognize about these catalysts is that they can be cheap technologies that are already in existence but, when used in combination, can unleash a tsunami impact on an industry. They may be used in adjacent markets and applications but, when combined with new developments such as graphene, LiFi or voice assistants, create whole new opportunity spaces.

The intersection of telecoms and automotive was explored in the “communications fabric” blog, highlighting the challenges that OEMS have with long product development cycles and the constantly shifting S curves of the telecoms industry. The example of DSRC shows how technologies can get out of step but, at the same time, the combination of a 4G cellular radio with the software stack, developed by IEEE/SAE over 15 years, can create a catalyst for accelerating V2V and V2X services, and a pathway to advanced distributed 5G services.

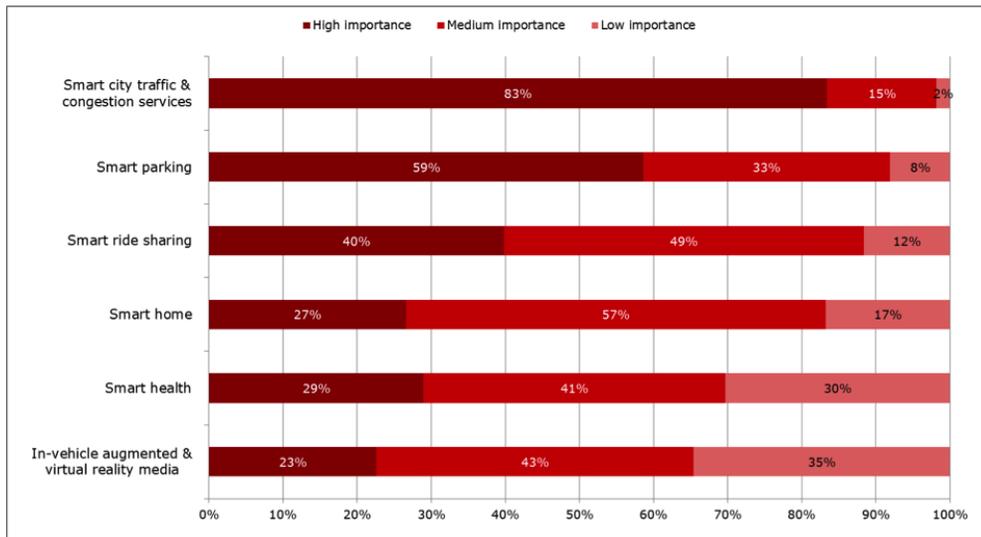
The challenge many companies face is mapping their current operations, markets and technologies against these complex factors, shifting frontiers, adjacent technologies and S curves. As the various shifts occur, they want to be in a good position to scale and agilely adapt to new product and service requirements. Partnering and leveraging “as a service” solutions can reduce the risk, accelerate participation and provide agility and scale, so long as the solutions selected are open and allow interoperability.

Globetouch, sponsor of these blogs, is a five-year-old company that has flourished at the intersection of the telecom, cloud and automotive sectors. The company has created an effective product offering, tailored to the car industry by leveraging the developments in the IT and telecoms world to create a unique business model. It determined that the current cellular delivery model is not the best fit for the trend to global connectivity. As explained in a previous blog, it has worked within the telecoms fabric to make the connectivity easy, and utilized virtualization and cloud technology to make management of connected vehicles – or other IoT devices – simple via a single pane of glass.

Globetouch embodies many of the characteristics of the type of company that incumbents should be watching for: disaggregation of an existing value chain, new business model, combination technologies, rapid adaptability and startup style product development. This means that, as markets and opportunities evolve, Globetouch’s flexible platform-as-a-service can adapt to many IoT markets and help clients harvest the frontier opportunities.

Based on the results of a September 2017 Connected Car survey, where we explored the importance of autonomous vehicle adjacent market use cases to mobile operators, this flexibility will be important. As shown in Figure 1, the number one market opportunity is smart city traffic and congestion management. This was rated high importance by 83% of respondents, with an additional 15% seeing it as medium importance. The probability is that V2X services for smart cities will use a complex variety of communications for critical safety applications, as well as traffic management and congestion services. Managing these diverse communications systems will require a flexible platform, especially to extract data and provide analytics capability.

Figure 1: The Importance of Autonomous Vehicle Adjacent Market Use Cases



59% of respondents ranked smart parking (the second highest ranked market) as high importance and 33% as medium importance. The third highest ranked adjacent market was smart ride sharing, where 40% ranked it as high importance and 49% as medium importance.

As there will be so many different participants in the complex value chains, the underlying common element in all these adjacent markets is the need to partner. Under these circumstances, and since combination technologies and applications will evolve quickly, flexibility and adaptability is key. However, there should also be the realization that it makes no sense for everyone to duplicate efforts, and so finding and leveraging platform-as-a-service solutions could be the optimum way to bridge the physical cyber gap.