



A Smarter Future

The connectivity of machines is set to create the next wave of digital disruption. John Leech, Partner and Head of Automotive at KPMG, explains that this is changing how we live, work and play

The Internet of Things (IoT) is picking up pace and as the volume of objects and devices it's connected to increases, the traditional boundaries between the workplace, home and free time are becoming blurred.

Regardless of an individual's location, 24-hour connectivity now generates a constant stream of data that can be captured and analysed. In the UK, the Research Councils' Digital Economy

Programme has supported a £1.2 million project, the Hub-of-All-Things (HAT), which explores how the data exchanged between devices used in the home, office and car can be captured and used by individuals.

It's a glimpse into the not-too-distant future, when people actively shape the products and services they need. For instance, as a person leaves home, their car will 'know' they're coming and will

be able to calculate traffic conditions, simultaneously rescheduling the driver's work meetings.

According to **John Leech**, Partner and Head of Automotive at Big Four firm KPMG, [vehicles](#) are going to be at the vanguard of this change: "Today the world operates in vertical silos. It's about linking all of those data points across those verticals – there's a huge amount of benefit to consumers within that. ▶

Life has the potential to be automated and the technology is enabling better use of time.”

One of the IoT’s features is how it opens new channels by creating cross-sector collaboration. Apple Car Play, for example, allows users to interact with the iPhone through voice activation and in-built displays. Meanwhile, Google has introduced its own interface, Android Auto.

“The Vauxhall Astra, launching in November [2015], will be the first European car to support both Apple Car Play and Android Auto,” **John** comments. “Car manufacturers are also continuing to develop their own in-built systems in more models.”

WHEELS IN MOTION

Of course, vehicles are already fitted with diagnostics and are monitored through telematics, but it’s the volume and sophistication of the information that is substantially improving, combined with the speed at which it can be processed.

For example, rather than a car notifying its driver that the brakes are due to be serviced, it can state precisely their condition and, if necessary, recommend the nearest garage and book an appointment. “One day it may even be possible for the car to order different parts automatically, directly from suppliers,” adds **John**.

With increased visibility of how, when and where a driver uses their vehicle, manufacturers will know a great deal more about customer behaviour. “There’s an opportunity for brands with similar characteristics to form alliances and

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target each other’s customers, such as retailers and banks, to transport providers and insurance companies,” he explains. “They are all looking to market themselves to drivers through cars’ digital operating systems.”

Sharing customer data between companies continues to be a controversial area. “It’s valuable and companies are worried about others taking their customers,” states **John**.

“They need to work with organisations that are going to complement them. It should be an opportunity to look at other company lists, find new customers and explore revenue opportunities.”

The questions is: are customers ready for this? After all, privacy and data protection are a major concern as plenty of customers don’t want to be randomly marketed to 24-7.

John states that companies need to focus on “improving customer experience, understanding what they want and devising new business models to deliver that”.

As those models develop, self-driving cars will also become a reality. According to [research](#) by KPMG, 25 per cent of vehicles made in the UK by 2030 will be fully autonomous.

John is in favour of regulators removing barriers to the development, testing and adoption of autonomous vehicles, provided there is a transparent framework on liability, data and privacy, and cyber security.

“No doubt the technology needs to be introduced in a careful way,” he says. “Most customers don’t really buy into the safety side at the moment, they are more interested in infotainment and music-streaming. Car manufacturers are doing a lot of work and tests in terms of autonomous vehicles.”

Watch this space. ■

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