Quo Vadis Automotive - Where do we go from here?

The participants of the "Quo Vadis Automotive" panel discussion (f.l.t.r.): Prof. Dr. Dieter Hundt (President of the Federation of German Employers' Associations BDA), Jürgen Otto (CEO of the Brose Group), Arndt Ellinghorst (Head of Global Automotive Research), Wolfgang Eckelt (General Manager of Eckelt Consultants Executive Search GmbH), Prof. Jürgen Hubbert (former board member of the DaimlerChrysler AG) and Prof. Dr. Gernot Spiegelberg (Vice-President Siemens Corporate Technology). Not on the photo: Helmut Becker (Head of the Institute for Economic Analysis and Communication IWK and former BMW chief economist).

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Where are our new markets for expansion? How do we deal with the issue of electric mobility? How can we ensure profitability in an increasingly complex industry? What do we understand by advanced human resources management?

These are the questions that a group of top-level representatives of the automotive and supplier industry debated during the panel discussion entitled "Quo Vadis Automotive" before around 200 invited guests at the Mercedes Benz Center in Stuttgart at the end of April.

On stage: Jürgen Otto (CEO of the Brose Group), Dr. Helmut Becker (Head of the IWK institute in Munich), Prof. Jürgen Hubbert (former board member of the DaimlerChrysler AG), Prof. Dr. Gernot
Spiegelberg (Vice-President Siemens Corporate Technology) and Arndt Ellinghorst (Head of Global Automotive Research).

In his opening speech, Prof. Dr. Dieter Hundt, President of the Federation of German Employers' Associations BDA, gave a brief outline of the current industry's current situation and emphasized

the important role automotive suppliers play: "Without their suppliers, the OEMs would not be in a position to build a car today, since their suppliers provide up to 90% of all services and parts of a vehicle.

Particularly in the areas of research, development, environmental protection and logistics, it is
their performance that enables automakers to stay in business in this globalized world. In view of the fact that the rules have changed in this industry due to the worldwide financial and economic crisis, the movement of production capacities to new key markets as well as the climate change, all suppliers have to question their business models and adapt to new market trends and
developments in technology.

During the discussion that followed, the panellists looked at three major points which the moderator referred to as "the most urgent tasks" of the automotive industry: the requirement to develop
different drive concepts with equal priority, the necessity to supply new markets in order to safeguard market shares and to counteract the upcoming lack of specialists and managerial staff.

In terms of new drive concepts, Jürgen Otto warned of the hype to concentrate solely on electric mobility since this technology is still far from being ready to substitute large market shares:
"The public is being given the impression that in ten years' time we could be driving around in small electric cars without any comfort or the usual driving speed - however, this just won't happen." Over the next 20 years, 80% of all vehicles will still probably be equipped with combustion engines. "Newly industrializing countries, too, will not be satisfied with small cars since the middle-class is growing and with it the demand for more comfort and efficiency.
The car, as we know it, should not be questioned fundamentally", stated Otto. In the current situation, holding on to old concepts is as wrong as upholding only one alternative. "We must look in every direction and provide the right solutions for all markets", said Jürgen Otto and Prof. Hubbert agreed: "There is no alternative to reducing fuel consumption, particularly in view of our finite resources - however, the automotive industry must diversify their services. As a result, we have numerous requests for new developments and have to work on diesel and gasoline engines at the same time, push forward on the hybrid in various functions and prepare the e-vehicle for its market launch, operated either by battery or fuel cells. Hence, the industry's reliance on
cooperations regarding research and development is rising, as is the need for specialists, which is another challenge for the car industry: "We are also confronted with a lack of qualified specialist staff. For many years now, our response has been to increase in-house training programs as well as to further develop employee loyalty concepts", explained Otto.

Jürgen Otto is convinced: the changed global requirements must not be met by centralized actions. "We have to delegate more responsibility to other countries, grant them more freedom and control them much less. We must provide training and support programs and

reduce bureaucracy." This is Jürgen Otto's objective, which was met with approval by the panellists.

In a time where new demands are being made on mobility, the German automotive industry is largely on the right track - that was the evening's conclusion. Germany's automotive industry has long seen the development of efficient drive technologies as an opportunity. In contrast
to the views of many others - this was also confirmed by Prof. Gernot Spiegelberg (Siemens Corporate Technology) – in view of Germany's expertise and quality standards, there is no reason to fear the Chinese product offensive regarding electric mobility,

Tomorrow's mobility will be influenced by numerous technological solutions and today's management will shape this period of transition to meet future needs. The experts' opinion was unanimous, the German automobile industry will continue to be the industry's driving force and
forerunner along this path.