

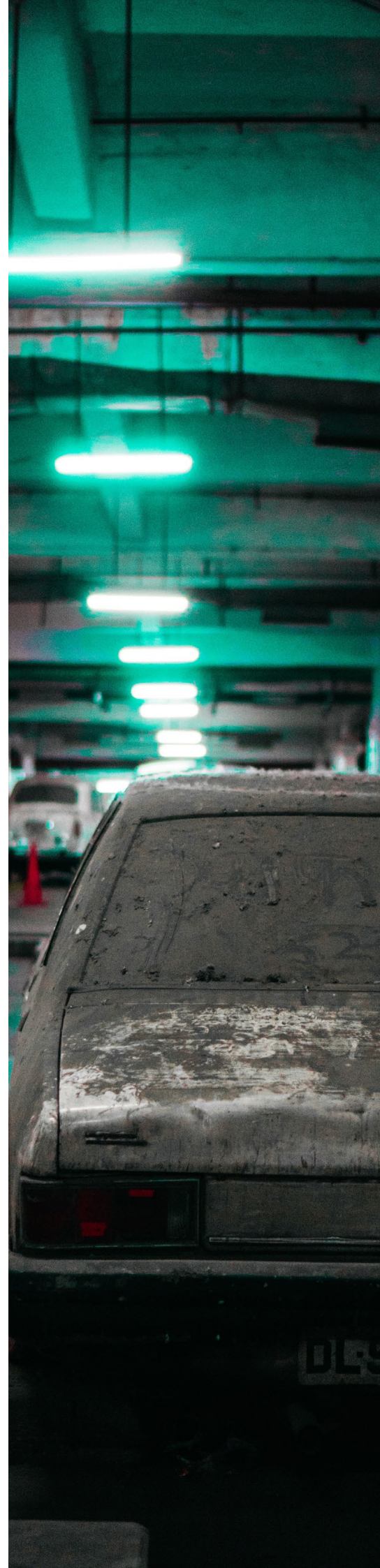
The future of the automotive industry

The financial impacts of the past few months will prove to be devastating, and while many manufacturers are still concentrated on the implementation of their production and supply chain contingency plans, focus must also be placed on how to **strategically re-position their businesses in preparation for post-pandemic life.**

Outside of the obvious disastrous effects on businesses and the economy, one entity that has thrived under COVID-19 has been **Mother Nature**. As a society, we've been **forced to operate in a more environmentally sustainable manner**, overall **burning less fuel** and emitting less toxins into the atmosphere. We've also seen indications of a **more permanent shift towards remote working**, with several tech companies announcing plans to allow employees to work remotely indefinitely, and over half of employees saying they'd prefer their primary method of work to continue as remote¹. With the automotive industry already on the cusp of more widely spread electrification and autonomy, a question presents itself:

Is the pandemic an accelerator towards a more prolonged sustainable future?

¹ IBM Study: *COVID-19 Is Significantly Altering U.S. Consumer Behavior and Plans Post-Crisis*



Who We Are

Our team is composed of competitiveness experts with cross-industry experience. With a global presence, we are highly experienced in solving complex strategic & operational issues in constrained environments.

We support our clients to navigate new environments, neutralize threats, and accommodate the dynamic situations that arise with increased turbulence. We believe that competitiveness is the ability to constantly adapt to change while leaving no stone unturned.

Contact Us!



**Michael
Riffenburg**

Senior Consultant

michael.riffenburg@iacpartners.com



**Nicolas
Huygevelde**

Managing Partner
North America

nicolas.huygevelde@iacpartners.com

Toward new opportunities

While impacts to production, driven by both supply and consumer demand require immediate attention in the short term, automotive companies must simultaneously prepare for a multitude of scenarios in the long term. After it has passed, this pandemic will unavoidably have a lasting impact on consumers. The vast expansion of **remote working coupled** with a sample of the ecological benefits thus far present an example of the possibility of **an extended shift in consumer preference**, and a **world with less cars** per household and **less overall miles driven**.

Rather than chalking demand reduction up as a net loss, OEMs and Tier 1's & 2's must consider this time as an **opportunity to cultivate creativity in re-evaluating their strategy and portfolios**. With the renewed caution associated with the **contagion-friendly nature of public transportation**, and a notable sprawl of new home-office employees to **more comfortable remote suburbs and rural areas**, **new demand opportunities** are going to present themselves. OEMs might take advantage of trends in order to **devise alternative sales/leasing options** and increase offerings on multi-purpose vehicles, while suppliers may place higher focus on value drivers, shifting development resources towards key high-barrier technologies that enable **stronger differentiation**. Either way, players in the automotive industry have a great opportunity to leverage their current assets to respond to **new mobility needs** and define **new value proposals** to consumers. As an even further ambition, could the present time be the right moment to imagine a **new means of transport, ecologically designed, and mass-produced** that also accommodates the unidentified needs of an **upcoming style of commuters?**

Whether it's addressing your urgent TCO, design-to-cost, or supply chain issues, or doing the strategic road-mapping legwork while you focus on more immediate needs, IAC Partners has the expertise and experience to support your business during these interesting times.