



Life in the Fast Lane

from the Center of the Automotive Universe



A Monthly Newsletter from Bobby Likis Car Clinic, the Consumer Connection for the Automotive Lifestyle on Broadcast Radio, Sirius Satellite Radio, Internet, Armed Forces Radio Network, Television & Print
February 2006

A Quick Trip to the Heart of E-Rome

Cultural emersion. You know...when you want to learn what the Romans *really* do, you go to Rome. Last month, I went to mobile electronics Rome, wallowed in the culture, learned the language, mingled with 150,000 citizens, and roamed up & down the 1.6 million square feet of booth-lined "streets" where 2500 peddlers showcased their e-wares. I'm talking about the International Consumer Electronics Show 2006 in Las Vegas, and now I'll take you on a virtual tour of one very exciting arena: The Connect2Cars (C2C) Supersession.

In addition to my annual Car Clinic remote broadcast from the CES convention aisles, this year I was asked to moderate the C2C SuperSession. This forum was designed to address pending and future opportunities (sometimes known as issues) as automakers and the automotive aftermarket vie in the Market Share Colosseum for the wallets of mobile electronics consumers. It was a exciting experience for me, as nine panelists representing their respective companies opened their togas & let us peek.

The SuperSession was a lively, all-day affair with two separate panel presentations, one in the morning and the other in the afternoon.

The first panel discussion spoke to the "what is": defining the ravenous consumer appetite for e-gadgets. Specifically:

1. What is the consumer demand?
2. What are consumers currently connecting to their automobiles?
3. How do you envision consumers connecting in the future?
4. With regard to the aftermarket, what challenges do automakers encounter when consumers connect their electronic products to the automobile and how can the consumer electronic industry assist with a solution?

The second course centered on the "how to": strategies for feeding the savage beast. Specifically:

1. How can auto makers future-proof the car, allowing the latest in consumer electronics to be added to the automobile long after it leaves the showroom?
2. What could enable technology without restricting innovation?
3. Will consumers migrate toward an automobile that allows them to connect their electronic gadgets?
4. How can two industries (OEMs & aftermarket) build a solution to fulfill consumer demand?

Think of it in this way. You're a typical Roman on your way to the ring for a Gladiator SuperSession. First, *what* do you want to eat while you're watching the lions devour the glads? Next, *how* do you want to get it...order from the menu

prepared at the stadium (OEM approach) or do you want to BYO tasty morsel (aftermarket model)...and plug it in?

Take that picture back to the C2C SuperSession. Each presenter had 15 minutes to present his company's strategies and, after all panelists had finished their presentations, we took questions from the floor. The audience stands were stacked with Original Equipment Manufacturers (OEMs--aka carmakers), Tier 1 suppliers/vendors (suppliers with prime design responsibility for key subsystems or components of the vehicle while still within the walls of the plant), aftermarket companies (anyone who sells any add-on after the vehicle rolls off the assembly line), industry analysts (those touting best guess about future direction), and the press (who report the what you say & why...and what you didn't say & why not).

From the OEM side of the arena, appeared two worthy road warriors: Honda's Toyohi (Tony) Nakajima & Ford's John Schneider.

I was thoroughly impressed with Nakajima-san, Senior Chief Engineer in charge of the entire automotive electronics Research and Development arm for Honda globally. Now that's one heck of an empire. Caesar had less responsibility than this man. The legions under his responsibility include body electronics, intelligent systems, chassis control and power train control, which basically comprise the entire nervous system of an automobile. I was pleased to hear that Honda was committed to making it *easy* for consumers to bring their leg-o'-etreats into their homes on wheels. No doubt, Honda will open its vehicles' electronic architectures to allow aftermarket infotainment systems to be added post new-car delivery. Now, that's a have-your-cake-and-eat-it-too approach that consumers will find very appetizing (read: sales for Honda).

Another road warrior panelist that really impressed me was John H. Schneider, Chief Engineer of Cockpit Electronics for Ford Motor Company, North America. Cockpit Electronics... now, that smacks of spaceships, precision, future, worlds of possibilities. I like that. Mr. Schneider was ready, willing and able to answer questions from the audience regarding Ford's current and future direction of electronic accessibility, though he deferred some due to legal considerations. I came away with the feeling that Ford would be joining the Hondas of the world, that Ford was readying to help its car buyers "personalize" their new vehicles. The dialogue throughout the room was thrilling to hear and was truly educational, offering tremendous insight into some of the largest chariot builders & suppliers in the world.

(Continued next month with the flip side of the denarius--the aftermarket segment speaks. Also from the center of the ring, Mark Rosenker, Chairman of the National Transportation Safety Board.)



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A Quick Trip to the Heart of E-Rome (continued)

This month, I continue the triptus interruptus with another word from the automakers, then on to the promised flip side of the denarius: my take on the overall strategy of the aftermarket competitors in the Market Share Colisseum. Oh, yes, and then there's that safety thing.

Automakers are working diligently to design vehicles that will allow consumers to take their personal data with them. In ancient Rome, the well-heeled had slaves to tote their objects d'pleasure. Today, vehicles are designed to electronically "lock & load" the amusements & protection devices of ordinary citizens. Whether hungry consumers store their goods on their iPods, portable digital media players or oPods (all other non-Apple devices), new cars that are designed to allow car owners to "plug-and-play" will sell. Consumers will pay the price for "infotainment," especially if it's the same infotainment they created at home. Some examples below are already being marketed. Others will follow sooner than later.

- "Welcome Home" -- Drive up to your house & your "system" will synchronize all information wirelessly. Your latest songs, photos and documents will be automatically stored on your MO (mobile office).
- "Glad You're Back System" -- Walk up to your car and it recognizes your authorized entry and driveability at the touch of a button.
- "No-Brainer, E-Gadget Installation" -- Buy the latest e-gadget from a local retailer; then easily locate it in your vehicle with a single "battery connection," and it becomes automatically available through your car's factory dash entertainment system. This is the ultimate, but does present certain safety challenges.
- "Easy-To-Use Electronics" -- Order your new car with any combination of electronic accessories: navigation systems, satellite radios, traffic & weather reports in real time, song play lists, passenger cabin environment, vehicle speed, chassis stability, and passengers' safety items, to name a few. Here's the neat part. You'll use a single controller to operate all. How? Your voice...the modern version of "Friends, Romans and countrymen, lend me your ears."
- "Saving Lives, GPS Style" -- Ben-Hur's dream comes true with telemetry...chariots talking to chariots. Telemetry can allow vehicles to locate each other in real time. Some systems can reach up to 4 miles, bringing the aircraft industry's "Crash Avoidance" to reality on the world's highways.

See, I told you it was sensory overload. Now, the aftermarket tosses its tunics in the ring.

As I see it, the challenges of aftermarket enterprises (anything made for a vehicle post-assembly line, i.e., after the vehicle hits the market) are three: 1) Connectivity / integration with the automakers' designs & keeping up with the changes, 2) Identifying consumer demand, 3) Given the rigor of 1 & 2, deciding if it's really worthwhile (ROI) to invest in the mobile / automotive lines of their businesses.

Reflecting their companies' strategies on these challenges were C2C panelists Joe Averkamp (Director of Product Strategy, Sprint-Nextel); Roger Dewey (VP, Product & Business Strategy, Sony Ericsson M2M); Martin Thall (GM, Automotive Business Unit, Microsoft); Steven Witt (VP, Brand Marketing & Communications, Alpine); Ron Freeman (COO, AAMP of America); Jim Geschke (VP & GM, Johnson Controls); and Henry Muyschondt (Director of Business Development, SMSC Corp).

Ah, now we consumers got some gorgin' goin' on, and except for one little stay to the e-orgy, we'd be fat, happy...but perhaps suffering from more than indigestion. I'm talking about safety. Safety of passenger & property is a challenge that comes with such powerful enabling technology. At the SuperSession, we were privileged to hear from keynote speaker Mark Rosenker (Chairman of National Transportation Safety Board) with whom I was most impressed. As an onsite investigator and part of NTSB's Go-To Team when tragedies occur, Mark's out of the spectator seats & into the arena. And he's got a great sense of humor, one that exuded warmth in the room. As Mark presented the "driver distraction" issue, it was fun to hear this man state that his Board had zero money and absolutely no authority to make laws, but he went on the say that of 100 recommendations coming out of his office, some 82 were put in place. Talk about walking softly and...you know what I mean.

So there you have it. Too bad there's not a Mapquest to give precise directions from the present to the future, but my trip to E-Rome tells me this: The Emperor who ultimately will decide the fate of the industry is the Consumer. Communication & standardization, if not collaboration, among automakers, aftermarket & safety monitors might just free the marketplace.