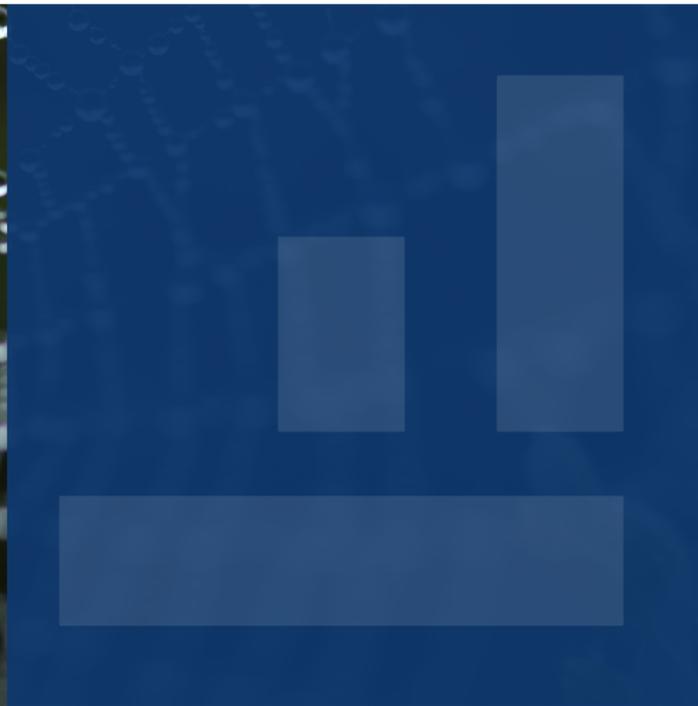




Connected Services in the European Commercial Trucks Industry



In this engagement Fortos supported a truck manufacturer in performing a benchmark study of Connected Services in the commercial trucks industry. Services in scope were telematics-enabled services supporting uptime and productivity, e.g. Dynamic Service Planning, Remote Diagnostics, Remote Software Download, and Remote Parameter Setting. With the benchmark in place the client gained a clear picture of the competitive landscape of connected services.

Customer Challenge

The Client is one of the world's leading manufacturers of heavy and medium duty commercial trucks. One always needs to innovate and deliver customer value to stay in a leading position. Within the truck industry, connectivity through telematics solutions is an enabler to build new and more advanced services.

Advanced connected services are rather immature in the commercial trucks industry. The client asked Fortos to make a benchmark to get better insight on:

- Competitive technology and service offerings
- Competitors' ability to deliver connected services
- Existing ecosystem and partnerships in the connected services value chain

Fortos, with its long history of working in the automotive industry and deep knowledge of service transformation, was asked to bring clarity to the connected services landscape.

Customer Solution

A benchmark study with the focus on the main actors in the European heavy and medium duty trucks industry was initiated by a team of Fortos consultants. Fortos completed theoretical research of all markets, followed by a field study in the client's main European markets.

Fortos also **conducted a parallel study** of industrial segments with more mature connected services to better understand future implications of connected services in the commercial truck industry. Fortos also considered the extended eco-system of the trucks industry to understand what truck OEM (Original Equipment Manufacturer) suppliers and third party providers do in the field of connectivity.





Customer Value

The **commercial truck** industry in Europe does not currently provide state of the art connected services. All truck OEMs offer more or less similar services. The main difference is the quantity of information: some are covering more components or different needs than others. In some cases, the services are advertised but not yet implemented and offered in the market. There is a clear trend in alliances and partnerships between telecom companies, FMS providers, analytics specialists and truck OEMs for connected services.

Service providers approach the market with two distinct strategies:

- The OEM approach where the traditional truck OEMs and its OEM suppliers add services with main purpose to bring uptime and productivity to current products. In recent years there has been an increased trend among OEM suppliers to offer their own services, seek new positions in the value chain, and grasp a bigger share of the customers' wallet. We see players like Wabco, Schmitz Cargobull, Michelin, and Continental trying to take new positions by offering uptime and productivity services.
- The 3rd party provider approach where traditional IT companies develop and offer services, mainly telematics enabled services. When the study was performed, no one had so far solved the integration challenge for the fleet owners with multiple brands of vehicles and equipment.

Connectivity is a game changer further enabling the transition from a product centric business model to a solution centric business model. Truck OEMs must adapt to remain competitive.

Customer & Fortos Collaboration

The **close collaboration** between the Fortos team and the client, in combination with Fortos' deep knowledge in the automotive industry, were two clear success factors. Fortos, with more than 10 years of experience in the automotive industry, is considered a thought leader and valued advisor.

Want to know more?

Johan Hede



Partner

Head of Sales &
Services Practice
johan.hede@fortos.se
+46 (0)76-517 29 15

Daniel Sundberg



Manager

Sales & Services
Practice
daniel.sundberg@fortos.se
+46 (0)76-517 29 13

About Fortos

Transformation is our heritage. Fortos has a long history as one of the most valuable advisors to leading multinational organizations in the Automotive industry. We support our customers to achieve successful transformations through our deep understanding of their business, our world-class transformation competence and long term commitment to deliver sustainable client value. Learn more about us at Fortos.se

