



Business Transformation Framework

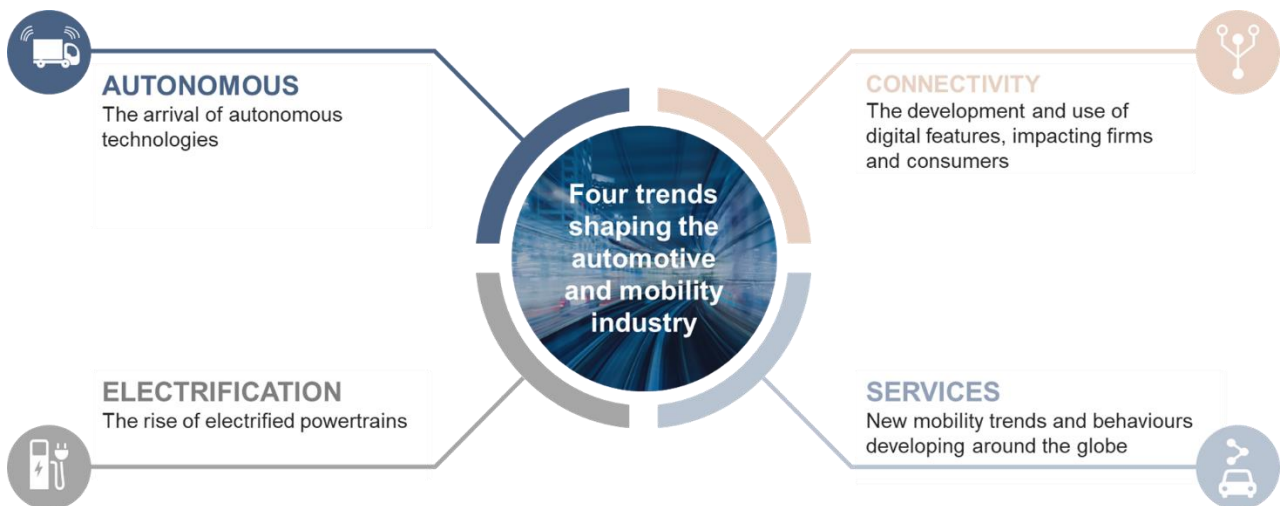


The Automotive industry is going through the biggest transformation for over a century

The Automotive and Mobility industry is expected to go through the biggest transformation for over one hundred years. The first automotive vehicle rolled out of a garage at the end of the 19th century and the changes seen in the industry have happened over a period of more than one hundred years. Within the next decades, the Automotive & Mobility industry is expected to change more than ever. For instance, soon we will see self-driving electric-powered vehicles transporting both humans and goods in confined areas and on the streets. To survive within this rapidly changing industry Fortos are convinced that the players, both existing and new ones, need to continuously be innovative and transform.

FOUR TRENDS SHAPING THE AUTOMOTIVE & MOBILITY INDUSTRY

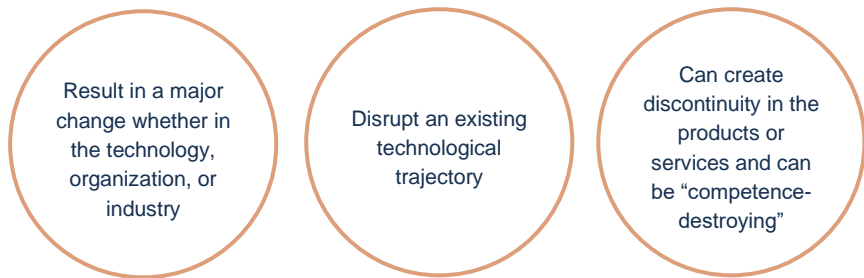
The Paradigm shift



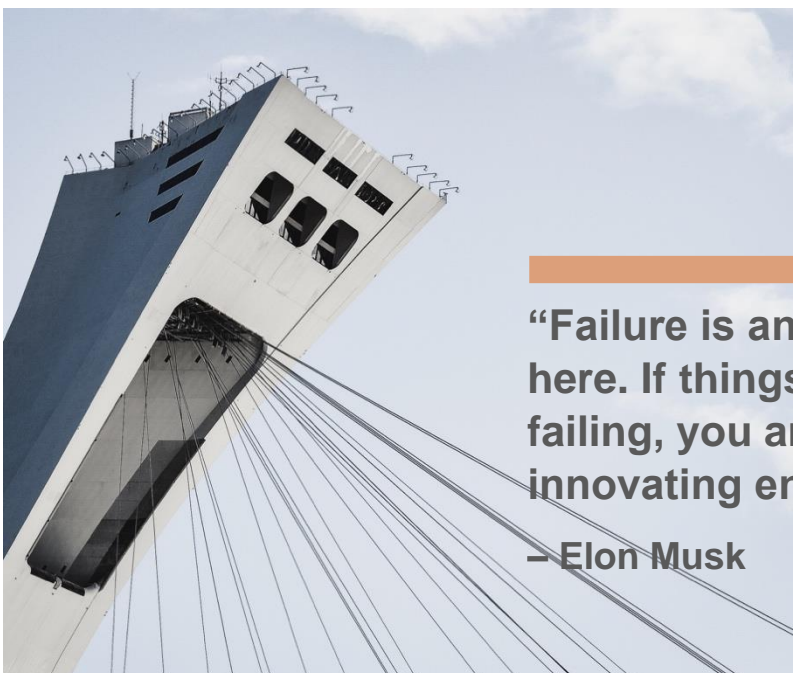
Types of transformation

To be ahead of competition and continuously transform, companies in the Automotive & Mobility industry need to secure a climate that allows for continuous innovation and failure. There are two types of innovations: radical and incremental. Radical and incremental innovations are mainly distinguished by the extent to which the innovation causes fundamental changes in the organization and results in a clear departure from existing activities or not.

Radical innovation



Incremental innovation



“Failure is an option here. If things are not failing, you are not innovating enough”

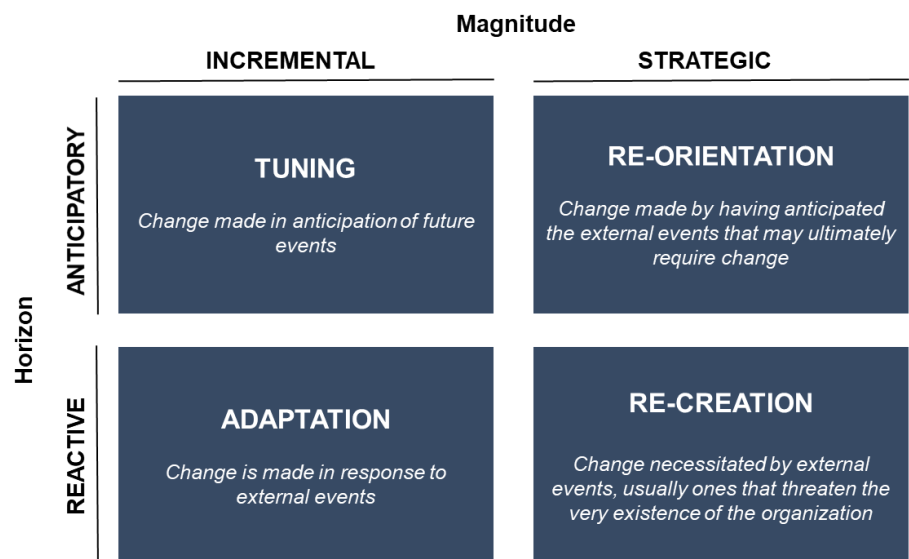
– Elon Musk



To succeed in the Automotive & Mobility industry radical and incremental innovations must be incorporated and the business must continuously transform.

To better understand the effort and resources needed for a transformation, assess the magnitude and horizon of the change. The magnitude of the change can be seen as incremental or strategic and the horizon of the change is reactive or anticipatory in relation to external events.

Magnitude and horizon of the change



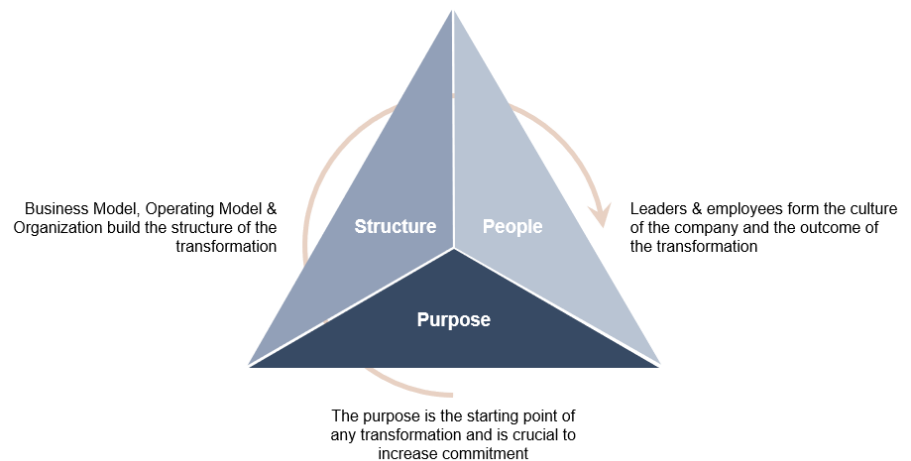
Source: Nadler & Tushman

To survive in the Automotive & Mobility industry, Fortos believe that you constantly have to transform your business.

THE FORTOS FRAMEWORK FOR **Business Transformation**

Fortos has worked with Business Transformation in the Automotive & Mobility sector for decades and has a proven methodology to secure success. This has resulted in a framework for how to succeed with Business Transformation, consisting of three crucial pillars.

A clear **Purpose** must be the start of any transformation, followed by critical components which form the **Structure** of the transformation. Lastly, the **People** in the organization play a vital role to achieve a successful Business Transformation.



We are the leading transformation partner in shaping the future of automotive & mobility.



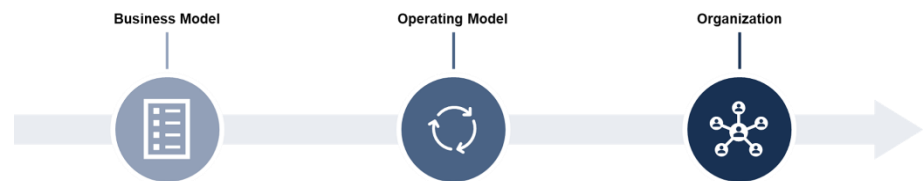
Purpose

To succeed with Business Transformation there must be a clear purpose which is known to all. Employees and leaders must understand the purpose and the thoughts behind it and top management need to show commitment – every day. Examples of famous vision statements driving the transformations are Apple’s “Think Different” from the end of the last century and Volvo Car’s recent updated statement “We want to provide freedom to move in a personal, sustainable and safe way”. Employees and leaders should be inspired by these statements and in an industry under constant transformation these should give guidance in decision making. Make sure that when you set the purpose, it needs to be SMART (Specific, Measurable, Attainable, Relevant and Time-bound).



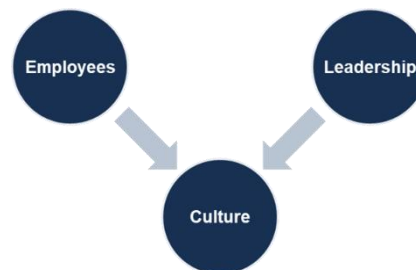
Structure

The structure of the transformation must cover Business Model, Operating Model, and Organization. The Business Model needs to support the purpose and include all vital parts such as value proposition, customers, and revenue streams. Thereafter the Operating Model needs to be set-up to secure that all parts of the Business Model are secured. Finally, the Organization needs to be set-up to support the Operating Model where clear roles and responsibilities must be defined as well as capabilities necessary to transform the business.



People

It is crucial that the company culture supports the transformation. To secure the right culture it is therefore important that leaders show commitment to the purpose of the transformation as well as the transformation itself and lead by example. Employees and leaders must work hand in hand to achieve a prosperous culture. Without a positive and prosperous culture, employees will struggle to find value in the transformation which can lead to resistance within the workforce and potentially to a failure of the transformation.



Summary

To stay competitive, organizations in the Automotive & Mobility sector must be innovative and constantly transform. Fortos has worked with Business Transformation in the Automotive & Mobility sector for decades and if you want advice on your journey, we have a proven methodology to secure success.

WANT TO KNOW MORE?

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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](https://www.fortos.se)

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