WORKSHOP
Mövenpick Hotel – Amsterdam
2012-03-25
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How to Improve Services and Solutions and meet the Governance Requirement through a more Open Collaboration within the Transportation ECO-system

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Attendees

Jan Unander	Telematics Valley	Executive Director
Markus Fabiansson	Volvo Trucks	Manager Transport Information Systems
Michel Van Maercke	Trimble	CEO Transports & Logistics
Håkan Nilsson	Scania	Sr EnG Fleet Management
Jesper Lovendal	Scania	Lead Architecht
Laust Rich	Finn Frogne	Proj. Manager
Alfo Mulder	Vodafone	M2M Sales The Netherlands
Boris Wagner	PTV	Director Market Development
Arash Fard-Rahmani	Vehco	Product Manager
Arie van dert Jagt	Transics	VP Strategic Alliances
Jeffry Steemans	Wabco	Global Markt. Leader Trailer Syst. & European Fleet Sales
Philippe Colpron	Wabco	Global Business Enterprise leader Aftermarket

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OBJECTIVE

Proprietary solutions to wirelessly collect and present data and information dominate the transportation business environment.

This applies for the truck manufacturers, solution providers as well as service suppliers throughout the transportation chain. The consequence is more expensive and less effective solutions from what it would be if there were more open collaborations within key areas.

Governance requirement on real time data does also put pressure on the fleet operators and thus the eco-system around them.

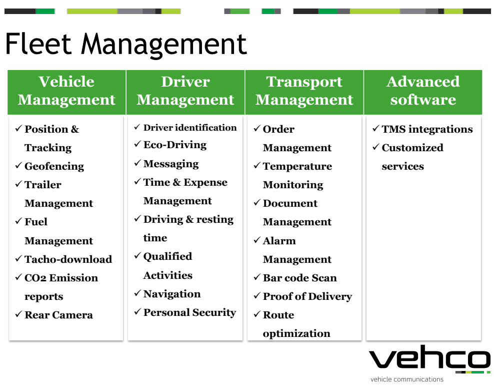
What are your winners and what are only qualifiers when it comes to solutions in your business model? What can be shared with others without losing competitive strength? What are your requirements to be interested in a dialogue on openness?

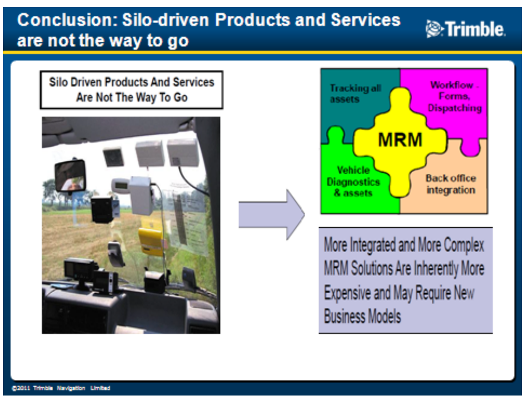
The objective with this workshop was to start up a dialogue within the transportation industry if an open approach to non-business critical issues could be initiated and if so, how such a process could be organized.

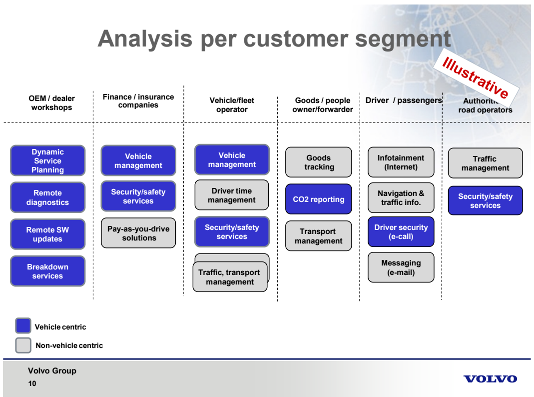
Telematics Valley is a neutral arena for discussions and has as mission to support members and the telematics industry in increasing the value of solutions and services based on Telematics.

REFLECTIONS FROM THE WORKSHOP

A good way to describe the ambition with this workshop and the process we want to initiate is condensed on the slides from Transics, Vehco, Trimble and Volvo.







Is it possible through collaboration to create a new and better commercial environment for the eco-system around Fleet Management Systems (FMS) and at the same time improve the perceived user value?

Telematics Valley believe that through a more open collaboration within the transport eco-system where it becomes easier to exchange Data, Information, Functionality and Services, that also supports each players business model is the road to take.

It must be possible to expand the business, as the penetration of FMS-systems is rather low even though official figures like 3% do not reflect the true picture. It is a fragmented market where a large percentage of the fleet is run by owner/operators with their specific needs as well as a number of other verticals with their needs. The FMS penetration varies also between countries.

Some market prerequisites!

- Many players in the value chain are in competition often with different businesses models.
- There are many proprietary FMS solutions already in use in millions of trucks.
- Price pressure can be seen on the market.
- No or low profit on hardware.
- FMS penetration is low (less than it should be) – the ideal FMS system solution (cost/benefit) is not offered yet.

Some other factors to reflect on!

The Industry

- Many FMS solution providers have implemented business models to support the delivery of complete solutions including sometimes hardware and integration. Collaboration will have an influence on business models, bonus systems, business support systems and internal processes.
- Many fleets are ”locked in” to proprietary FMS solutions.

- Most truck manufacturers will install Telematics units by default and create a technical in vehicle infrastructure that connects the trucks to wireless networks and can extract, transmit and receive data and information.
- New trucks will give fewer opportunities for 3:rd parties to extract non-FMS data and as such, from OEMs perspective, undue data from trucks.
- FMS standardized data will be easier to access.
- Truck manufacturers main focus is on providing Vehicle Centric based services and are organized to offer these through their dealer networks with truck owners as main customers.
- Goods management is not the main focus of OEMs.

The Customers

- Tracking of everything everywhere is not the ambition for all transporters/ operators – segmentation is essential.
- Customers own the information generated by the trucks and (if they own them) the trailers.
- Fleet operators are not always pleased with the range of FMS solutions available and develop their own to support their business better.

The situation for the FMS industry is in a time of changes, especially in Europe, as most OEMs will build the connectivity into the trucks by default and offer a standardized improved FMS-interface. Focus on creating value for the fleet operators will have less to do with in-vehicle technology and more about supporting their business with solutions.

Feedback from the workshop confirmed that there is a common interest in exploring how collaboration can support fleet operators' challenges i.e. within the areas:

- Cost management
- Efficiency
- Staff
- Environment
- Customer satisfaction
- Legislation/ safety

<u>Additional participators</u>

During the conference 26-27:th of March also Qualcomm, TNT Express ,Shell expressed their interest in the process and they confirmed their participation in the next workshop.

A representative (employed at Scania) for the FMS "Heavy Truck Electronic Interface Group" within ACEA sees the importance of a cross industry group as requirement setters and will represent the "Heavy Truck Electronic Interface Group" at the next workshop.

We have the ambition to also involve more OEMs (Daimler, MAN, DAF Trucks, Iveco) in the process.

Next workshop

The ambition with the follow up workshop is to:

- Agree on an expected change of the FMS business environment
- Define new challenges and opportunities
- Identify why and on what level a collaboration can be initiated
- Produce a road map towards collaboration that takes commercial and technical aspects into account

Time and place

We plan the next workshop to be held in the beginning of June. Proposal of dates and place will be sent in a separate mail within short.

I am looking forward to see you all in June.

Best regards

Jan Unander
Executive Director
Telematics Valley