

A SHIFTING MOBILITY LANDSCAPE

- New leadership needed

Over the past decade, the global mobility landscape has shifted dramatically. Big automakers, formerly the safe and stable companies of Sweden, Germany and the American mid-west, was suddenly not so safe anymore. Volvo, after years of decline was sold to the Chineseⁱ. Ford, once an American powerhouse of innovation and engineering was now worth less than companies like Snap (Snapchat), LinkedIn and SpaceXⁱⁱ.

In Germany, VW's unions have been trying to get the CEO fired, trying to prevent the industry's shift to electric mobility and electric carsⁱⁱⁱ. Pioneering countries like Norway was early-movers, introducing EV (electric vehicle) friendly taxes, free tollways and building out EV-charging everywhere. Heck, in Norway, even the Prime Minister drives an electric truck^{iv}.

The American media had had a lot of fun with GM's Superbowl ads, pointing at 'funny, little Norway', asking why Norway was so special with regards to electric cars. Will Ferrell looked pretty good in the GM ads, celebrating Norway's shift to EV's.



Of course, it was funny to recall, that GM actually invented the modern EV, with the 1997 release of EV1, the very first consumer ready electric car^v. It was only too bad that management at GM, back in 1999 decided to kill the very idea of an electric car and cancel the program. GM's management, effectively killed the electric car 22 years ago – but it is still a well kept secret^{vi}. I guess this is 'bad innovation'.

Today, GM may regret terribly. Led by companies like Tesla and PIO, the world was shifting to electric mobility at record pace. Exciting times, for both investors, employees, governments, and leaders around the world.

This week, nine EU countries took legal steps to start banning fossil-based cars from the streets. "We have to accelerate the green transition of road transport and as legislators send clear signals to car manufacturers and consumers across the EU," said Danish climate minister Dan Jorgensen. The Danish climate minister was one of nine EU leaders signing the official letter requesting the EU accelerate the shift to clean mobility. The other countries joining the push were Austria, Belgium, Greece, Ireland, Lithuania, Luxembourg and Malta^{vii}.

Now, the big question, of course, was what should established companies do? How should big companies transform into the clean mobility era? Large, global automakers like GM – the automaker and CarWagon were both struggling with the question. Suppliers, with traditional strategies and capabilities, like Bosch Autoparts and Lidar Lux may have reinvent themselves completely. But it was also bigger than just cars.

Large train operators like Norwegian NSB and German Rail1 suddenly had to develop new strategies for the future, where scooters, drones, rental cars and shared ride services suddenly were on the horizon. Tough news for companies that had had little need for change over the last 100 years and definitely did not have a culture for transformation.

Microsoft, the software company, had recently invested \$30BN into Cruise, the self-driving car company to develop the world's leading autonomous, self-driving car. Quite a step up from running Office 365^{viii}.

Driverless vehicles ✓ Added

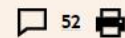
Microsoft invests in \$30bn driverless car company Cruise

Software giant makes first major investment in sector in General Motors unit



The Cruise Origin is an all-electric vehicle resembling a lounge on wheels with no steering wheel or pedals © Bloomberg

Patrick McGee in San Francisco JANUARY 19 2021



Microsoft has invested in Cruise, the General Motors driverless car unit, in a \$2bn funding round that gives the autonomous driving company a \$30bn valuation.

Cruise, which was bought by GM for “[more than \\$1bn](#)” in 2016, when it had just 40 employees, now has almost 2,000 staff and accounts for more than 40 per cent of GM’s \$71.5bn market capitalisation.

New companies, like Flight, Juppz, Lime, Bird, Hello, Scoot, Dott, Cowboy and Beam had just shot up, raising money, going public and trying to find a sustainable business model portfolio^{ix} - in the process pushing the older companies to innovate faster.

Yet, despite all of these changes, most companies in the mobility landscape were struggling with change. With out-dated strategies, poor leadership, under-developed innovation strategies, no ideas about

business model innovation and even less ideas on how to successfully lead transformation; there suddenly was a crying need for a new generation of leaders and a new type of leadership. Even VW's CEO, Herbert Diess, CEO of the world's largest car manufacturer had said, "VW has to change utterly: from a collection of valuable brands to a digital company that reliably operates millions of mobility devices worldwide"^x. Nobody really knew what that meant, but it sounded great. Herbert Diess had also repeatedly called out the goal of a market valuation (market cap) of 200BN for VW; despite struggling with the current company market valuation of only 60BN. Diess was often quoted "We are valued like an automobile company, while Tesla is valued like a tech company,". Of course, With Tesla valued at more than \$700BN, VW was currently worth less than 10% of Tesla's value ^{xi}.



Clearly, the mobility landscape is shifting, and a new generation of leadership needed.

YOUR TASK

You are the management teams of companies competing in this mobility landscape.

On April 24th – 26th, you will take on the role of a new management team in one of these old, out-dated legacy mobility companies. Old, proud firms like GN, Boosch, Pio, Rail1, CarWagon and many more, all find themselves in a desperate need for transformation and change.

With dying business models, poor innovation strategies and little culture for change, they need you, the new management team to come in and lead the transformation. With five members in the management team, you have a CEO, CFO, Innovation Manager, Chief Strategy Officer and an Investor Relations Manager; all critical roles to fill.

Your task, to successfully lead the transformation, out-compete the six other teams and reach the target market cap (company valuation) of 50BN.

Good luck!

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ⁱⁱ Ford

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ⁱⁱⁱ VW's battle with the CEO

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^{iv} Erna Solberg

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^v EV1

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^{ix} Top 30 electric scooter companies

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^x VW CEO Herbertt Diess

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^{xi} VW's market cap

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