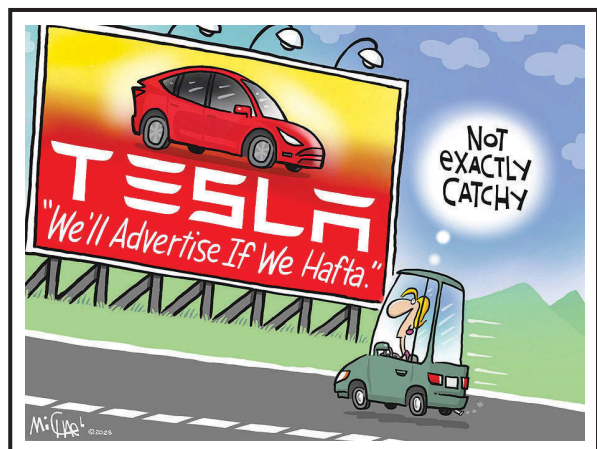


opinion



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GM's CarPlay decision is bold but highly risky

It's been just over a month since General Motors announced it would drop Apple CarPlay compatibility in its new electric vehicles as part of a larger strategy aimed at taking control of the infotainment system, and the future profits GM believes lurk there just waiting to be mined.

To be sure, aiming squarely at technology behemoth Apple is a bold strategy, though not a novel one. GM follows EV leader Tesla and upstart competitor Rivian Automotive in locking Apple out of the center stack and all the valuable information residing there.

Whether GM's strategy is as smart as it is brash will take some time to play out. CarPlay will remain on GM's internal combustion engine vehicles for now, the automaker said. GM will also stop supporting the Google-owned Android Auto phone mirroring software as is, but it is designing its new interface for EVs with Android Automotive, also owned by Google.

Historically, angering Apple customers, ignoring them or purposely locking them out has not been the most successful of business strategies. Apple has the most loyal consumers on the planet, and accounts for an estimated 57 percent of the smartphones in the U.S., according to technology research firm Counterpoint.

GM might take a look at how former Canadian tech giant Research in Motion fared when it ignored the introduction of the iPhone in 2007, thinking its BlackBerry devices were untouchable. They weren't, and Apple ultimately clobbered the BlackBerry out of existence.

The simple motivation behind GM's complex decision making in the matter is money. Like other global automakers, GM has sold investors on the idea that a veritable gold mine lies behind the infotainment screens, just waiting to be delivered. Less than two years ago, GM told investors it expects as much as \$25 billion in annual revenue from software and subscription services by 2030. It has time to deliver, but as many of its legacy competitors have painfully learned, while building cars from scratch may be hard, delivering a profit-rich software ecosystem from the ground up is likely even harder.

Can GM successfully kick Apple out of its EV infotainment sandbox? Perhaps, but the decision to try to do so while other automakers continue to support CarPlay could leave GM with a seriously bloodied nose if this turns into a protracted fight. And the bell to kick off Round 1 is just about to ring.

COMMENT

Don't fight DE&I naysayers, focus on building alliances

DETROIT — “You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.” — Buckminster Fuller

Fuller's quote was recited by Cheryl Thompson, founder and CEO of the Center for Automotive Diversity, Inclusion & Advancement, during the organization's Rev Up 2030 summit here this month at Wayne State University.

As the editor who has overseen *Automotive News'* diversity, equity and inclusion coverage during the past two years, this quote resonated with me. It is easy to fall into the trap of arguing with those who dismiss company DE&I initiatives as “woke nonsense” and “unfair,” despite a mountain of rigorous, credible research that shows the positive business outcomes of such policies. The anti-DE&I sentiment in emails sent to us criticizing our coverage, as well as on social media and in state political offices, can be discouraging.

The unfortunate reality is that no amount of objective reporting, calm reasoning or impassioned counterarguments will change the minds of those who refuse to acknowledge DE&I's role as a competitive advantage in today's business environ-

ment. Instead of arguing with the detractors, proponents of DE&I should divert that energy toward building a community with allies.

Rev Up 2030 was a welcome reminder that many allies are out there. More than 200 of them were gathered in a ballroom during the all-day program, which featured a workshop on inclusive hiring; panels on

employee resource groups, talent and equity in mobility, inclusive leadership and supplier diversity; and a discussion among chief diversity officers. The event had nearly two dozen automaker, supplier, industry group and economic group sponsors.

“Let's focus on what it is we want,” Thompson, a veteran of Ford Motor Co. and American Axle, told the audience. “It's no secret that we're in this time of resistance and backlash to DEI.”



OMARI GARDNER

DIRECTOR OF
CONTENT AND
COMMENTARY

‘Courageous conversations’

The day's keynote speaker was Lottie Holland, head of diversity, inclusion and engagement for Stellantis in North America. Holland, who assumed that role in May 2020 after leading Mopar's purchasing and supplier operations for the former Fiat Chrysler Automobiles, found herself in the middle of “a racial and economic justice crisis” triggered by the murder of George Floyd at the hands of a Minneapolis police officer that month.



“I remember calling our leaders together. At first, we all just sat there in silence. Where were we even to begin?” she recalled. “But that silence turned into a courageous conversation before we even knew what ‘courageous conversations’ were. And that conversation left us all in tears.”

Holland added: “We assembled our business resource groups and respectfully asked to hear their stories and any ideas that they may have to drive positive change within our company. We quickly realized that this was bigger than just a moment. It was quickly becoming a movement. Our communities, our employees — they weren't just asking for change anymore. They were demanding it — and rightfully so.”

Let's pause for a moment to remember that successfully managing companies

see **GARDNER**, next page

LETTERS

Tekion made DMS switch easy for store

TO THE EDITOR:

Regarding “Tekion's big dealership experiment is a big win,” autonews.com, May 19: The Tekion package was installed in our store about 12 months ago. This was our fourth dealership management system in 30 years of operation. Tekion's implementation team performed flawlessly. The process of switching was seamless, painless and without question a success. The primary issues encountered were mostly just the learning curve required by users anytime processes are changed.

I was asked by another dealer, “Is it tough to learn the new software and train others?” The first thought that came to mind was that it is sort of like a smartphone. With a smartphone, you just seem to know what to do or where to find what you want. The point is the software is very intuitive for all users in every department. Tekion also has a huge database of information and/or videos on how to accomplish any task when that research is needed to be accessed by a user.

CARL LUCKY III

Dealer principal
Lucky's of Monticello
Monticello, Ark.
Lucky's of Monticello is a Chevrolet-GMC dealership.

EVs have a place, but the obstacles are huge

TO THE EDITOR:

The EPA rush to force the public to accept and purchase electric vehicles is in full swing with their latest proposed regulations requiring unrealistic standards for internal combustion engine vehicles (“EPA proposes its strictest-ever vehicle emissions limits for 2027-32,” autonews.com, April 12).

In a classic “damn the torpedoes” approach, the green ilk is attempting to force consumers to act in the manner they prescribe is correct.

EVs will indeed be part of the personal transportation mix but not the overwhelming choice of consumers.

We cannot ignore the immense obstacles to mass EV adoption: cost; mineral acquisition and the resulting environmental damage; electricity supply and sufficient charging station locations; and the loss of jobs and damage to the economy.

The low cost to operate EVs vs. internal combustion vehicles is often cited as a positive. Does anyone believe that the cost of electricity will not soar if demand becomes what mass EV adoption would require?

The manufacturers, suppliers and consumers need to stand up and demand common sense to reduce greenhouse emissions and not succumb to unrealistic demands of environmental zealots.

MARK PORCARO

Automotive instructor
Northampton Community College
Bethlehem, Pa.

With stores, Tekion could work out kinks

TO THE EDITOR:

Regarding “Tekion's big dealership experiment is a big win,” autonews.com, May 19: Tekion has some great operating features, but its launch into the market was premature and facilitated by a few automakers wrongly buying concept over actual function. The automakers then assisted Tekion in pushing it onto dealers when it was not market-ready.

Their customer relationship management system, often packaged with their dealership management system, is lacking proper structure, and their digital retailing tool is also being launched without proper vetting.

Glad they bought a few dealerships — it should prove much of my opinion and help produce better tools than what are currently offered.

WILLIAM PHILLIPS

President
Accountability in Management
Laguna Hills, Calif.
Accountability in Management trains dealerships on proper use and accountability structures for customer relationship management software.

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Car-to-cloud key in software revolution

Chris Ahn

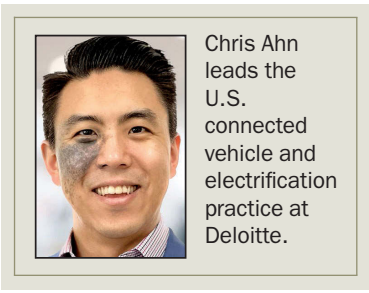
The automotive sector is undergoing a generational transformation with the rapid advancement of software-defined vehicles.

As a result of a convergence of macro trends, including a move to electric vehicles, cost economics, demographic shifts and autonomous technologies, there is a wholesale move from hardware-first designs to a software platform paradigm. This is disrupting how some legacy automakers define their product with a hard pivot on software platforms. Many automakers now want to be more like a technology company, which can be easier said than done.

The differences

A software-defined vehicle has a different value proposition than a traditional vehicle. The passenger and driving experiences are no longer fixed in production. The quality of the technology in the vehicle can improve over its lifetime. For example, a software update can be added to improve the accuracy of detecting animals or roadside obstacles. Personalization features can be offered to set the vehicle's GPS to coordinate with an appointment scheduled on the driver's smartphone calendar or recognize when a driver steps into the vehicle and adjusts the seat, mirrors and radio to presets. Or a brand-new augmented-reality feature could be added to display higher resolution images during poor weather conditions.

To make all this possible, a software-defined vehicle often needs to rely on a "car-to-cloud" platform that manages the release of potentially thousands of features. That same platform can orchestrate what workloads happen in the cloud and what must run in the vehicle because



Chris Ahn leads the U.S. connected vehicle and electrification practice at Deloitte.

it must be performed in real time. This platform can act as the central brain that supervises the network of advanced sensors, electronic control units, high-performance computers and actuators that must work seamlessly together.

The development of car-to-cloud platforms means there may be new challenges and opportunities for manufacturers and automakers, as well as service providers and consumers.

Agile, feature driven

One such example might be the speed, scale and shift to software-based R&D operations development. Traditionally, vehicle development has relied on long hardware-based product life cycles that could make it difficult to quickly enhance existing configurations. Fundamentally, the design-to-manufacturing process should be adapted to accommodate bug-free software delivery, at scale and across brands, while also introducing ways to reduce the need for in-person interactions for servicing. This could include achieving zero fault for vehicles coming off the line as well as addressing ongoing vehicle issues via over-the-air updates.

The leaders in this first iteration of software-defined vehicles will likely be those automakers that are able to shift the organization, at speed and scale, to be agile, feature driven and

cloud native. Car-to-cloud means that vehicles are moving so far beyond being just a collection of parts and components that they're now part of a product-led software business that can potentially deliver thousands of functions on demand as software-defined vehicles could unlock new revenue streams for automakers.

Development, deployment

Automakers should transform operating models and culture to adapt to a software-based organization. Traditional processes for designing, validating and manufacturing cars are rooted in leading practices for integrating parts up to assembly, whereas software-defined vehicles can require processes and tools to continually launch and enhance experiences. This means that an automaker's software development foundation can be as critical as the assembly plant. For some automakers, this could be a tectonic shift in operating model, culture, talent strategy and investment portfolio, but should be addressed for products to compete at scale.

To build cars that can integrate with modern chip sets and take advantage of advanced technologies, automakers should embrace cloud-native software development. This involves building software applications in the cloud and using modern programming languages and frameworks. Cloud-native software development can offer several advantages for car manufacturers, including greater scalability and flexibility, potentially making it easier and quicker to deploy new features and applications.

Car-to-cloud development platforms could allow for more collaboration among developers, suppliers and other stakeholders, which can improve the quality and speed of software development. For certain applications, there may even

be the flexibility to run either in vehicle, in near real time in the cloud, or with the workload distributed across both.

In turn, continuous integration and delivery and the combination of software development and operations can allow auto manufacturers to better identify and address vulnerabilities in their software. The security of a vehicle's software can also be enhanced with cloud-native software development. This also could allow for more frequent updates and patches, which can reduce the risk of exploitation by cybercriminals.

To fully take advantage of these technologies, car manufacturers should continue to prioritize innovation and collaboration in an agile and cloud-native environment for both mobile, vehicle applications and even embedded software. The resulting features and applications could revolutionize the total vehicle experience for consumers.



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GARDNER

continued from previous page
means successfully managing people, not just processes. If people are ignored and not treated with empathy, the emotions impacting their personal lives can seep into the workplace and affect performance.

The messaging can't come just from people with DE&I titles. It helps to have support from the top.

Holland said those discussions inspired this quote from Mike Manley, who was FCA's CEO at the time: "We are a source of economic empowerment for many people and communities, many of which have not participated fully in our economy, or have been denied economic justice for far too long. This is not a charity. It is a strategic decision to lift ourselves by lifting others. We believe that by embracing and empowering individuals from different backgrounds, we can foster innovation and creativity. We can build stronger relationships with our customers and suppliers and create more equitable and sustainable futures for *all* of us."

Among the actions at Stellantis:

- Establishing representation targets for women and minorities in leadership.
- Mandating 30 percent diversity on all hiring slates.
- Creating leadership development programs for multicultural and Black talent.
- Creating diversity action plans for each of the company's 31 functional areas.
- Partnering with the National Business League to create the nation's first Black supplier development program.
- Establishing a marketing and media bias strategy to increase spend on Black-owned agencies and media companies.

The bottom line

Despite this progress, Holland cautions that "time is not on our side, given the political and social environment [when even mentioning] the word 'diversity' has become divisive."

"I'm afraid that if we don't seize the opportunity to re-imagine DEI and our efforts, we can find ourselves falling backwards," she said.

Aside from the social benefits, understanding diverse groups of people affects the bottom line. Just ask Toyota.

As *Automotive News'* Vince Bond Jr. reported last week, Toyota Motor North America is winning the battle for Hispanic customers. The Toyota brand accounted for five of the top six nameplates sold to Hispanic buyers in 2022, according to U.S. new-vehicle registration data from S&P Global Mobility.

That doesn't happen by luck. The brand has worked to engage with Hispanic people for decades. Its strategy has included working with multicultural ad agencies, forming relationships with social media influencers and, unlike many of its competitors, keeping sedans in its lineup.

The takeaway? The automotive industry's DE&I movement is in good hands. It will only grow as more people join the conversation and see the positive business results, despite a vocal group of detractors.

"I want you to remember DEI is humanity," said Thompson. "So let's give each other some space and grace and invite others into the conversation so that we can keep moving forward."

You may email Omar Gardiner at ogardner@crain.com.