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How the Automotive Industry Is Transforming Into the Mobility Industry



In an exclusive stars insights interview at the [stars Switzerland symposium 2019](#), **Mamatha CHAMARTHI**, Chief Information Officer of Fiat Chrysler Automobiles North America and Asia Pacific, expressed her views on the rapid transformation of the automotive industry. She argues that connectivity is the core enabler behind autonomous driving, electric vehicles and shared mobility and she offers a unique perspective on the future ownership of data – namely that the data should be owned by the customers and that the customers should always know what any company is doing with their data.

Luisa KINZIUS: Since when does the position of Chief Information Officer (CIO) exist at Fiat Chrysler Automobiles (FCA) and what are your specific responsibilities in that function?

Mamatha CHAMARTHI: The position of CIO at FCA has been in existence for about 25 years. To have a CIO has been a trend that probably started in the early 1990s, but the role has evolved. Now it is much more of a business role instead of taking care of back-end systems. Today, it is a lot more about the technology that goes into the product and about understanding the customer. The macro challenge that I am working on right now is in the context of the disruption that we are facing with autonomous connected vehicles, electric vehicles and shared mobility. My key task is to transform FCA from a product- and sales-centric company that looks at sales quarter after quarter to a customer-centric company that provides a frictionless and seamless customer experience across an array of services and products. Today for example, the buying cycle for a car is only about five months. Accordingly, the company allocates a large amount of resources to attract and persuade the customer to buy our products. However, once the consumer purchases a vehicle, we no longer have that direct engagement throughout the consumer's ownership of the vehicle. Now imagine having the ability to get instant feedback from the consumer at the push of a button – similar to Facebook for example, where you can immediately

click "Like" if you like something. This type of feature is missing in the car. This is the kind of connection we are looking at.

The transformation of the automotive industry is driven by autonomous vehicles, connected cars, e-mobility and shared mobility. Do you see one of these driving forces as dominant?

I think "connected" is the critical enabler for the rest of the things to happen. Unless you connect the car to the cloud you would not be able to get all of the appropriate data for the car to travel from point A to point B autonomously. Similar, for shared mobility, for an Uber to understand where you are you need to have a phone that is connected. For electric cars you need to know how long you can drive without charging. And if it is a connected car, then you need to understand where the nearest electric charging stations are located. It is all about being connected.

This is a fundamental shift, also regarding the traditional source of profit for the automotive industry. How much do you see this as a threat and what will the major source of profit for the automotive industry be in the future?

Absolutely, it definitely affects the traditional source of profit for the automotive industry. I think connected mobility is disrupting the business model of the automakers so much that we don't want to call our industry "automotive" anymore. We would like to call ourselves a "mobility industry". Today, it is so easy to understand our business model. We get raw material and then we make a car and we sell it. In the future – with connected vehicles – we are collecting data and we are providing a value proposition to the customer using that data. One example, where you can immediately see the value that is created, is in the field of safety and quality of the vehicle. This could be where you can collect data on brake pad wear or engine or transmission performance and predictably maintain it so that the customer's downtime is minimized.

Who do you think owns all the data that becomes so increasingly central in this business model?

I have a very unique perspective on who should own the data. I think the data should be owned by the customer. The customer should always know what any company is doing with their data.

How high is the risk from the customer's perspective that we will just provide our data for free?

I think initially, the level of transparency must be provided by the company. The customer can put trust in us and knows what the data will be used for. I think in the end it is not about technology, but trust and transparency with your customer. Trust is the driving force that gets us in the right direction.

You're specifically in charge of the Asia Pacific and North American market. For all of the automotive trends, do you see differences in these markets?

Yes, huge differences. For example, I think China is way more advanced in the B2C area, while the United States and Europe are falling further and further behind. The other big difference in China is that there is unlimited access to all data within China, but outside of the country none of us can access the domestic Chinese data. The Chinese inherently have created a lot of data that is innovation fuel for new business models. But when you look at Europe, the first place where we had data privacy regulations, I think we are very concerned about data because the fundamental trust and transparency does not exist.

Do you see any task in your job that the current leadership generation will not be able to solve, but that needs to be tackled by the next generation of leaders?

I would say it is artificial intelligence and ethical decisions with artificial intelligence. For example, balancing ethics, cyber security and artificial intelligence. I think it will start in our generation, but it becomes exponentially more important for the future generation of leaders.



Mamatha CHAMARTHI was appointed Chief Information Officer, FCA - North America and Asia Pacific effective April 2019. In this position, Chamarthi oversees all information technology applications and infrastructure in support of business units located in the United States, Canada, Mexico and Asia Pacific. Previously, Chamarthi was Senior Vice President & Chief Digital Officer for ZF Friedrichshafen AG since 2014. In this position, she was responsible for the company's full range of digital strategies and for driving change across the organization, including establishing a global footprint to create a talent ecosystem that will close the technology gap for ZF to be a leader in autonomous driving.

The interview was conducted by stars alumna Luisa KINZIUS, consultant at Sinolytics, on the sidelines of the [stars Switzerland symposium 2019](#). The views expressed here are solely those of the interviewee and they do not necessarily represent or reflect the views of the stars Foundation.

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