

Software factory - A mind-set change in the automotive industry

Christina Meier – Head of Finance & Controlling Elektrobit/CFO Argus

06/23/2022 | [Potsdam](#)



My first day @ Elektrobit



Automotive and mobility megatrends

Software-defined vehicles drive the industries

Automated driving

in 2035



of new vehicles will have advanced ADAS/AD features (L2 or higher)

Connected car

in 2035



of vehicles sold will be connected

Electrification

in 2035



of new car sales will be Electric vehicles

Shared mobility

in 2035



of urban trips will refer to shared mobility offerings

Sources:



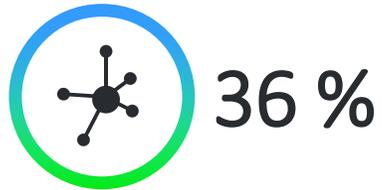
IHS Markit



BCG

Modern vehicles are software-defined

The role of the software companies



Cars with over-the-air capabilities by 2026



Complexity in vehicles is increasing



By 2031 software-based features and services will be a market worth \$640 billion



66% of OEMs plan to partner with software firms and system integrator firms

Sources:

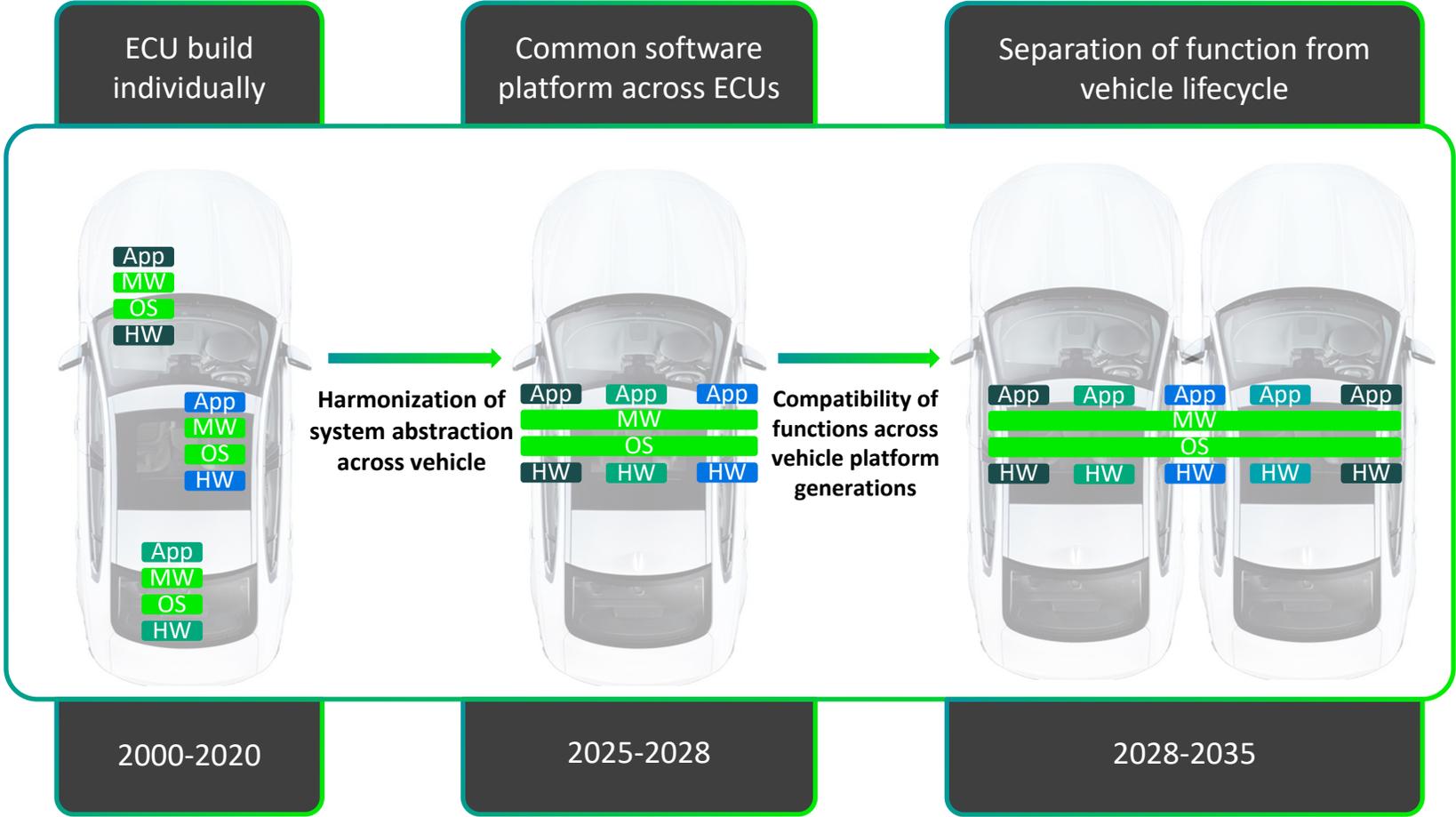


Berylls



Capgemini

Disruption of software development lifecycle

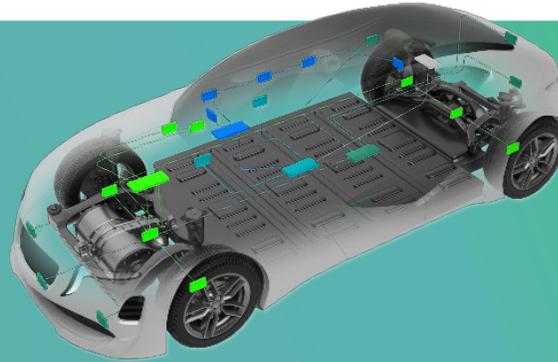


The x-factor in software-defined vehicles

Share of differentiating and non-differentiating software

60 %

Non-differentiating software¹



40 %

Differentiating software¹



Common functionality
required of all vehicles, regardless
of brand, OE, trim level, etc.



Unique functionality
for specific OEs, models,
regions, customer groups, etc.

Products and Engineering Services

1: Differentiating and non-differentiating software from an OEM point of view

Key success factors

Key challenges

- Faster innovation cycles
- Master complexity
- Ensure scalability and reusability



Retain, attract highly qualified workforce and build thought leadership

Stay an attractive employer

End to end value chain offering



Engage with key OEMs

Comprehensive customer engagement model based on a scalable portfolio

Long lasting, value adding and future proof relationships with core OE customers

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Risks & chances from a financial perspective



End to end value - chain offering



- Increase of scalability via software products
- Significant more upfront investment needed
- More risk due to development prior to winning business
- Different functions needed
- Different business models needed
- Tracking way more complex

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Risks & chances from a financial perspective



Engage with key OEMs



- Corporations instead of joint ventures
- Better mid to long term planning
- OEMs start their own software factories
- New players on the market

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Risks & chances from a financial perspective



Stay an attractive employer



- Employee as most important asset
- Competitive salary structures
- Crazy benefits
- Offer an attractive work place
- Thought leadership

Three years @ Elektrobit

- Mind-set change
 - Earning money with software only
 - Partner of choice for our customers by
 - making the millions of code visible
 - getting paid for with smart business model
 - Employees as most important asset



Thank You

