Silicon Valley and New Mobility
Overview trends and players

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The future of the automobile is automated, connected, electrified, shared – those 4 trends are building on one another accelerating change.

4 trends in personal mobility...

**Automation**
Driving task taken over by vehicle, driver becomes observer and then passenger

**Communication**
Vehicles exchange data with infrastructure and with one another

**Electrification**
Fossil fuel based powertrain gets replaced by electric components

**Commoditization**
Car- and ride-sharing offer new mobility solutions, change ownership model

Source: McKinsey, self
As everyone seems to agree on the 4 trends and the necessary change, the same questions keep coming up over and over again and deserve a closer look.

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<thead>
<tr>
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<th>Question</th>
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<td>1</td>
<td>When will autonomous vehicles come to the market?</td>
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<td>2</td>
<td>What is the business case for connected vehicles?</td>
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<td>3</td>
<td>What is the inflection point for electric vehicles?</td>
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<td>4</td>
<td>Will consumers only share but not own vehicles?</td>
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Source: self
Taking everything together, we can determine for each trend short- and long-term developments, some will remain a future vision.

**Automation**
- Automated trucks & fleets
- AV demos & pilots

**Communication**
- V2X via WiFi
- V2X via cellular
- Software over the air updates
- Connected infotainment

**Electrification**
- PHEV, BEV (mainstream products)
- BEV, FCV (niche products & pilot programs)

**Commoditization**
- Car-sharing merges into ride-sharing
- Ownership obsolete
- Ride-sharing profitable
- Car- & ride-sharing programs broadly available

**FUTURE VISION**
- Personal AV
- BEV, FCV (niche products & pilot programs)
- PHEV, BEV (mainstream)
- HEV, PHEV, BEV (majority)
- FCV (mainstream)

Source: Expert interviews
Through automation and connectivity the automobile becomes fully integrated in the mobility ecosystem and ultimately of the interconnected digital economy.
The industry ecosystem is expanding with new players moving in and claiming their market share; partnerships will be a key factor for success.

Today’s automotive industry
- Internal competition
- Hardware manufacturers
- Vehicle focus

Tomorrow’s mobility sector
- Coopetition and partnerships
- Service and infrastructure providers
- Mobility focus

Source: McKinsey (adapted)
Silicon Valley has established itself as one – if not the – center for new mobility solutions. Often it is hailed as “The New Detroit”, but what does that mean?

How Silicon Valley is inventing the future of cars
Legacy automakers, startups have made the Valley ground zero for innovation in the automobile industry
Fri, Jul 28, 2017, 6:54 am by Eric He / Palo Alto Weekly

How Silicon Valley Spurred Bill Ford Jr. to Replace His CEO
MAY 22, 2017 AT 2:57 PM BY PETE BIGELOW

Is Silicon Valley the new Detroit for electric cars?
BY STEFANIE OLSEN
FEBRUARY 22, 2008 4:03 PM PST

Tesla Hits a New Milestone, Passing G.M. in Valuation
By THE NEW YORK TIMES
APRIL 10, 2017

Lyft and Waymo Reach Deal to Collaborate on Self-Driving Cars
By MIKE ISAAC MAY 14, 2017

Google is to start building its own self-driving cars
28 May 2014 Last updated at 02:00 GMT
By Jack Stewart
BBC World Service Radio, Los Angeles

Source: media research
Silicon Valley is always on the lookout for the “Next Big Thing”, those trends have typically last about 2 decades, mobility is part of the AI trend.
Silicon Valley is well known for its wealth of IT companies, mobility companies blend in...
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