

How to navigate the two-speed world in a digital sports car company

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18/05/2019 At a Fireside Chat during #TNW2019 in Amsterdam, Porsche Digital COO Stefan Zerweck discussed with Katia Moskvitch from Wired UK how the world's biggest brands build smart, beautiful, intuitive, and memorable digital products, how a sports car manufacturer like Porsche contributes to that discussion and why they are attending a tech festival in the Netherlands that has nothing to do with cars.

Digital products are ingrained in our everyday personal and professional lives. Product teams in every business are facing the challenge of shaping the daily experience of millions of customers.

What's Porsche's motivation to become a digital sports car company

Right now, the automotive industry is changing faster than ever before. During the next 5 years, there will be more change than within the last 50 years. That's why Porsche is on a journey to fundamentally transform its business model: From a traditional automotive company to a software-enabled automotive tech player. Basically, there are three major reasons for us to become a digital sports car company. First of all: Digitization – making our core processes available online, e.g. online vehicle configuration, online used car searches. Second: Digitalization – enhance and expand our core processes, e.g. online sales, social configurations. And last but not least Digital Transformation to create and explore new business, e.g. future mobility services or value-adding services. The most important aspect for us at Porsche Digital is, even though we are a technology-driven company, the customer. Regarding digitization, digitalization and digital transformation, we always start with the customer experience and work backward towards the technology. This is how we, step by step, develop our digital activities from single vertical features into a horizontally integrated experience.

How do you handle the two-speed world at Porsche?

The core of our company is to envision and to build great sports cars, often driven by our motorsports engagements. Our challenge, therefore, is to not only build up a new digital culture but especially to combine it with our core values. We do this by encouraging a positive cultural clash of the two-speed worlds in order to create a tailor-made approach for digital product teams in the automotive environment. Tailormade in the sense that we have lots of heritage, history and legacy both in the product as such but also in processes and culture. Of course, this is a hurdle sometimes, but more often it's a great asset which we can build upon. We combine the strength of perfection (hardware) and speed (software) in our development to create something new. The key is really to get everybody on board.

How do you put this in practice?

First of all, we create new working environments, like the digital units Porsche Digital and the Porsche Digital Lab, innovation hubs in Tel Aviv and Silicon Valley – as you can imagine, we (have to) go where the digital talents are. But besides building new, digital working environments, it's crucial for us to overcome classical corporate restrictions and enable agile organizational structures and processes across all departments and domains at Porsche. We integrate new working models, an interesting change example is this project by Uwe Reuter and his team at the Chassis Development.

But it is also all about the right (digital) mindset?

Yes, of course. We lead our process by key questions – for example asking yourself: Is there a

problem worth solving? Are we able to propose a solution that is desired? Do we believe that we'll be able to create a viable business model? Can we build this technically? Will we be able to scale up to generate profit? The objective should be to focus capacities right and to foster innovation and business model thinking, not to slow down the process with classical corporate guidelines and processes. We are typically not building our products for one market only, but we have a global organization, being active in more than 100 countries. That means no single solutions, but global usage is often required with different legal, fiscal or even product regulations.

Does this mean that Porsche cannot think central?

We think local for local and local for global. The key is to involve market organizations and enable them to build up relevant skills, capacity and support them in contributing to the ecosystem. To us, it's not a good solution to try to build specific China-related features from Stuttgart, but rather enable the colleagues in the specific market to do so—and really meet the customer's needs.

What is your solution to master the manifold business and technical challenges?

While Porsche is extremely successful, we believe in the chances of collaborating with digital developers, startups and innovation hubs around the world. We want to join forces and enable joint working models by creating open platforms and APIs. Not only do we want to benefit from open innovation, but also contribute to it and be part of the ecosystem. The Porsche NEXT OI Competition, the idea of Mobility for a better world, the collaboration with APX in Berlin or the global innovation platform Startup Autobahn show how Porsche opens up as a company to involve, collaborate with and learn from others—no matter if startup, student, individual or corporate. We always ask ourselves: Would Apple ask every developer to come to Cupertino? How can we attract the best startups and best talent to work with us? I think: Be where the change is.

What's the future for a digital sports car company?

We should probably rather talk about 'sports mobility devices', especially in the future, rather than cars only. New mobility concepts, connectivity solutions, electrification, the third dimension in traveling and many more trends and technologies coming up will create never seen before ecosystems for our customers and ourselves. This requires us to even more push the changes we just discussed and to take the chances they'll bring.

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