"We work in one of the most important innovation ecosystems on the planet"

13/04/2021 In this interview, U.S. managing directors, Stephan Baral and Steffen Haug, present Porsche Digital's ambitions in North America.

With a total of nine locations worldwide, Porsche Digital is a globally networked organization. From China to Europe to offices on both U.S. coasts, the subsidiary of Porsche has an extensive international footprint. The U.S. teams are based in Atlanta, where they share the headquarters of Porsche Cars North America, Inc., and in the Silicon Valley hub of Palo Alto. In this interview, the U.S. managing directors, Stephan Baral and Steffen Haug, present Porsche Digital's ambitions in North America.

Porsche Digital is a global company. In addition to the seven locations in Europe and China, there are two offices in the U.S. - in Silicon Valley since 2017 and Atlanta since 2019. What are your tasks?

Steffen: The Porsche Digital mission overall is to identify and sustainably develop digital business models. This is also true for our two locations in Palo Alto and Atlanta where we take a dual approach:

On the one hand, we are developing digital products and offers for the end customer. This includes, for example, solutions that allow our vehicles to be integrated into our customers' digital ecosystems. A good example is “Porsche Track Your Dream,” which lets you follow your new dream car from production to delivery. In addition, we want to extend the Porsche experience beyond the vehicle, so our teams are working closely with colleagues at Porsche in Germany and the U.S. on the "My Porsche" customer portal, a central e-commerce platform and other digital services.

Stephan: On the other hand, we aim to design and scale digital business models as well as optimize existing solutions to create best-in-class user experiences beyond our core business. We do this through developing digital products and services while building an ecosystem of strong partners and embracing customer insights. Through digitization, we have the chance to shape Porsche's future beyond automotive.

Why does Porsche Digital have two locations in the U.S.?

Steffen: The USA is one of the most relevant markets from our point of view. It is really important that our products and services meet market-specific requirements, especially in the digital age. With our location in Palo Alto in Silicon Valley, we work in one of the most important innovation hubs worldwide. The unique interaction of technologies, entrepreneurship, risk-taking and diversity is of particular importance to us. In Atlanta, the direct cooperation with our colleagues from Porsche Cars North

America offers us many advantages: Here, we work together on products that improve and expand the digital customer experience in a market-specific way.

After three years in San Jose, you moved to Palo Alto in 2020. What are the reasons for the location change?

Steffen: Palo Alto is in the center of Silicon Valley and close to the Stanford University campus. Among other things, this was a deciding factor, as we will work even more intensively with local universities in the future and make use of their know-how. Access to promising local talent is crucial in our opinion.

Stephan: In recent months, we have successfully advanced several projects and substantially expanded our team. There are currently almost 30 experts working in Palo Alto who are primarily focused on implementing innovative, digital business models. This also includes collaboration with local partners. We firmly believe that having strong partnerships is an essential success factor in realizing digital business. That is why the activities of Porsche Ventures are a core component to our success. We maintain a very close relationship with local startups, Venture Capitalists and our portfolio companies. Likewise, we work intensively with the tech corporations based here to further improve our products.

You both moved from Germany to the U.S. more than two years ago and played a key role in setting up the Porsche Digital locations. Has this changed your perspective on digital business models?

Steffen: Every day we work with people who have already scaled various successful products and services. In the process, we have been able to observe the speed at which some startups develop. That is very impressive. But we have become even more aware that you also must have a certain amount of patience with digital business models. Very few tech startups were immediately successful with their first business idea. What is crucial is staying power and a strong customer focus when developing products.

Stephan: Walking through Palo Alto and the Stanford Campus where some of the most disruptive ideas have been brought to market delivers a certain spirit that is difficult to describe but facilitates a mindset change. Seeing the talented founders build their dreams and the passion that they put in their companies is fascinating. If I have learned one thing since I am here it is that there are a lot of great ideas out there but execution is what really matters. You have to test things as early as possible and involve users into product development.

Which projects have you already realized in the past years and what are you currently working on?

Stephan: In recent months, investments have been made in various U.S. startups as part of the "Porsche Ventures" investment team. The portfolio of Porsche Ventures U.S. includes Miles, DSP Concepts, Urgently, Rally, Playbook, Drivably, Cresta and more; we have also invested in the Fontinalis and eVentures investment funds. Our task now is to accompany these startups, develop them further and simultaneously identify new, interesting companies.

Our product team in Palo Alto is currently working on two product portfolios. One is aiming to make car enthusiasm more accessible with new digital solutions including social marketplaces and mobile gaming. The other portfolio is centered around the in-vehicle experience.

Steffen: Our team in Atlanta is working together with colleagues from Porsche Cars North America on the "My Porsche" customer portal. Here, as in the "Online Sales" area, we were able to introduce numerous new and market-specific functions. Another highlight is certainly the possibility for our customers to search among thousands of pre-owned Porsche vehicles online in Porsche Finder. And we have many more interesting projects in the pipeline.

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