Vehicle manufacturers need to be agile and flexible

By Bruce Peters   17 Jan 2018

Although the local outlook for new vehicles sales is gradually becoming more positive, it's still a very tough and highly competitive market. When solid brands such as Chevrolet and Daihatsu (amongst others) decide to cease local operations, it should be a red flag for all remaining vehicle manufacturers to take a closer look at the long-term sustainability of their own businesses.

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Complexity and a lack of digital capabilities are holding firms back

In this new digitised economy, only the companies that evolve and streamline will succeed. Vehicle manufacturers are producing connected cars, and quite often their products have far better communication systems than their factories or even dealer networks.

> *Companies who recognise the opportunity of Industry 4.0 and bring their entire business up to speed, not just their products, are the ones who will come out on top in the long run.*

All local automotive companies consist of 'hubs' spread around the country ranging from head offices and manufacturing plants, to dealerships, warehouses and service centres. This can become a very slow model riddled with miscommunication, mistakes, and degradation of service.

By applying an intelligent, converged network approach to business processes, automotive manufacturers can dramatically improve the performance and flexibility of every aspect of their operations — speeding up decisions, boosting agility, and mitigating risk.

One case study shows how Daimler Trucks North America (DTNA) managed to increase business agility and enhance asset tracking by implementing the following:

- Pervasive wireless connectivity used by employees and machines to stay connected.
- A shared network to keep managers more informed so they can predict and respond to supply chain issues faster.
- Robust, standards-based security to meet compliance needs.

Another example is Mercedes-Benz Czech Republic (MBCR) which set up a Cisco CCTV camera system in order to reduce vehicle damage in transit and on dealer floors. The system allows administrators to:

- Access live video anywhere over the internet
- Locate specific dates, times, or incidents in video archives in seconds
- Cost-effectively add new cameras and video storage

Applies to all vehicle sector business models

South Africa has a variety of business models in the automotive sector. Some manufacture and assemble locally, whilst others work on an import, sell and service basis. The urgency to digitise and streamline; however, applies across the board.

With the tentative optimism shown in the latest Naamsa report, local automotive companies can't afford to miss the opportunity to upgrade their African footprint. Not doing so poses the risk of falling behind the competition, which companies simply cannot afford in this sectors.

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