



**Resilient Leadership: Perspectives from Boyden's Automotive, Infrastructure and Transportation Experts**

As the grip of COVID-19 continues to impact us globally, Boyden is tapping into the deep collective knowledge base of our partners to bring industry insights and prescriptive learnings to the forefront.

**In this issue of *Resilient Leadership*, Boyden shares the expert opinions of our Automotive and Infrastructure & Transportation leaders from across the globe: Jutta Menzenbach (Germany), Neil Morrison (China), and Patrick Reynolds (Canada).**

In conversation with Boyden's Global Industrial Practice Leader, Francesca d'Arcangeli, the group explores where opportunities may lie, accelerated focus on technology, transformational trends, and the leadership skill set to deliver.

**d'Arcangeli: Mobility and transport have experienced great disruption. What advancement of technologies can we anticipate that will ensure secure infrastructure?**

**Menzenbach:** The automotive industry has been undergoing a deep disruption. Apart from climate targets, trade wars, and declining sales figures, there are new entrants from other verticals entering the market and higher-than-expected investments in future-oriented technologies. This is now aggravated by the pandemic, with damage that cannot be quantified today. However, this downturn can be a great opportunity to realign future mobility concepts. Now, the key players have the chance to shape smart and future-oriented products and services.



**Morrison:** Yes, disruption is an opportunity. Cost efficiencies, in terms of planning and execution, will have long-lasting implications for the manufacturing industry. Supply chains are being reexamined and reinvented, with JIT and local sourcing becoming ever more important. Shippers are looking to store-in-transit warehouse solutions with their carriers. Multi-model solutions are being expanded, wherein road/rail and air/sea options are now front-of-mind. China's much-lauded Belt and Road Initiative will take on even higher significance for infrastructure development and investment. Globalization vs. nationalization will be debated. Technologies such as autonomous vehicles, AI, drone delivery, and renewable energy fuel options will be the focus of MNCs and their transportation partners.

**Reynolds:** I would add specifically that in the short term, routing and tracking technologies supporting home delivery channels (driven by the increase in online shopping) will benefit. Longer term, blockchain technologies, and artificial intelligence will transform the industry with much more efficient and cost-effective systems.

**d'Arcangeli: Given this opportunity for large-scale redesign and transformation, what functional leaders will be in high demand?**

**Reynolds:** Resilient leaders in the transportation sector are adjusting business models to respond to new demand realities, such as airlines moving freight in passenger cabins. As companies emerge from survival mode, they will address systemic changes. Leaders with a calm, strategic, and collaborative approach will be in highest demand, because the transportation industry by its very nature integrates many modes and organizations across private and public sectors. The ability to relate with other leaders who have a broad range of perspectives and find common ground solutions will be hugely valued.

**Menzenbach:** To boost transformation, the automotive and mobility industry clearly needs to and will develop from a hardware company to a vertically deeply integrated hardware, software and service company. These software and services organizations require different leadership and culture, fostering an agile, open, innovative, and data-driven work environment. This can be achieved by establishing digital functional areas as we know it from tech companies. Leaders with the right mindset, trailblazing software and services skills, failing fast and taking controlled risks with quick decision making will be beneficial to drive this transformation.

I'd add that the more complex and uncertain economic conditions become, the faster companies need to react to market opportunities or technological changes, the more the hierarchical and centralized corporate models will fail. In phases of instability and uncertainty, teams are successful when leaders convey a sense of meaning and orientation to their employees through trust, personal closeness, and community.

**Morrison:** Digital transformation will be critical to companies' competitiveness and ultimately survival. Data analytics and AI, machine learning, and warehouse and distribution automation will be the new norm. Chief Information Officers and Chief Digital Officers will hold significant sway. However, as my colleagues have highlighted, there will also be an emphasis on those who can lead through transformation, with skills such as authenticity, agility, adaptability, and emotional intelligence.

**d'Arcangeli: How will the economic impact of COVID-19 affect the future of smart mobility?**



**Morrison:** The economic impact of COVID-19 has likely hastened the transportation industry to consider the benefits of adopting autonomous vehicles (AVs). The concept of adopting 'platooning,' as it is known in Europe, or 'convoying' in the US, whereby a fleet of AV trucks follows the lead vehicle with a driver would mean less congestion, fewer accidents, improved on-time delivery performance, reduced fuel consumption and better asset utilization, leading to cost efficiencies and enhanced customer satisfaction. This is definitely a case of stay tuned...it's only going to get more interesting.

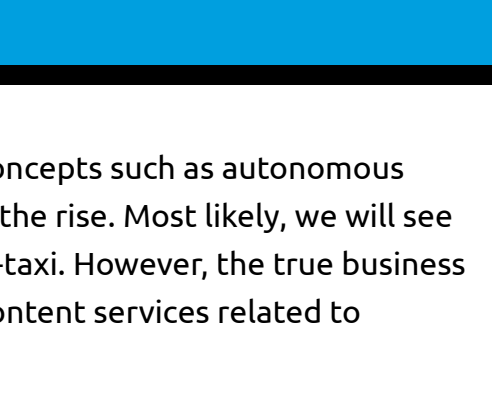
**Reynolds:** Additionally, the anticipated increase in working from home even post-pandemic will likely cause people to better understand the lost productivity in commuting and promote options that enable productive time and avoid crowds on transit. Tight economic times might also cause people to rethink their need for a private vehicle and they could opt instead for an autonomous ride-share. The world is changing and, while autonomous vehicles will have dramatic societal impacts, their adoption should be accelerated in our current reality.

**Menzenbach:** I'd add that for many years, the automotive industry has been investing in new technologies without letting go of traditional technologies. This is comprehensible, as the money was earned with the acknowledged products. Nevertheless, this has spawned the development and integration of new technologies. Now, the automotive industry has the unique opportunity to let go of the 'old' technologies faster and look ahead to future-oriented products and services. The automotive industry has no choice but to invest in them.

**d'Arcangeli: What other trends can we anticipate within the automotive, infrastructure, and transportation sectors?**

**Menzenbach:** On the basis of this disruptive change, new mobility concepts such as autonomous driving, digital products and services and electromobility are still on the rise. Most likely, we will see platooning trucks on the road before we see a fully automated robo-taxi. However, the true business model does not lie in mobility itself, but in smart and personalized content services related to mobility in the broader sense.

**Morrison:** One area that will change dramatically is last-mile delivery and domestic transportation. Rapidly soaring demand for online deliveries is resulting in immense resource crunches. In-house capacity to scale delivery requirements and meeting evolving customer demands is challenging. A recent report revealed that 80% of U.S. customers want same-day delivery options and 63% want delivery within 1-3 hours. Asian customers are just as, if not more demanding. The inability to scale deliveries, deliver on same-day expectations and reduce operating costs are rapidly impacting the bottom line. Savvy businesses are therefore shifting focus on leveraging crowdsourcing technologies. In simple terms, crowdsourcing logistics can be referred to as a process that empowers businesses to bypass the middlemen and directly reach out to temporary or part-time delivery solutions, akin to ride-hailing services. The difference is that instead of commuters, products are being transported through this process.



**Reynolds:** Until a vaccine is approved and distributed broadly, public transit will struggle for viability, as work from home will continue for many and others will opt to avoid crowded public transportation. Food supply chains will continue to transition to grocery channels. Huge increases in on-line shopping have resulted in a surge in-home deliveries, which will regress a bit but are here to stay. The international supply chain will undoubtedly be altered, as well. Countries will increase domestic production of critical products and supplies, decreasing international freight in the short term. Production capacity overruns will provide opportunities for production of other products, bringing a balance back over the longer term.

**d'Arcangeli: Many leadership lessons will be learned in the post-crisis era. What do you feel will be one of those top lessons?**

**Morrison:** Businesses will have to plan for peaks as the normal, not the exception. Disruption will be commonplace, agility will be critical, and technology innovation imperative. This is the dawn of a new era for the Transportation industry.

**Reynolds:** Lessons can be taken from business and political realms as we see different leadership approaches and their effectiveness. Responsiveness, innovation and compassion have been dramatically revealed as critical traits of effective leaders in times of crisis.

**Menzenbach:** More than ever, crises reveal the difference between management and leadership. Leaders have a view, a vision that is directed towards the future with a higher purpose. They think big and exponentially. Leaders identify themselves personally with business goals that aim to sustainably transform the existing situation.

**Boyden's Global Automotive Practice**

Developments in design, connectivity, mobile solutions, sensors, cloud services and autonomous driving are turning science fiction into reality. While our clients design their new future, we help to find their new leaders – for the business, to create jobs and to secure economic prosperity.

Meet leaders of Boyden's Automotive, Infrastructure and Transportation Practice Groups:

 <p><b>Jutta Menzenbach</b> Partner, Germany Global Leader, Automotive</p>	 <p><b>Patrick Reynolds</b> Managing Partner, Canada Global Co-Leader, Infrastructure &amp; Transportation</p>	 <p><b>Neil Morrison</b> Managing Partner, China and Singapore; Global Co-Leader, Infrastructure &amp; Transportation</p>	 <p><b>Francesca d'Arcangeli</b> Managing Partner, U.K. Global Leader, Industrial Practice</p>
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