

‘We See the Automobile Becoming the Next Major Technology Platform’ – GM’s Akerson

GM CEO Dan Akerson and baseball Hall of Famer Ted Williams seem to have some things in common.

At least, that’s what Akerson said when he quoted the former Boston Red Sox slugger in his speech to the Boston CEO Club June 13.

Akerson, after praising the city for being a great baseball town, said he saw Williams hit two home runs in one day when attending a game with his father.

He said he brought that up because it reminded him of two Williams quotes.

Akerson said, “The first is, ‘Baseball gives every American boy a chance to excel. Not just to be as good as someone else . . . but to be better than someone else.’

“The second is, ‘No one has come up with a substitute for hard work.’ I like these quotes because what’s true in baseball is also true in business – at least in most respects. In business, you have to bat a lot better than .300 to keep your job.”

GM aspires to play at the Hall of Fame level, Akerson said. And right now things are going well for the company. The stock is doing well.

“Most importantly, investors see that GM is producing the finest lineup of cars and trucks, from top to bottom, in its history,” Akerson said. “For example, journalists have been handing out the North American ‘Car of the Year’ award for two decades and it has never gone to a Cadillac – until our new ATS sports sedan won this year.”

Investors see that GM has recaptured its entrepreneurial spirit and started to innovate once again, he said.

“Innovation isn’t a word I use lightly – or without facts to back me up,” Akerson said. “For instance, GM has been ranked No. 1 on The Patent Board’s list of innovators in the automotive and transportation industry for seven consecutive quarters. But the patent office isn’t the real world. That gets defined by customers.”

So how is GM innovating for them? One way is by bringing analog cars into the digital world, he said.

“We see the automobile becoming the next major technology platform – and one with far better battery life than an iPhone,” Akerson said. “Now, if

we could just get people to trade in their cars as often as they do their phones, we’d be on our way. But that’s another story.”

He said the opportunity GM sees has been created by the increasingly ubiquitous smartphone – and the irresistible desire people have to stay connected wherever they are. Consider these statistics: the average U.S. consumer spends 2 hours and 38 minutes per day on smartphones and tablets.

That tops the 15 hours per week they spend in cars as a driver or passenger, Akerson said. Marry the two and you have a megatrend that GM intends to harness for competitive advantage. Calling connectivity a “megatrend” is no exaggeration.

In a recent study, J.D. Power found that more than two-thirds of new-car buyers already own a smartphone. For 80 percent of them, connectivity strongly influences the new-car purchase decision.

“Personally, I think they’re under-calling the market,” Akerson said. “The number will be 100 percent before you know it. I only have to look at my youngest granddaughter to know it’s inevitable. She’s just wired differently than you or me. She thinks she can change TV channels just by swiping her hand across the screen. Anyway, when you ask drivers what kind of connectivity they want, they say, ‘hands-free calling’ or ‘navigation’ and ‘automatic crash notification’ in that order.”

These features are the bread-and-butter of GM’s OnStar unit, which has turned three simple buttons – one for calls, one for directions and one for emergencies – into a very successful business with more than 6 million subscribers, he said, adding that, when GM probed deeper, the automaker discovered that people really want connectivity to give them a better quality of life in their car.

Nearly 80 percent of consumers want greater safety, he said, followed by “a better driving experience” and better customer care. Translated, he added, people want connectivity to keep them out of accidents and traffic jams, keep their cars from breaking down, and keep their kids entertained or at least occupied.

“And wouldn’t your kids love to stream ‘Fast and Furious 6’ into the backseat instead of end-

lessly watching the same DVD for hours on end?” Akerson asked. “Some of this is possible today. Some is still years off. But all of it will require far more bandwidth and much higher download speeds.”

In other words, he noted, GM needs a bigger pipe to bring data into the car – and that pipe is 4GLTE mobile broadband.

“This is one of those situations where past is prologue,” Akerson said. “When I was with MCI and General Instruments back in the 1980s and 1990s, we had the biggest data pipes in telecom. Bar none. We used them to surprise and delight customers, and we created tremendous shareholder value in the process.”

“At GM, we don’t know everything that the future will bring. But the core of our strategy is to do a better job satisfying customers than anyone else. That’s why we’re going to turn millions of our cars and trucks into nodes on the Internet through the industry’s largest global deployment of 4GLTE.”

He pointed out that there will be safety improvements that come with this new technology.

“To me, there is nothing scarier than a texting driver looking down at his handset,” Akerson said. “But if done right, technology can actually be part of the solution to keeping drivers’ eyes on the road. It all comes down to hardware and software design and execution. That’s one of the great advantages of OnStar, which is fast becoming a global service.”

To really “blow this out,” he said, GM needs to borrow from the smartphone playbook and entice thousands of “codaholics” to write apps for its cars. Akerson said this is the strategy that made Apple and Android the dominant players in their space, and it’s why GM is sharing its remote and in-vehicle application interfaces with third parties through a new website called developer.gm.com.



Dan Akerson

So far, Akerson pointed out, GM has about 2,000 registered users and its flexible app framework will help them help the company keep the technology in its vehicles at the cutting edge – even years after the sale.

Leading through innovation will help keep GM successful for generations to come, he said.

“We know we still have to get the fundamentals right,” Akerson said. “That means designing great-looking vehicles, delivering outstanding quality and reliability and preserving our fortress balance sheet. But thanks to tenacity and a lot of hard work, we’re now in a position to be expansive in our thinking and aggressive in our execution.”

Warren Library To Hold Events For Kids Under 10

The Warren Public Library will be hosting a number of events in the next week that should be of interest to local young residents.

On Tuesday, June 25, kids who enjoy working with paper might want to visit the Dorothy Busch branch of library.

The theme of this week’s “Terrific Tuesday” is gardening. The event is aimed at children between the ages of five and 10. Those attending will “plant” their own paper garden by decorating pictures of fruits and vegetables and “planting” them on a garden display. Registration is requested. The event takes place from 2 to 3 p.m.

The theme of the library’s Whimsical Wednesdays June 26 event in the Conference Room of the library’s Civic Center branch is “Fairy and Elf Houses.”

The event, also for children, is an hour long and starts at 6:30 p.m. Those attending will have the opportunity to build some houses for the wee folk. It promises to be a lot of fun and whimsical for the kids who attend.

Registration has been requested for this event, too. To sign up, call 586-751-0770.

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