

# Paving the way for auto innovation

 By [Jeff Nemeth](#)

18 Jan 2016

The automotive industry is undergoing a fundamental change which is being driven by cost factors, political and economic conditions, population and traffic congestion, and environmental concerns. This means car makers need to seek innovative ways to grow their businesses.



Jeff Nemeth

## Product innovation

At Ford we envision a future with a radically different transportation landscape where pedestrians, bicycles, private cars as well as commercial and public transportation are all woven into a connected network to save time, conserve resources, lower emissions and improve safety.

When we look at the expected population growth in the coming years it quickly becomes clear that we can't keep doing things the way we always have. Global gridlock is poised to become a reality.

Autonomous vehicles are one solution and industry is already making huge strides in the move towards this. For this to become a reality the infrastructure needs to exist in order for autonomous driving to become a reality in our daily lives. An autonomous car, or a car with autonomous features, has the ability to perform a function independently from the driver. The technology exists for these cars to be a reality today.

Auto-functionality features - such as Active Park Assist and Active City Stop - utilise the same technologies that will make autonomous driving commonplace but we first have to create an infrastructure that supports these technologies in order to make them a mainstream reality.

Connectivity will form the foundation for an autonomous future. It is vital because cars need to speak to one another as well as the infrastructure around them. The connected car will share information with a communication network as well as other cars on the road. This information could include traffic updates, navigation based on potential traffic problems, finding open parking spots, avoiding hazards and more.

This will be a large contribution to the gridlock solution in large cities around the world.

## Manufacturing trends

The sustainability of the industry is the most pressing objective at the moment and the response from manufacturers will determine its economic future. Increased localisation of skills and manufacturing will ensure that costs are driven down. This, in turn, will increase the efficiency of production while shortening the logistical chain in the industrial process.

While manufacturing processes and skills are localised we need to improve quality, and retain world class competitiveness through rigorous training and professional exchanges. Going forward we need to consider how technological innovations are going to shape our future.

Just like laser printers today, expect 3D printers to be commonplace tomorrow. Today, 3D printing is currently being used to create test parts, or niche production applications, that go through frequent development changes but the 3D printing industry is expected to change the landscape of the manufacturing industry.

While not currently fast enough for high-volume direct production manufacturing, 3D printing is gaining momentum every day. It is part of a broader technological revolution that will ultimately lead to a shift in the way we consume goods in the future.



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## Economic trends

With the rise of urbanisation in developing countries the complexity of political and economic conditions needs to be carefully managed, especially in sub-Saharan African.

For multinational businesses, the African continent presents a great opportunity to grow their brands. However, in order to take full advantage of this opportunity African governments will need to collaborate more in order to foster intra-continent trade. With 16 countries now in agreement, the African Free Trade Zone (AFTZ) is set to come into effect in 2017. The real test, however, will be in the finer details of each transaction.

Lower import tariffs mean manufacturers will have access to a much more substantial single market and the overall pie will get bigger for everyone. In addition to this, the deregulation of vital functions such as trade, banking and air travel can serve as important business enablers for growth.

Labour unrest and protest is set to increase in intensity and frequency, unless employers (private and public sector) and workers learn to understand each other's positions and pressures. Linked to this is the need to partner more with local communities in order to foster a better working relationship and to ensure that crises are managed in a more proactive way.

## ABOUT JEFF NEMETH

Jeffery Nemeth was appointed president and CEO of Ford Motor Company of Southern Africa (FMCSA), effective January 1, 2010. In addition to his role as president and CEO of FMCSA, Nemeth was also appointed president and CEO of Ford sub-Saharan Africa, effective October 2013.

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