Summary

Market disruption in the automotive industry is presenting major challenges to everyone, including automotive suppliers. To respond adequately, those businesses should become renewable enterprises, continually rethinking their business from a customer perspective and adapting to satisfy the evolving requirements of existing and new customers. Renewable enterprises enjoy best-in-class agility, plus intelligence and proactivity, together with smart approaches to innovation.

Our industry in the 2020s: A growing need for agility and speed

Automotive suppliers today face uncertainty in many different aspects of their business. Might any external disruptor (e.g., a pandemic) force rapid change to the supply chain? Will your company decide to acquire or merge with a competitor? Could an OEM shut down a line without notice, leaving you and your own suppliers with unwanted inventory on your hands? The possible disruptors are limitless, which is, of course, part of the challenge.

Megatrends such as connectivity, autonomy, sharing/mobility, electric vehicles, and sustainability (CASES) are jointly shaping today’s industry, with an increasing emphasis on sustainability. Radical reinvention of business models, open collaboration, and sustainability-driven technology choices are urgently sought to stem the destructive impact of carbon emissions on our planet.

Technology will provide answers to many of these issues while also bringing some new ones. We are about to witness a new industrial revolution – “Industry 4.0” – fueled by the advancement of digital technologies. For manufacturing companies, the fusion of the physical and the virtual world into cyber-physical systems will disrupt every business domain, necessitating profound organizational transformation.
Experience the renewable enterprise

To cope with these requirements, leading automotive suppliers are looking to become “renewable enterprises”: organizations that can constantly grow and adapt to new and changing business environments by unleashing the power of new digital technologies. For automotive suppliers, this means continually rethinking the business from a customer perspective and adjusting fast to changing business requirements by leveraging simple cloud-based processes that reduce complexity and cost.

As a renewable enterprise, you’ll have the following characteristics:

01 | Best-in-class agility so you can transform when required

You want to be able to reconfigure processes rapidly to deal with changing customer demands and market conditions. For example, you should be able to start buying supplies from a different region if your usual suppliers are temporarily shut down because of an epidemic or other disruption. In the event of mergers and acquisitions, you need a rapid way to harmonize multiple organizations’ ways of working.

The more easily a company can adjust its processes, the better it can weather change and, wherever possible, seize competitive advantage.
How Capgemini and SAP can help

SAP and Capgemini are collaborating to help automotive suppliers meet all these requirements, leveraging the benefits of cloud technology. Accelerators such as systems preconfigured for automotive suppliers enable you to get up and running in just a few months, while Software-as-a-Service (SaaS) delivery greatly reduces the ongoing IT burden with no sacrifice of the rich functionality of SAP S/4HANA®.

As SAP’s strategic partner for Capgemini Intelligent Assistant for Automotive (CIA4Auto), in discrete industries, Capgemini is collaborating with SAP to realize the vision of providing the #1 cloud solution for automotive suppliers of all sizes. Our two companies are co-developing industry-specific functionality for delivering SAP S/4HANA® Cloud for Automotive Suppliers.

Within Capgemini, we’re repackaging services so that we can affordably offer smaller and less complex businesses the same experience that our traditional client base receives. And we are co-innovating on the SAP Cloud Platform (SCP) so that we will be able to offer many more apps there, in addition to integrating third-party ones and developing bespoke software if needed. An example of this is our Capgemini Intelligent Assistant for Automotive (CIA4Auto), AI-enabled software that constantly monitors for events happening (or not happening) within SAP, and notifies users when something needs attention, providing the all-important intelligence and proactivity they need.

For example, in the next two years, most major businesses will redefine their processes and products to deliver enhanced customer experiences with AI-based technologies. These will have derived courses of action from vast data sets of customer interaction.
About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients’ opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.

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