

An auto exec reflects on CES: Come for the cars, stay for the chaos

By Ian Bolin



As a leader of Egon Zehnder's Global Automotive Practice, and an automotive executive before that, I have long kicked off my year at the North American International Auto Show. This year, however, I decided to forgo Detroit for the Consumer Electronics Show (CES), the consumer electronics extravaganza held in Las Vegas every January. For the past four years, CES has had its own growing automotive presence, and I wanted to see how the two gatherings compared.

Considering the event with the hindsight of several weeks, I have been taken with how different CES was from the North American International Auto Show—and what those differences say about the profound changes at work in the auto industry. The Detroit show, whose roots stretch back for more than a century, is a well-oiled machine of product reveals, media events and presentations by top executives from around the world. If you're an auto veteran, it's hard to go five minutes without running into a longtime colleague. People may change companies over time, but, collectively, the group of faces is highly consistent from one year to the next. It's been called a high school reunion of the automotive Who's Who.

CES, on the other hand, is a loud, frantic tsunami of the next new things. My colleagues and I knew many of the automotive executives in attendance, but their exhibits at CES were far different from what they displayed in Detroit. The gleaming vehicles on spotless turntables were replaced with demonstrations of the newest developments in passenger safety, navigation and mobility, presented in captivating talks given by auto execs paired with technology evangelists. If Detroit was a vehicle showcase, CES was a TED conference.

And the automotive exhibits were only a small part of a larger story, surrounded as they were by a broad array of appliance conglomerates, drone manufacturers and wearable tech firms. Executives and reporters from a dozen sectors ran back and forth, looking at smart refrigerator interfaces and virtual reality setups before heading over to makeshift test tracks for a ride in a self-driving car (provided they were lucky enough to snag one of the coveted invitations). It was all but impossible to cover everything in a day, as one can in Detroit.

Which was, I realized, exactly why CES is becoming an increasingly popular stop on the automotive executive's itinerary. It's not for the cars—it's for the chaos. That's because the chaos of CES isn't the chaos of poor planning but the chaos of innovation. On the surface, CES may seem like a hodgepodge of industries, but they are united by a common pursuit of connectivity. If wearable tech firms and appliance manufacturers and carmakers are now facing shared problems, then there is a good chance that the solutions can be shared as well.

In this environment, traditional boundaries are breaking down: Auto companies are also becoming tech firms. The hierarchical order taking that has long defined relationships within the industry—with original

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equipment manufacturers (OEM) dictating specifications to the Tier 1 suppliers and the Tier 1s doing the same to Tier 2s— essentially has passed. Instead, it is a much more dynamic ecology in which innovation is being driven from all fronts: from OEMs and Tier 1s to partnerships formed with technology hubs in Silicon Valley, Berlin, Tel Aviv, Shenzhen and elsewhere.

But all this transformation doesn't just happen by itself. It requires leadership that can combine people with all-important experiences and competencies in an environment of creative abrasion. This is no small task in a tradition-rich industry with second- and even third-generation employees. Roles need to be thought about differently, and recruiting and retention strategies must evolve accordingly. To take one example, the much more egalitarian nature of partnerships today means the people managing those joint ventures need to be able to draw upon abilities other than those previously required. Talent management across the organization thus becomes critical.

It is an exhilarating time to be in the automobile business, but it also is a time of ambiguity and uncertainty. That's why CES feels much more like the future of the industry. Does that mean the Detroit Auto Show has outlived its usefulness? Hardly. The tight-knit nature of the automotive industry has enabled it to persevere through all manner of adversity and downturns, and auto executives will always benefit from a place to compare notes, egg each other on as competitors and celebrate each other's victories as colleagues. But it will become increasingly necessary to balance that more familiar environment with a healthy dose of the unknown. Next year I, like an increasing number of automotive executives, won't miss either event.

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