Fleet management in the mix of a great and complex IoT ecosystem

As the connected vehicles market begins to mature an ecosystem that brings together vehicle markets, connectivity providers, applications and the end users – whether enterprise or consumer – needs to be brought together

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The internet of automotive things is growing continuously and encompassing many more applications to the benefit of organisations and end users. These range from well-established markets such as fleet management to newer ideas such as in-car delivery whereby goods can be delivered to your vehicle. This is a large and varied market and will have even more breadth as smart cities, autonomous driving and pay per use cars become mainstream.

The earliest markets have now moved beyond the pioneering phase and offerings are no longer impressive, nice-to-haves but essentials for success. "Fleet management if you're a truck maker is becoming a ticket to ride," explains Svante Svanberg, the strategic segment manager at Telenor Connexion. "If you don't have the capability to support it, you'll have issues selling your vehicles."

Telenor Connexion, which designs, implements and operates IoT solutions to connect things, machines and people through a global IoT system with more than 400 mobile networks, sees the need for a wide ecosystem bringing together all the different players involved to be developed to support and enable the automotive ecosystem. This will comprise elements of fleet management, connectivity and vehicle-making ecosystems and enable many new opportunities.

"We started working with Volvo cars in 1999 and we're working with several automotive OEMs now but also with other types of organisations such as navigation, insurance and transport companies," says Svanberg. "The large OEMs will continue to take care of themselves for another five to ten years time but thereafter they will transform and offer a very basic service composed of connectivity with a couple of basic services. Importantly, they will also provide a platform where third party service providers can offer their services – there will be many other things to address than OEMs want to take care of."

"The trend now is that more and more providers can offer services but fleet management is fairly straightforward because you connect the vehicle where it is and you draw data from it," he adds. "Everything is becoming connected and that's mandatory if you want to withdraw data but this is no longer just about vehicles – it could be a shipping container or a parcel that is connected, and items with specific requirements such as those that rely on an uninterrupted cold chain are being connected now. In the future more or less every container will be connected and part of the reason for that is every port needs information about what is in a container when it arrives." ▶

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Svante Svanberg,
Telenor Connexion

Why MiX Telematics turned to Telenor Connexion

MiX Telematics, founded in 1996, provides fleet and mobile asset management solutions to enterprise fleets, small fleets and consumers with solutions for safety, efficiency, compliance and security. Using the software-as-a-service (SaaS) delivery model, the company delivers its solutions to customers in more than 120 countries, across 6 continents. More than 676,000 mobile assets – from trucks and buses, to vans, cars, motorbikes and trailers – are actively managed by MiX Telematics today via a network of more than 130 fleet partners.

The company initially selected Telenor Connexion to provide connectivity for its telematics services in South Africa but has subsequently increased the number of countries in which it uses the service.

"We were chosen for several reasons," says Tomas Svidén, an international key account manager at Telenor Connexion. "Both companies are truly global and want to offer their customers the same high level of quality across all regions. In addition, MiX wanted a provider who has the ability to be their partner for many years. This is because trucks can be in use for up to 15 years," Svidén adds.

For Telenor Connexion, that means a focus on connectivity – the company does not offer services that compete with its customers. "MiX's customers have a range of connectivity requirements based on their market. Telenor Connexion is able to offer a focused service based on specific requirement which creates the base for a strong partnership between both companies," said Svidén.

Integration with other systems will be a vital capability and Svanberg identifies four macro influences on the automotive sector: autonomous driving, electrification, connectivity and on-demand mobility.

"These all have consequences when it comes to our society and have impacts on infrastructure and city planning," he says. "Big data about vehicle movements and autonomous vehicles can enable cities to be more efficient and public transportation will also change. With electric cars, energy systems will change because the electricity in the car outside your house can be used to smooth the peaks and troughs of power grids. Regulation, legislation and security also present challenges that will have to be overcome."

However, Svanberg thinks these are challenges that can be addressed. "Technology, legislation and even security will all be solved but gaining citizen approval will be the greatest challenge," he says. "Fleet management will be just one application run from a connected vehicle but it will part of the puzzle in the great and complicated IoT ecosystem."

That puzzle involves a longer value chain with multiple participants involved in delivering the experiences that users want. "There will be a B2B2C relationship," Svanberg confirms. "We will sell a service to OEMs and they will sell it to a customer. OEMs can't take in third party services on their platforms so they have to develop hardware to support this and software with application programme interface (API) possibilities to enable these."

Svanberg says this type of structure is three-to-seven years away but when it arrives the market will have opened up new possibilities. Yet significant business challenges remain, in addition to the technical ones.

"Vehicle OEMs don't want to pay for connectivity for a third party service to use connectivity they're paying for so we have to provide split billing for the connectivity so, in effect the user – in this case the IoT service provider – pays," he says. "First OEMs need to fix onboard hardware, second software interfaces are required and third, the split billing and invoicing to service providers. This would all be easy if there were ten global service providers to deal with but this will become a huge market of many local service providers."

For fleet management applications as for consumer and other applications the great and complex ecosystem is also fragmented from location to location and this needs careful navigation. ■

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