



**Advancing Globalization:
Adapting Innovation for Emerging Markets**

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We Shape the Megatrends in the Automotive Industry

Safety, Environment, Information, Affordable cars



Affordable Cars – Prosperity and Mobility in Emerging Markets



Advancing from this phase of mobility...



to a practical and safe level, while remaining affordable

Affordable Cars – Requires a Mindset Change



Maximum Technology – Maximum Content



Practical Technology – to Ensure Affordability

Shifting a Mindset

- ▶ Challenging employees to think differently about needs of emerging markets
- ▶ Engaging local talent to develop local market needs
- ▶ Maintaining synergy with rest of product portfolio
- ▶ Bringing a simplistic mindset to our development processes

We can't de-content and remain competitive!



Success Factor

Localization of Entire Value Chain



BD & Marketing

Local business
development &
marketing for
trends and
requirements

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Local business development & marketing for trends and requirements



R&D

Local application centers to design products according to customer requirements

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Sourcing

Local sourcing for high technology at low cost

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Manufacturing

Local manufacturing to fulfill local and global demands

Innovative Local Efforts

- ▶ **China** – Exclusive development group formed to address and develop affordable technologies for emerging markets
- ▶ **India** – Cross-divisional engineering hub in Bangalore; serves as central hub for Continental's Affordable Car strategy



Affordable Technologies Available in Emerging Markets

▶ **China** – AutoLinQ Embedded Entry

- ▶ Provides cost-effective in-vehicle Internet connectivity through driver's cell phone using cloud-based services and without subscription fees

▶ **All Markets** – Free Programmable Instrument Clusters

- ▶ Full-size digital display surfaces provide the opportunity of flexible presentation of information. Styles can vary from classical to complex, depending on the market and customer need

▶ **All Markets** – Body Control Modules

- ▶ Low-cost solution is scalable and can be adjusted to work within different vehicle segments



Emerging Markets - Key Success Factors



Go Local !



Cooperate !



Speed-up !



Develop a **'mass market mindset'**
Develop an **'entrepreneurial behavior'**
Adapt **processes and standards**

140 Years Continental 1871 – 2011



Thank you for your attention!