



KPMG'S Automotive practice

**Metal to mobility:
Evolving for the future of auto**

www.kpmg.com/us/automotive

To make your numbers today, you must manufacture new vehicles. But to survive industry Long-term success comes down to balancing your core metal business and your future

Today:

The core metal business must perform.



Talent gap

Thirty-two percent of the skilled automotive workforce is 55 years old or older. The auto industry still struggles to attract and retain talent. What is your talent strategy?



Supply chain complexity and risk

The product mix in automotive is changing drastically (electrification, autonomous technology, new supply base, and new business models). How does your supply chain need to change to support this accelerated shift in demand?



Core versus context

With the changing business model shifting from metal to mobility, how can you outsource non core business functions?



Regulatory uncertainty

New cars, new markets, and new rules are shaping a new industry. How do you realign your corporate functions (compliance, tax, and finance) to better support this changing landscape?



Deal demand

To deal with this transition from metal to mobility, there needs to be a greater emphasis on alliances, growth through acquisition, and rightsizing your current organization. What alliances, transactions, and restructuring options will help you compete?

Our solutions: How KPMG can help you

Talent gap

People and change:

- Talent management
- HR transformation
- Workplace intelligence
- Workday and technology automation
- Future of HR

Regulatory uncertainty

Internal audit, risk and compliance:

- Contract compliance services
- Enterprise risk management
- Governance, risk, and compliance
- Regulatory compliance
- Internal audit and SOAS strategic sourcing
- Digital internal audit
- Compliance transformation

Operations and compliance:

- Business enhancement
- Enterprise risk governance
- Regulatory and compliance
- Program management
- Contract risk assessment
- Dynamic risk assessment

Technology risk:

- Compliance assessment

Deal advisory:

- Leasing standards implementation

Tax

- Customs & Tariffs
- Export Controls and Sanctions

Supply chain complexity

Operations strategy:

- Future of supply chain
- Supply chain strategy development
- Supply chain operating model design
- Supply chain maturity assessment
- Supply chain performance management
- Supply chain analytics

Demand-driven supply chain:

- Demand planning and forecasting
- Integrated business planning
- Inventory management
- Supply chain technology

Procurement:

- Future of procurement
- Procurement strategy development
- Procurement operating model design
- Procurement maturity assessment
- Process enhancement
- Global value sourcing
- Procurement technology enablement

Supply chain risk:

- Supplier distress strategy and intervention
- Manufacturing performance improvement
- Supply chain risk proactive solutions

Deal demand

Deal advisory:

- Buy-side support
- Sell-side support
- Operational restructuring
- Operations and financial
- Corporate finance
- Integration and separation

Customer strategy:

- Future of the front office
- Customer experience
- Marketing and sales transformation
- Customer-centric organization
- Customer data and analytics
- Connected customer enterprise

Core versus context

Strategy:

- Funding the future
- Profitable business streams
- Commercial excellence

Shared services and outsourcing

- Global business services

Financial management

- Future of finance

Financial risk management:

- Actuarial and insurance risk
- Regulatory risk
- Market and treasury risk
- Operations risk
- Credit risk

Internal audit, risk and compliance:

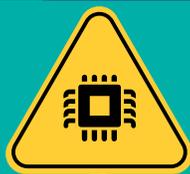
- Internal audit of the future
- Contract compliance services
- Enterprise risk management
- Governance risk and compliance
- Regulatory compliance
- Internal audit and SOAS strategic sourcing
- Digital internal audit
- Compliance transformation



Industry disruption, you must invest in innovations that will drive a new world of mobility. This is a new mobility business.

Tomorrow:

Investments in new products and ventures must test the future.



Tech enablement

How do you determine where to place your bets, and what trends will become business imperatives that will truly drive revenue and growth?



Mobility as a new business

In today's connected and consumer-driven world, it's out with products, in with services. How can you reshape your existing business model to take advantage of the new future of mobility?



Consumer demand/preference

Car ownership is on the decline, but miles traveled is on the rise. How will you participate in the new era of mobility?



Islands of autonomy

A trillion-dollar market is developing around autonomous vehicles. But adoption won't be immediate and everywhere. How will you win in each unique market?

Tax:

- Tactical value management
- Tax compliance and controversy
- Strategic value management and complex transactions
- Tax reimagined
- Managing indirect costs
- Accounting for income taxes
- Accounting methods and credit services
- Compliance management services
- Economic and valuation services
- M&A tax
- International tax
- State and local tax

Tech enablement

Alliances:

- SAP
- Trintech
- Oracle
- Workday
- ServiceNow
- Taulia
- IBM Watson
- Google

IT strategy:

- IT transformation
- IT integration and separation management
- Enterprise architecture
- Technology strategy and selection
- IT organizational design
- Digital innovation strategy

Technology:

- Future of IT

Solution transformation:

- Enterprise cloud strategy
- Data center and cloud strategy architecture and migration
- Technology operations and automation
- Cloud-enabled resiliency
- Modernize and secure the network
- Workplace transformation

Technology risk:

- Cybersecurity
- Emerging technology risk

Strategic growth initiatives:

- Robotic process automation (RPA)
- Artificial intelligence
- Intelligent automation
- Data and analytics (D&A)

Consumer demand/preference, mobility as a new business, and islands of autonomy

Strategy:

- Future of automotive retail
- Internet of things (IoT) and clockspeed dilemma
- Commercial excellence
- Profitable business streams
- Funding the future
- Portfolio strategy

Technology risk:

- Cybersecurity
- Emerging technology risk
- Data privacy

Strategic growth initiatives:

- Robotic process automation (RPA)
- Artificial intelligence
- Intelligent automation
- Data and analytics (D&A)



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Our insights: How KPMG can empower you



Autonomy delivers: An oncoming revolution in the movement of goods



Global Automotive Executive Survey 2019



Accelerating mobility: Optimizing transit in response to rapid disruptions in technology and consumer behavior



Islands of autonomy



The clockspeed dilemma of the automotive CFO



Protecting the fleet... and the car business



I see... I think... I drive... (I learn)



Clockspeed-capable procurement



Will this be the end of car dealerships as we know them?



The clockspeed dilemma

Our sponsorships: How KPMG can connect you

1. Global Leadership Conference (Greenbrier) | October 11–14, 2018 | White Sulphur Springs, WV
2. 9th Annual Automotive Executive Forum at the LA Auto Show | November 28–29, 2018 | Los Angeles, CA
3. Automotive News All-Stars Awards and Dinner | December 2018 | Detroit, MI
4. 13th Annual Automotive Executive Forum at the North American International Auto Show | January 16–18, 2019 | Detroit, MI
5. Charity Preview at North American International Auto Show | January 19, 2019 | Detroit, MI
6. Automotive News Rising Stars Awards and Luncheon | April 2019 | Detroit, MI
7. Auto on the Island CEO Event in association with the Mackinac Policy Conference | May 2019 | Mackinac Island, MI

Our clients



Original Equipment Manufacturers (OEMs)

- American Honda Motor Co. Inc.*
- Daimler North America Corporation*
- Jaguar Land Rover Automotive Plc*
- Kia Motors Manufacturing Georgia Inc.
- Maserati North America Inc.
- Mazda Motor Corporation*
- Nissan North America, Inc.
- Subaru of America Inc.*
- Tesla Inc.
- Toyota Motor North America Inc.
- Volkswagen



Suppliers

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- Continental Automotive Inc.*
- Dana Incorporated*
- DexKo Global Inc.
- Exide Technologies*
- Henniges Automotive North America Inc.
- International Automotive Components*
- Joyson Safety Systems Inc.
- Larry H. Miller Corporation
- Lear Corporation
- Magna International
- Maxion Wheels
- Meritor Inc.
- Tenneco Inc.



Finance

- Honda Trading America Corp.*
- Mercedes-Benz Financial Services USA LLC*

*denotes Audit clients

KPMG market share for top 10 global automotive companies

Audit services



Professional services



Source: Global 2000, January 2018 Ranked by: Total Revenue

KPMG market share for top 10 global automotive suppliers

Audit services



Professional services



Source: Automotive News—June 2018 Ranked by: 2017 Total Worldwide OEM Automotive Parts Sales

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