



# The Drive for Talent in the Techno Automotive World

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Dear Readers,

We are seeing an unprecedented transformation in the automotive industry. Automobiles have become autonomous, shifting the entire paradigm of what it means to be a driver and a rider. Consequently, automobiles are relying on advanced technologies, and the line between the technology and automotive industries has become blurred.

Autonomous technologies are being developed and hitting the market at a speed no one anticipated. There is much evidence of this including the recent introduction of autonomous cars by Uber in Pittsburgh. Other examples abound.

Stanton Chase is uniquely poised with offices in Silicon Valley and Detroit, the main hubs of this fast-developing industry. We are pleased to present this white paper to you based on our daily experiences and unique insight in the executive search industry's war for talent.

Sincerely,  
Rich Kolpasky & Falco Nicklas

## I. Introduction

Imagine stepping into your car, taking a nap, and arriving at your destination two hours later. It sounds almost like “Beam me up Scotty”, a popular phrase from the Star Trek era suggesting that someone can transport themselves immediately from one location to another with almost no energy or effort. While to some this sounds futuristic, it is now reality. Driverless cars. Autonomous vehicles. Advanced Driver Assistance Systems (ADAS). The technology is known by a variety of different terms, but the concept is the same: digital systems, not people, are driving vehicles.

This transformation in the automotive industry affects all facets of society. First, the obvious: cab drivers, riders, car salesmen, and individual consumers. But far beyond that we see insurance companies struggling to define new coverage plans, computer programmers making coding decisions that will affect human lives, government officials grappling with new regulatory frameworks, experts weighing in on risk and safety considerations, and even ethicists who advise on the decisions and impact these new technologies will have on society. Major companies are collaborating like never before.

*Fiat Chrysler has partnered with Google.*

*Google, Toyota, Microsoft, and Tata have invested in Uber.*

*Ford and General Motors have invested in Lyft.*

*Lyft has partnered with Didi, a China-based company heavily invested in by Apple that recently nudged Uber out of the region.*

In June 2016, Bloomberg called this “The Merging Worlds of Technology and Cars”; today, just months later, this is no longer a matter of worlds merging; a new world has been created.<sup>1</sup> Despite the relative newness of the topic, a significant amount of literature has already been written about driverless cars. This paper sheds light on the particular effects of how driverless cars are creating a war for talent in the tech and automotive industries. We offer Detroit and Silicon Valley as salient examples of this inter-industry battleground, but we also urge leaders to recognize this as a much more far-reaching phenomenon that is transforming these two industries across the globe.



## II. History

The automotive industry as we know it began in Europe in the late 19th century, but truly exploded in the North American market in the early 20th century. The deep effect of the industry's explosion was tied closely to the industrial revolution and the development of mass production. Throughout the past century, producers and consumers have witnessed constant innovation in the automotive industry. Automakers have raced to create the fastest, sleekest, most family-friendly, rugged and fuel-efficient vehicles to define and establish their niches in particular markets. The result of this competition to be on the cutting-edge has meant the integration of technology into the automotive industry space. Technology integration and digitization began with simple transformations such as automatic windows and door locks, but has now moved to a point where technology has literally taken over the driver's seat, allowing passengers to ride in driverless vehicles.

If cars are now essentially mobile computers, what does this mean for the job market? How does this affect the automotive industry? What do these changes mean for the field of talent acquisition, specifically at the C-suite level?

Talent acquisition in the automotive industry has always been fairly straightforward. First, innovators and inventors paved the way by establishing the industry. From that point onward, automotive industry experts continued to lead the field. Leaders have possessed automotive know-how, combined with a deep understanding of the consumer landscape and inner workings of factory mass production. Suddenly, with the advent of driverless cars and the inextricable need for technology, the automotive industry has witnessed a seismic shift in the search for and acquisition of top talent.

At Stanton Chase, our deep expertise in the executive search industry has given us the privilege of witnessing the changing landscape of executive search in both of these industries as this phenomenon has unfolded. With our unique positioning in both Silicon Valley and Detroit, as well as our global reach into 45 countries, we are able to provide insights about the past, present, and potential future of what we call this new techno automotive world.



## III. Current State

In May 2015, Forbes published an article about how the “jobs of the future” in the auto industry will look more like tech start-up roles as opposed to positions related to car making.<sup>2</sup> This prediction has proven accurate, as many start-up companies have been formed to address the growing need for technical solutions. This is increasing the competition for talent and is also driving a significant amount of mergers and consolidation.

The original equipment manufacturers (OEMs) and the large suppliers have realized the technology behind autonomous vehicles is not their core competency, but it is the domain of high-tech companies, thus the introduction of companies such as Apple, Google, Uber, and others into the automotive space.

While the automotive industry has typically been concentrated in Detroit, many high-tech firms are located in Silicon Valley. This is causing a developing “war for talent” between the automotive companies and the high-tech firms in California. Attracting top talent to Detroit is not easy; consequently, many OEMs are opening technical centers in California. Meanwhile, some of the California-based high tech companies are opening shop in Detroit.

The result of all of these changes has been a series of talent raids. A February 2015 Bloomberg report offered potential job seekers a tip with the headline “Want Elon Musk to Hire You at Tesla? Work for Apple”.<sup>3</sup> The report indicated, “The company has hired at least 150 former Apple employees, more than from any other company, even carmakers.” At the time, “Elon has explained to me that it’s easy for him to hire someone from Apple, because when he does the interview process for a serious software engineer—a big human asset—he’ll meet with the person and geek out with them,” says Morgan Stanley’s Jonas.”<sup>4</sup> Interestingly, just eight months later, Elon Musk, Tesla’s CEO, announced, “Apple is 'graveyard' for fired Tesla staff”.<sup>5</sup> This was his response to claims that Apple had been raiding Tesla’s top talent.

Talent raids and leadership transitions in the techno automotive industry are happening at an incredibly rapid speed. Competition is fierce, and recruiting companies must offer the right compensation with the right benefits to the right candidate at the right time in the right place in order to be successful.

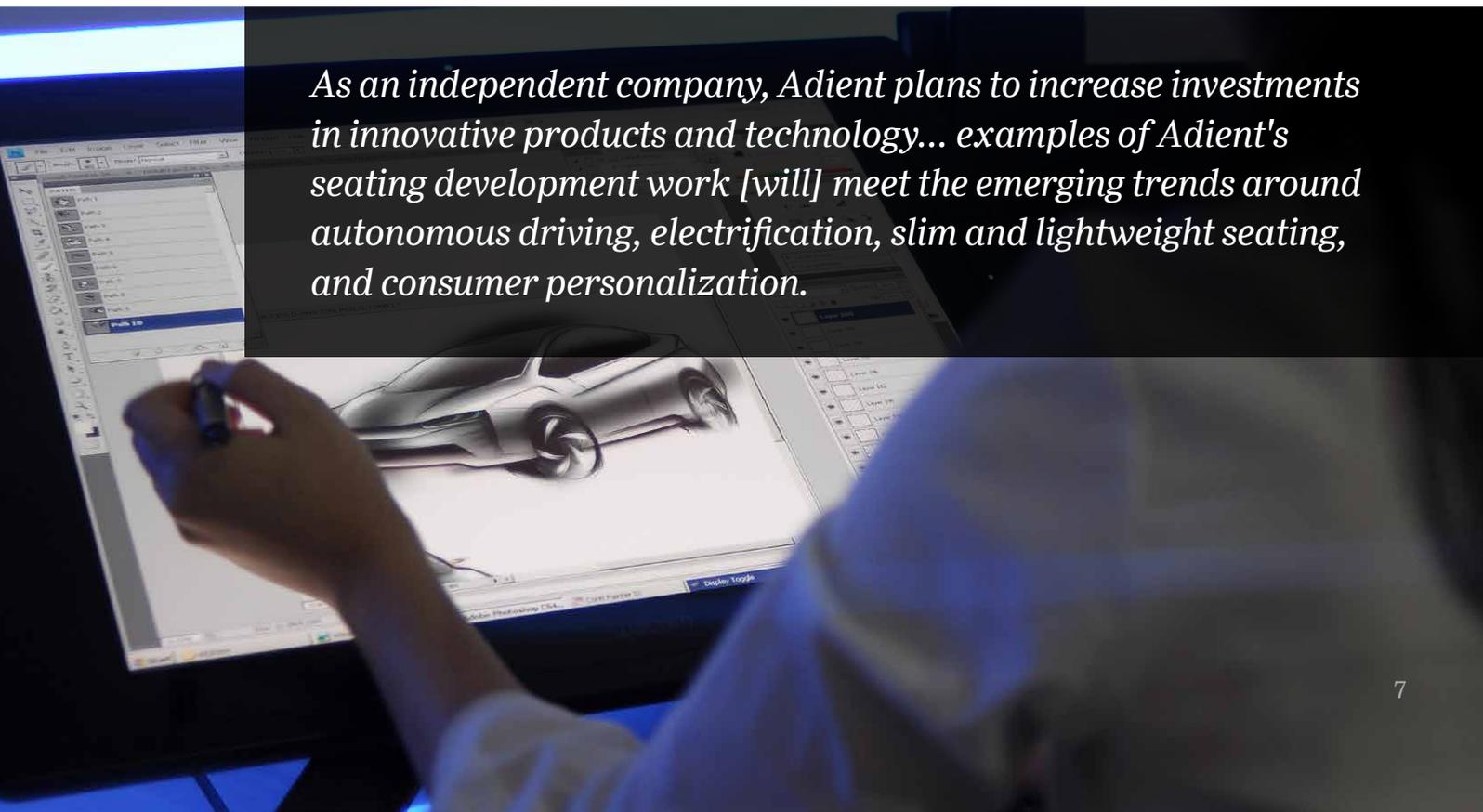
## Beyond Borders

While the focal point of this war for talent in North America is situated in Detroit and Silicon Valley, these two cities could be considered a microcosm of the larger, global phenomenon. “The changes we are seeing in the automotive and technology industries are truly cataclysmic,” said Gert Herold, Industrial Global Practice Leader at Stanton Chase in Vienna. “There has always been a war for talent in the technology industry, but now it has reached unprecedented levels of competition and talent raids tied to the automotive industry.”

A recent example can be seen at Johnson Controls, which recently branched out by creating a spin-off company Adient. This new company plans to focus solely on automotive seating and interiors. The company maintains a global presence, with particularly solid ties to China.

*As an independent company, Adient plans to increase investments in innovative products and technology... examples of Adient's seating development work [will] meet the emerging trends around autonomous driving, electrification, slim and lightweight seating, and consumer personalization.*<sup>6</sup>

Undoubtedly, Adient will need to tap into the global talent market of the techno automotive world to successfully achieve its future goals. Executive search professionals at Stanton Chase have a wealth of experience not only in North America, but with deep worldwide networks that ensure the identification, selection and recruitment of the top talent with the right cultural fit.



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## IV. Future

What is the future trajectory of the techno automotive industry? There is no clear strategy or resolution as to how the new automotive technologies will work, so the OEMs (Ford, Honda, BMW, etc.) and major suppliers (e.g., Bosch, Continental, Valeo, etc.) are scrambling to grab their share of the future. The technology is literally evolving and being rolled out in real time. The future is here.

The autonomous technology is a major transformation of the industry as we know it. It will dramatically affect the way cars are bought and used, e.g., crowd-sharing of vehicles versus individual ownership. The future offers two certainties: 1) it is uncertain and constantly changing, and 2) the war for talent within the techno automotive world will continue. The importance of adopting effective strategies for luring top talent can be seen in the current Tesla/Apple battle:

*As cars become more like computers, and traditional U.S. automakers struggle to attract Silicon Valley talent, Tesla's ability to lure people from Apple gives it an edge in developing cars of the future. "It's almost an unfair advantage," says Adam Jonas, an auto industry analyst at Morgan Stanley. "As software goes from 10 percent of the value of the car to 60 over 10 years, that disadvantage [for traditional carmakers] will intensify."*

*Musk says Apple has been trying to poach Tesla employees, too, offering \$250,000 signing bonuses and 60 percent salary increases. "Apple tries very hard to recruit from Tesla," he says. "But so far they've actually recruited very few people."*<sup>7</sup>

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The Enterprisers Project, a community of CIOs in the business and IT world, recently published an article with tips for surviving the current talent crisis. The author offers insights such as responding to the new generational expectation of work flexibility in some of the following ways: rethinking and redesigning the organizational structure, redesigning work flow to be project-based as opposed to role-based, and investing in coaching and mentoring.<sup>8</sup> At Stanton Chase, we have seen that when these recommendations are put into practice, they often yield successful results. We also see each search mandate as extremely unique. In other words, an individual's personal situation, needs, and goals should be carefully reviewed before offering an enticing compensation package.

We are living in an exciting and pivotal time in the techno automotive industry. At Stanton Chase we are eager to use our insights, experience, and expertise to help your company rise to the top in this war for talent. In addition to our solid presence in Silicon Valley and Detroit (both in the spotlight due to their historical ties to their respective industries), we feel it is important to highlight the future geographical ramifications of this changing techno automotive landscape. The increasingly globalized economy will undoubtedly influence the talent war, and Stanton Chase has a global reach that offers beneficial insights and assets as you search for top talent in the C-suite. We are confident that our extensive experience, insights, and global reach, combined with our deep commitment to personalized service by our top executive search consultants will result in the perfect fit for your organizational needs and culture in the techno automotive space.



## IV. Conclusion

Technical talent is scarce and very much sought after. Stanton Chase is poised to assist you in this new techno automotive space. Our concern for the details of your C-suite needs frees up time for you to dream about flying cars and the next radical developments in techno transportation. <sup>9</sup>

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