Beyond the Driverless Car
An Interview with Chunka Mui
Transcript

SEGMENT 2 of 5: Reimagining Our Driverless Future

Frank Diana: So, sticking with the theme of timeliness and when to act, let's pursue the driverless car scenario a little deeper. We'll start with the timing of when it becomes a mainstream thing for leaders to worry about. Insurance is a great example. I know you've pointed to this as well. If we do eliminate all those fatalities, what happens to the need for car insurance? And so, insurance executives are struggling with "when is the driverless car something that I need to worry about?" there's been a number of folks talking about a mainstream 2025 adoption of driverless car; yet there's others that talk about when that car is ready for mainstream adoption you need 10 years to replace the fleet, the global fleet. So, what's your thought on when insurance executives and others need to worry about the driverless car?

Chunka Mui: Well, I think that those kinds of predictions that try to pinpoint a date are exactly what companies can't do. They can't try to say, "When will this hit some kind of maturity point and therefore when do I have to start worrying about it." I think what they have to understand is what are the milestones between here and there; because the winners in the end are the ones who are ready as opposed to the ones who are waiting to start.

So, when I talk to insurance companies in particular, I ask them questions like:

- Well, what happens if we have this "arms race" in terms of the automotive ecosystem working on autonomous technology?

- And what happens if as that gets peeled off into incremental products, that perhaps don't get us to autonomous driving, but dramatically reduce the accidents that occur?

You know, as you said, Google has talked about eliminating 90% of accidents. And that's actually a fairly plausible number because 94% of accidents are due to human error; so, if you can automate the technology such that users of the technology aren't making mistakes in the use of those products, then you might have a dramatic effect.

But what happens if we can eliminate 30% of accidents; what happens if we can eliminate 15% of accidents. Those, that starts having pretty dramatic impact on industry as well because just in the US we spend $ 200B a year on auto insurance premiums and if the accidents went down by 50%, that number would drop down dramatically because it's directly correlated to the number of accidents and the cost of accidents that we have. So, the industry might be looking at a premium base that's half as large if we reduce half the accidents or a quarter as large if we reduce a quarter of the accidents. And that has tremendous economic impact.

Frank Diana: So, you don't have to have critical mass for industry to be impacted, I think is the take-away there.

Chunka Mui: Yes absolutely.

Frank Diana: Okay, you've talked about not being able to predict and I completely agree with that and I like to think about this in terms of rehearsing the future, as opposed to predicting the future. And I know you talk a lot about a portfolio of options, etc. Which I think is along the same lines as rehearsing the future. In rehearsing this future around the driverless car, you mention milestones, markers, things to look for, obstacles, accelerators. I imagine those are all things that leaders need to start to consider to at least have a number of scenarios in front of them that could talk to potential paths. Would you agree?

Chunka Mui: Absolutely.

Frank Diana: So, in working with your customers [you use] exercises like that to help them create kind of those potential paths?

Chunka Mui: Well, going back to what I said earlier about thinking big, I mean the first thing to do is understand the extreme scenarios. So, what does your company look like, if this technology was sitting in front of you?

- How might it drive you to, how might it destroy your products if there are no accidents, then there's no liability insurance
- But how might it also enable you to reimagine the products that you sell or the customer experiences you provide

So, understand that wide range of scenarios and then you break it down to smaller pieces for testing

- So, how do you understand, for example in the insurance world, the evolution of that technology and at what critical points might it affect you
- How fast might crash avoidance technology find a way into new product
- How might Government mandates for automatic breaking find their way into products?

So, understanding the technology, where it sits and the potential, as you said potential accelerators, for the adoption of that technology is critical.

You know, I talk to a lot of insurance executives and many of them haven't been out to Mountain View to ride in Google's autonomous cars. They don't have no visceral feeling for the state of that technology, nor have they visited one of the half dozen other Research Centers in the world that's working on building that technology as possible. So, getting a firm grasp of that technology is critical and then understanding the possible evolutionary paths for that technology.

Frank Diana: Well fascinating stuff Chunk and unfortunately, we're out of time. So, I want to thank you for joining us today with those great insights and look forward to working with you in the future. If you'd

like to learn more about Chunka and his perspectives on the future, please visit Chunka Mui dot com. You can learn more about our work at TCS by visiting TCS dot com or additional perspectives from my blog at Frank Diana @ wordpress dot com.

Thanks all for joining.

For Additional Information

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