

Better Place's Boosted Strategy May Impact Partner Prospects

Thilo Koslowski

The introduction of Better Place's service platform addresses a key success factor for electric-vehicle adoption, but it could interfere with other industry initiatives and imperil some partnership opportunities.

NEWS ANALYSIS

Event

On 15 September 2009 at the Frankfurt Motor Show, electric vehicle (EV) service provider Better Place, which is developing EV infrastructure offerings, introduced its EV service platform, announced new hardware and software partners and expanded its agreement with Renault for the support of switchable-battery EVs in Israel and Denmark.

Analysis

With these announcements, Better Place reinforced the company's comprehensive business model aimed at realizing and simplifying EV ownership. The development of a focused hardware and software solution for both onboard and offboard energy management functions (for example, real-time monitoring of battery performance, as well as charging-spot and grid utilization) positions Better Place to address a key success factor for large-scale EV operation: continuous real-time communication between the vehicle, the infrastructure and the electric grid.

While the launch of the Better Place EV service platform complements its battery-switching solution (see "Battery Switch Demo Is Critical Step for Better Place") in addressing future EV customers' range and dependability anxieties, it also highlights the company's central role during the vehicle ownership phase — a potential conflict for vehicle manufacturers seeking differentiation opportunities that extend beyond the sale of an EV and include relationship and service benefits.

Furthermore, the company's newly announced in-vehicle battery and driving management system called AutOS may conflict — at least in its current form — with efforts by many vehicle manufacturers, suppliers and telematics service providers (TSPs) to launch and develop connected vehicle offerings aimed at providing "infotainment," efficiency and remote diagnostic offerings (see "Predicts 2009: The Auto Industry's Hope for Sustainable Growth Requires New Focus"). Other companies, especially technology providers, are likely to launch alternative offerings that will focus specifically on car-to-infrastructure communication and billing aspects, and leverage the work of existing industry-specific software architectures such as Autosar.

Better Place plans to use its EV service platform to monitor and analyze driving behavior to more accurately predict energy usage and needs. Gartner does not believe that this will cause substantial customer privacy issues since ownership convenience, societal contributions and potential cost benefits will outweigh such concerns.

RECOMMENDATIONS

- Automakers planning to focus mainly on the manufacturing and rapid distribution of EVs during the next one to four years should consider Better Place's EV service platform offering. New, emerging companies — especially those that lack the resources to develop and manage infrastructure and energy management related aspects or don't view this aspect of the value-chain as being critical for their business — can benefit from Better Place's offering. Other automotive companies that already have specific plans regarding their involvement in the emerging EV value chain should still consider Better Place to address potential gaps in their own strategy (for example, offboard energy management and infrastructure-related aspects). Better Place is flexible in its approach and can compliment other companies' EV initiatives.

- Fleet operators considering EVs should explore EV range needs to determine if Better Place's offering is beneficial without having to implement significant driver or process changes, such as the availability of sufficient battery switching stations that may be required to complete typical daily routes.
- Companies exploring a partnership with Better Place or considering a similar offering should leverage existing efforts and standards for connected vehicle services to ensure interoperability and accelerated industry adoption.

RECOMMENDED READING

- "The Electric Vehicle's Value Chain and Technology Evolution" — We analyze success factors for the development and market adoption of EVs. **By Thilo Koslowski**
- "Cross-Industry Momentum Determines Project Better Place's Impact on Electric Car Adoption" — Project Better Place's value proposition sounds promising, but it must win support from consumers and the automotive and energy/utility industries to succeed on a broad scale. **By Thilo Koslowski, Zarko Sumic and Kristian Steenstrup**

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