

# THE DISPATCHER

Telematics Industry Insights by Michael L. Sena  
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## A Dispatcher's Musings: Hitting Home Runs



There were a total of 5,585 home runs hit in 4,860 games during the 2018 Major League Baseball season. That is 1.15 home runs per game, but, with 54 outs (3 per side per inning) in each 9-inning game, it is only 1 home run for every 23 outs, or 2%.



*The 1996 GM EV1 Electric Car. Not a home run. Only 1,117 units were sold between 1996 and 1999 when production was stopped. Sales were halted a few years later and all cars were repossessed by GM and either put into museums or crushed.*

OVER THE YEARS, I've sat in meetings in which groups of people have discussed how to meet competitive threats from rivals, old and new, that have beaten them to the market with a product or service that has become a winner. To put it into sporting terms, someone has hit a home run and now you need to play catch-up. In the mid-to-late 1990s, the major map publishers were caught flat-footed by three new products and services, some based on the still relatively immature Internet. MICROSOFT, which had the largest cartographic staff in the U.S. around the turn of the Millennium, in 1997 produced its rotating and scalable world globe in its *Encarta World Atlas* product, first on CD and then on the Internet. A little company called NEXTBASE LIMITED based in Central London, which was later acquired by Microsoft, introduced its route planner called *AutoRoute* on CD-ROM. Probably the biggest impact was made by *MapQuest*, a division of GEOSYSTEMS led by Barry Glick, with its Internet map service.

A home run can be a game changer, but for every ball hit out of the park, 54 players have added an out to the baseball game. Most players who have gotten to the Major League Baseball level are able to hit home runs, but some are better at it than others. Hitting one takes a combination of skill developed during years of practice on the part of the batter and a ball delivered by the pitcher—by mistake—in just the right place, which is why it is a relatively rare occurrence. If the batter hits the ball on the sweet spot of the bat with enough force in the swing and at just the right angle, it's over the wall it goes.

It's the same with a winning business idea. People come up with great ideas all the time, but the idea-makers are not always skilled enough to follow through with them, or the conditions into which the idea is cast are not receptive at that particular time. A good example of bad timing is the *GM EV1 Electric Car*. A concept for this electric car was presented in 1990. It was well received, apparently—or at least product development people thought it would be a

hit. The concept was developed into a product and introduced in 1996 to what GM believed was an eagerly waiting market. But the design of the production car was less than stellar, and there was no thought given to the infrastructure needed to keep the car on the road. There simply were not enough electric car enthusiast buyers who were ready for battery electric cars at the time, and the difficulties of charging them was not at all well appreciated.

### Where great ideas come from

It does happen that a player who is not known for his batting prowess manages to connect with a ball that a pitcher has delivered with enough velocity and in exactly the right spot to drive it over the fence. A case in point is UBER and its founders Travis Kalanick and Garrett Camp. I'm convinced that the idea for UBER came from the desire of two young adults to have the same transportation option they had as children, namely, have a chauffeur in the form of Mom or Dad ready whenever they needed a ride. They developed a platform controlled by a mobile app that connected a person with a car (Mom or Dad surrogates) to a person needing a ride (them). It took all the painful moments of calling for or hailing a taxi out of the equation for the riders, and removed the two principal problems for the drivers, being told where to go by a dispatcher and getting paid. It also eliminated all of the inconveniences inherent in the prevailing taxi medallion business model, most importantly limiting supply to keep the price level high enough to return a profit to the medallion owners and providing enough money over to pay the drivers.

Let's bring the discussion into the game of cars. Think of the different passenger vehicle types that have been invented during the past 100 years: the basic sedan/saloon, including the Model T; the VW Beetle; station wagons/estates; pick-ups; hatchbacks; SUVs; crossovers and the minivan. Some were hits, most sold enough to keep the brand from folding and some were outright flops. There are books written about the real losers, like the FORD MOTORS *Edsel*, FIAT *Multipia* and the AMERICAN MOTORS CORPORATION *Pacer*. The top six best-selling cars ever are the FORD *Model T* (16.5 million), the Russian-made LADA "Classic" (17.5 million), the VW *Beetle* (21.53 million between 1938 and 2003), the VW *Golf* (25 million starting in 1974) the FORD *F-Series* pick-up (34 million between 1948 to the present), and, at number one, the *Toyota Corolla* (43 million since 1966 and still counting).

All of these models, with the exception of the Ford pick-up, are mass market sedans and have been hits for similar reasons. They



*1940 Pontiac Special Series 25, one of the first station wagons*

offered the best combination of price, performance and dependability for basic transportation compared with the other models available. None of them are luxury cars. The *F-Series* pickup is the exception and it has something in common with my personal favorite for the home run car, number thirteen on the all-time best seller list, the CHRYSLER CORPORATION minivans. These were the *Chrysler Town and Country*, *Dodge Caravan* and *Plymouth Voyager*.

These three models didn't just pop out of the sky. Someone inside CHRYSLER made a connection between a major demographic shift and a corresponding absence of a vehicle to accommodate that shift. After a decade of a precipitous drop in the annual population growth rate in the U.S., in 1970 it suddenly stopped falling and began to grow again. The huge number of Baby Boomer children born following the Second World War were now beginning to start families. Within a decade, the large number of female baby boomers would take a pause in their careers, move out of the cities with their spouses to the suburbs and start their families. If they didn't own a car before the move, they needed one now.

### **The Chrysler Minivan is in the Smithsonian**

There are thirteen post-WWII model cars in the Smithsonian National Museum of American History collection in Washington, DC. One of them is the *GM EV1* and another is the *Chrysler Minivan*. Why? Back in late 1970s and early 1980s there wasn't a good family vehicle. Sedans and station wagons had been downsized due to the high price of fuel caused by the two oil crises. Full-sized vans and the precursors to four-wheel-drive sport utility vehicles (SUVs) were more like trucks than cars. What young families needed was a roomy, multi-seat vehicle that drove like a car, got good fuel economy and had space for baby prams and all the paraphernalia that kids and parents schlep around to all their activities.

On the 2<sup>nd</sup> of November, 1983, the first minivan produced by CHRYSLER CORPORATION rolled off the Windsor, Ontario assembly line. It was boxy with a high roof for plenty of headroom and lots of storage space. It had a sliding side door for both safety and ease of entry, and a hatch door in the back for ease of loading. It fit into the same space as a sedan. Its front-wheel-drive architecture allowed for a flat floor, and its removable seats made it possible to carry a 4'X8' sheet of plywood—the ultimate test for a weekend hauler—or function as a camper for the whole family. In other words, it was the perfect family car.

The *Plymouth Voyager*, along with its brothers, the *Dodge Caravan* and the *Chrysler Town and Country*, were a huge hit. It is said that



1984 Plymouth Voyager Minivan. The car that saved Chrysler Corporation...at least for awhile.

their success brought the company back from the verge of bankruptcy. In 2008, when the company was once again in financial difficulties, it still held 41% of the U.S. minivan market.

### **You need to keep your eyes open and on the ball**

One of the first lessons you learn when you start playing baseball as a youngster is that in order to hit the ball, you need to see it. You need to watch it all the way from the time it leaves the pitcher's hand until it hits your bat that you are swinging. This is the same lesson you learn in business. Keep your eyes open and keep them focused on your goal. The individual or the team that came up with the idea of the minivan had an acute awareness of what was happening, at least in their part of the world. At the same time as the *Plymouth Voyager* appeared, what became an ubiquitous ornament in the windows of those and other vehicles showed up: the "Baby on Board" sign. The minivan and this sign are one piece in the history of the evolution of the car industry.

Why are fewer people buying sedans and minivans in the U.S. than SUVs and pick-up trucks? This article should give you an answer to the SUV part.<sup>v</sup> What about the fact that the top three best-selling vehicles in the U.S. are pick-up trucks, the *FORD F-150* and the *Chevrolet Silverado* and the *Dodge RAM*? If seven out of the top-selling sedans are from Japan or Korea, why are there no foreign pick-ups on the list? The answers to the pick-up questions are found both in demographics and politics. A pick-up and a SUV in the driveway are not an uncommon sight.

What do you see happening today? Are you looking for answers to that question in tea leaves, tarot cards or, worse, market reports and articles written by journalists who have zero experience about what they are writing? Or are you looking around yourself and asking yourselves and your friends and colleagues: Where are we headed? Are car buyers in the the largest market of cars sold per capita, the U.S., suddenly going to start sharing, subscribing or sitting at home waiting for everything to be delivered to them? Are people in emerging markets going to go back to riding bikes? Is everyone in Europe going to go out on strike like school children have been doing?

During the past six years that I have been writing this newspaper for you, I have mixed in articles about why things that seem to be opaque are really quite transparent. I've tried to add an extra pair of eyes to help you see that ball that is hurtling toward you so that you can hit it out of the ballpark. I hope it has helped, at least a bit.



In 1984, Michael Lerner founded SAFETY 1<sup>ST</sup> for the purpose of manufacturing the **Baby on Board** signs. There are many different stories about where the idea came from, but Mr. Lerner attributes the idea to an accident of a friend's child. His message was simple: There's a child in this car so drive carefully. This image was a perfect sign of the times in so many ways.



V. Volvo calls its XC90 a mid-size crossover SUV. It has been manufactured and marketed by Volvo Cars since 2002 and, since 2014, is now in its second generation. It looks more like a van than the original. They are simply an extension of the minivan design, taking out the frumpy part and adding a bit of flare. They can take the family up to the mountains in all types of weather. Even TESLA sells more of its SUV, the Model X, than its high-end sedan, the Model S, and when it introduces its Model Y, it will likely outsell the Model 3. Families have not disappeared, and they still need to do all of the things that families have been doing for quite a long time.