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Europe has witnessed several failed telematics ventures, the most recent being OnStar Europe. What could possibly drive adoption of consumer telematics in Europe?

- Automakers will simply focus on providing limited services such as traffic and navigation at a low cost through partnerships with aftermarket navigation manufacturers (i.e. TomTom, Navman, etc.)
- eCall will be the prime driver of telematics services as legislation will most likely make telematics mandatory.
- A new wave of digital entertainment services will drive telematics adoption in Europe.
- Automakers will partner aggressively with mobile operators to offer handset-based solutions with a greater degree of in-vehicle integration.

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Executive VP and CIO of The Home Depot, Bob DeRodes, is currently busy conducting the company's IT transformation. Among new IT expenditures under consideration by the second largest retailer in the United States, is for telematics solutions. Home Depot and GM recently built a prototype "contractor truck" to test the value of telematics in driving up sales of building supplies to contractors who can check availability and place orders directly from building sites via the truck's onboard telematics terminal.

"The prototype is interesting, but my question is: 'How is telematics any better than a cell phone? We're looking into it. But right now, the value is questionable,'" DeRodes told Telematics Journal.

His observation mirrors the concerns of some other CIOs who find the technology fascinating but feel they cannot justify the expenditure. It is an unspoken challenge to the telematics industry to prove the benefits in terms of hard dollar ROI and value in attracting or maintaining customers.

Anthony Bosco, CIO of Day & Zimmermann, a global company with annual revenue of \$1.3 billion and ranked as one of the largest private companies in America by Forbes, agrees with DeRodes. "We just don't see how telematics applies to us, or can be of help to us," he said.

Considering Day & Zimmermann businesses include: recruitment and staffing; power-plant maintenance and modifications; security services; munitions and defense operations and maintenance; engineering and construction management; and pharmaceutical and biotech quality control, the lost opportunity for the telematics industry is particularly disappointing. Combined, Day & Zimmermann businesses serve over 1,700 customers and more than 60% of Fortune 100 companies.

There are other reasons telematics are not being quickly incorporated in enterprise IT budgets. For example, there are no plans to equip Home Depot's fleet of customer rental trucks and larger shipping trucks with tracking or other telematics devices, according to DeRodes. The reason: "We just don't have a problem getting customers to return the trucks as promised nor do we have any significant shipping problems," he said.

If the telematics industry is to make any significant strides into the enterprise market, salespeople will have to spend a lot more time selling the steak rather than the sizzle. Among the things CIOs are looking for are ease of use and practical solutions that bolster bottom lines.

Previous personal experience with telematics in the consumer market may also be jaundicing the CIO perspective.


"I own a BMW 750iL and my wife hates the telematics [system] on the thing. We can't operate it, and neither could one of my tech guys. That's bad when you work with complex technology everyday but you can't operate the gadgets on your car," says DeRodes.

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