



TechTalk CLOUD SOLUTIONS & SECURITY

# **Cloud Solutions and Security**

# Agenda





Welcome

The car as part of the IoT – Implications for the automotive industry

Dr. Wolfgang Bernhart, Global Co-Head Advanced Technology Center, Roland Berger

**Unlocking automotive transformation with Amazon Web Services** 

Jon Allen, Director, Automotive Professional Services, AWS

**IoT Ecosystem Architecture Transformation** 

Michael Hülsewies. Senior Vice President Architecture & Software. Continental

**Security for Automotive Ecosystems** 

Dr. Mathias Dehm, Cyber Security Expert, Continental

Closing



# "The Car as part of the IoT – Implications for the Automotive Industry"

Dr. Wolfgang Bernhart, Roland Berger

# As cars become software-enabled, cloud-connected data devices, digital services are expected to become new revenue streams also for Automotive players





Applying the idea of connected devices to Automotive



- Monetization of SaaS, 3rd party applications and user data
- Core functionality provided as application or service, based on a device-cloud software platform and respective tools
- > Decoupled hardware and software life cycles
  - Forward compatibility of hardware to enable future SW upgrades
  - Backward compatibility of SW to utilize HW over (long) lifetime



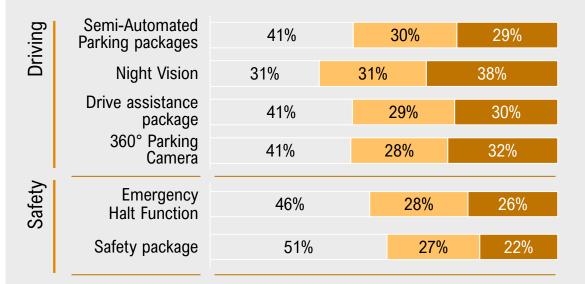
Source: Roland Berger

# Subscription-based payment schemes seem to be accepted by customers - about 60% of people globally are ready to buy features "on demand"





Customer acceptance for subscription-based digital services – example ADAS features



- > Overall, no clear preference for monthly subscription or "pay per use"
- Higher preference for pay per use schemes in rural areas and among older populations
- > Safety packages seem to be preferred upfront



Source: RB online survey January 2021: 18,250 participants from 18 countries - www.automotive-disruption-radar.com

# The software platform is the basis for digital services – for mobile devices, only two platforms / ecosystems remained

 $\Sigma > 10 \longrightarrow \Sigma$ ?

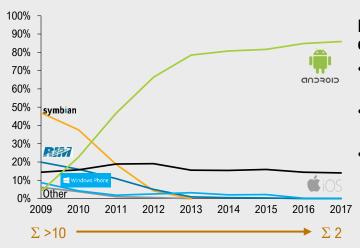




Automotive software platform developments - Mobile device software platform development

### **Automotive OEMs** Suppliers **BOSCH** Apex.Al Microsoft BMW.OS MB.OS **6** Ontinental **3** GROUPE RENAULT **TITech**Auto . . . aws TOYOTA TESLA Arene VOLKSWAGEN

### Smartphone OS market shares



# Drivers of consolidation:

- Development tools for 3rd parties
- Large developer ecosystem
- Open source model for usage of base SW platform

Source: Press, statista, Roland Berger

VW.OS

# Common SW platforms will still allow for functional differentiation via "SW-only" or via "SW with OEM-specific HW"





Differentiating vs non-differentiating software



### **Differentiating software**

- > **Unique functionality** for specific OEMs, models, regions, customer groups, etc.
- > **OEM needs: Economies of scope** to provide best support/expertise

### **Non-differentiating software**

- > **Common functionality** required of all vehicles regardless of brand, OEM, trim level, etc.
- > **OEM needs: Economies of scale** for most competitive cost position

(Selected) Differentiating hardware: "unique" (incl SW)

Non-differentiating hardware: "standardized", high volume

Source: Roland Berger

# Speed is crucial - new or updated features and services need to be realized within days/weeks, not months/years





Requirements of customers and OEMs

What end customers want

Differentiating customer features...



I want to be excited and WOWed!

I have a joyful and smooth riding experience

I always receive the newest functions over-the-air

I can easily upgrade my vehicle computers

I engage in side activities while my car is driving and parking

I get personalized content/ services as anticipated by my AI assistant

I want an easy-touse and intuitive interface

I share my data anonymously and safely to receive added values

I use most of my mobile device apps in my car without additional costs

















Motion What Brand-specific **OEMs** driving differentiation need

SW updates Brand-specific functions over lifecycle

HW upgrades Meeting target costs of brands/OEMs

ADAS/ ADAP Minimized L3+ costs with maximized re-use Intelligent cockpit

HMI Different UX/UI concepts with branddifferentiating attributes

Data Feedback to optimize customer offerings

Ecosystem Ability to monetize data and services (B2C and B2B)

.. deployed within days/weeks, not months/years – leveraging automated SW-SW-/SW-HW-Integration

# "WOW" features/functions often also include hardware, and require to be integrated in the software platform

Berger Berger

Example Apple: "Face-ID"-Technology and learnings for Automotive



- > PrimeSense's sensor technology originally applied to gaming, later also applied in other fields
- Developed technology to "see" the unique pattern of veins in face through infrared technology used also for Kinect
- Despite 3-D motion sensing, PrimeSense's technology was seen to allow user authentication without need for touch or light
- > Apple acquired PrimeSense end of 2013
- > Additional instance of userauthentification realized using infrared camera and detection algorithms:
  - "FaceID" launched when TouchID was not differentiating anymore

- Customers will not ask for 
  "WOW" features 
  "Technology push" becomes 
  more important than "Customer 
  pull"
- SW-platform needs to include vehicle hardware abstraction layer and allow to automate hardware-independent integration processes
- Whether a function is differentiating is not static, but dynamic over time

Source: Roland Berger

# Continuous SW product and IP management is required to ensure management of differentiating functions and monetization of non-differentiating ones





Product management and DevOps

Product manage-ment

Requirements management



Targets



Business case (incl. IP-licensing)



Product roadmap



Integration



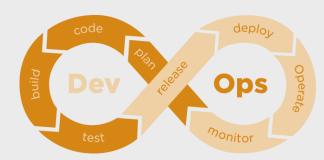
Operations



Phase-out and/or Sell or license IP



**DevOps** 



# The biggest hurdle for the industry is probably not the technology – but the organizational transformation

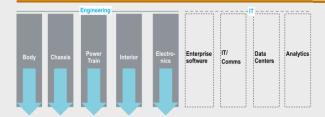




From a hardware-centric to a software-centric organization

### Conventional model:

Organization and vehicle design around hardware verticals and components



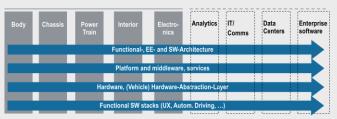
- > Organizational structures along components: Technical "tunnel vision" or "silo thinking"
- > Risk of losing customer-orientation in terms of functionality / customer value add
- Vehicle based budgets, sometimes for modular kits (vehicle hardware), software budgeted for specific vehicles/ platforms

"Organizations which design systems ... are constrained to produce designs which are copies of the communication structures of these organizations.

Melvin Conway, Computer scientist, 1967

### **Functional orientation:**

Abstraction of vehicle on functional level in horizontal organization



- > Organization needs to reflect architecture and functions
- Centralized responsibility for platform and tool chain, End2End DevOps responsibility for customer features & services
- Budgeting of central controllers, platform software and SW stacks, software upgrades and updates after SOP independent from vehicle projects

Source: Roland Berger

# QUESTIONS?





# **Continental AWS TechTalk**

**Unlocking Automotive Transformation** 

Jon Allen

Director, Automotive Professional Services, AWS



# **Agenda**

Welcome

**AWS** in Automotive

**AWS Business Outcomes** 





### **Amazon Web Services**

### > The world's premier public cloud

#### Largest global scale

15+ Years as world's first, most comprehensive, & broadly adopted cloud platform

216 Points of presence in 84 cities across 42 countries to scale connected vehicle and digital applications globally

Active customers, per month, the most of any cloud provider

90% of Fortune 100 companies utilize AWS Partner Network (APN)

#### **Highest security**



AWS was designed to meet the most stringent security requirements for the world's most risk sensitive organizations

Security, compliance, and governance services—the most of any cloud provider



AWS supports the most security standards and compliance for virtually every regulatory agency around the globe



AWS customers retain complete ownership and control of their data and brand experience

#### **Relentless innovation**

Services to support any automotive workload, such as ML, IoT and edge computing, data lakes, security, etc. The most service. by far

AI/ML features and capabilities, with 10,000+ customers are using AWS machine learning to reimaging customer experiences

of AWS innovation comes from what our customers ask for Most mature, enterprise-ready provider, with the strongest track record of customer success and the most useful partner ecosystem."

Gartner, 2019



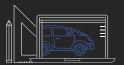
### The automotive value chain

> Data Silos are slowing down innovation



#### Product design and innovation

Accelerate development of Connected, Electric & Autonomous Vehicles







#### Manufacturing & supply chain

Optimize manufacturing and logistics operations, match supply & demand







#### Sales and marketing

Immerse customers with data driven shopping and retail experiences









### End customer services and apps

Develop innovative applications and new mobility business models





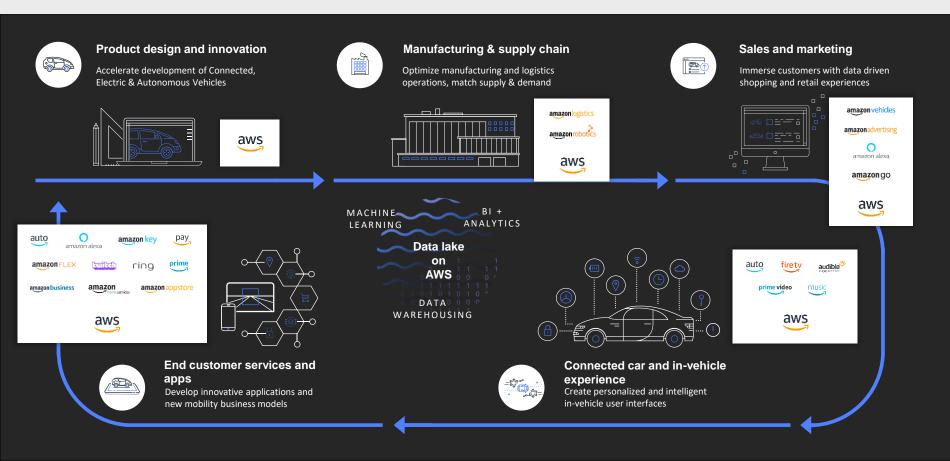
## Connected car and in-vehicle experience

Create personalized and intelligent in-vehicle user interfaces



### The future automotive value chain

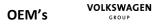
> Data driven innovation



### **Amazon Web Services**

> At the forefront of automotive innovation

#### **Select AWS Automotive customers**



















































































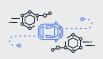
### **AWS Automotive business outcomes**

> The business benefits you can expect



**Manufacturing** & supply chain

> VOLKSWAGEN GROUP



Connected car, in-vehicle experience

> **BMW GROUP**



**Product design** and innovation



Simulating 1M KM of driving miles enabling the future of ADAS



Sales and marketing





**End customer** services and apps



Connecting 122 factories and 1,500 suppliers Scaling solution up or down by 2 orders of magnitude

+66% user engagement +10% online conversion

Saves up to 75% per month for testing processes







### **VOLKSWAGEN**

GROUP

# Optimizing global production and logistics operations

The Volkswagen Group, with its global expertise in automobile production, and AWS, with its technological know-how, complement each other extraordinarily well. With our global industry platform we want to create a growing industrial ecosystem with transparency and efficiency bringing benefits to all concerned."

**Oliver Blume**, Member of Board of Management of Volkswagen Aktiengesellschaft responsible for 'Production'









### Manufacturing & supply chain

**Increase uptime** with predictive maintenance

Improve shop floor automation with edge computing to increase operational effectiveness

**Connect** machines, systems, plants and suppliers securely using AWS IoT and data lakes

**Synchronize** supply and demand signals using analytics and machine learning

**Globally scale** operations across manufacturing facilities and suppliers

# Use connectivity, analytics and ML to optimize manufacturing and supply chain operations



**Select customers** 

VOLKSWAGEN







# **BMW GROUP**

### **Create Innovative Connected Vehicle Experiences**

With AWS, we were able to create a cloud-native ecosystem with real-time access and advanced Machine Learning capabilities to power innovations for our customers and insights to create business value."

VP Connected Vehicle, Digital Backend, Big Data, BMW Group









### Connected car, in-vehicle experience

Actualize your data using advanced analytics to uncover insights

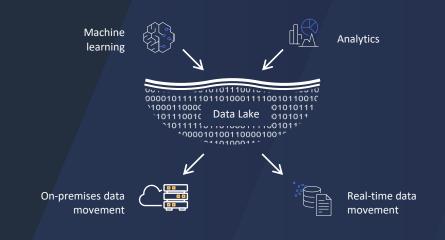
**Monetize** connected mobility services through secure data sharing

**Store** all structured and unstructured data as-is, at any scale

**Deliver** insights to the business that drive strategy decisions and business outcomes

**Collaborate** across business units, geographies and systems to create a single view of the customer

# Unlock the power of your data to create business value



Select customers









#### **Product Design and Innovation**

# **©**ntinental**⅓**

# Create solution to develop, test and integrate automotive products and services at scale with the Continental Auto Edge Platform



Software is at the forefront of innovation in cars"
Michael Hülsewies, Senior Vice President Architecture
& Software, Continental







### **Product Design and Innovation**

Integrate tooling, data and processes, with sensors, to reduce turnaround times for software and hardware design and meet security and compliance requirements

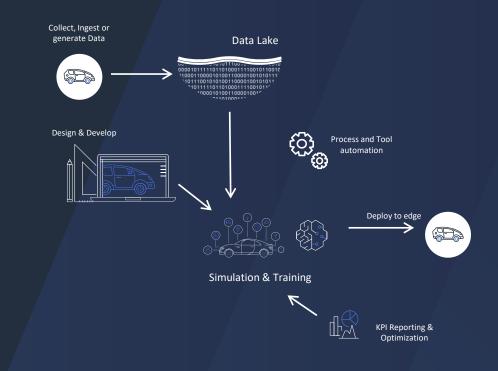
**Build** new Conti solutions, test and deploy them in one solution stack and be able to manage and test them over years

**Track & Store** all designs, code, executed tests and delivered artifacts to provide consistent audit

**Global Reach** maintaining data collection and data generation in 3 regions to continuously optimize products and services

**Collaborate & Experience** orchestrate crossorganizational teams and increase developer productivity and experience. Easy onboarding with manufacturer's new series development

# Integrate Software, Data & Processes; Provide great developer experience



# QUESTIONS?





Michael Hülsewies, SVP Architecture & Software, Continental AG

### Content



**Changing Stakeholder Requirements Business & Architecture Transformation Continental Automotive Edge Platform** 4 **Development Kits & Use Cases** 

## Changing Stakeholder Requirements





# Addressing Stakeholder Needs

- Continuous Evolution (Digital Lifecycle)
- > V2X & Cloud Integration
- Time2Market
- Integration of 3<sup>rd</sup> party SW
- Safety, Security & Privacy



### Impact to Architecture

- Decoupling Hardware from Software & Services
- Compute Centralization
- Separate I/O from Compute
- Cloud / IoT Integration
- Platform & Interface Standardization



# Drivers, Differentiators & Portfolio

- Driven by customer experience
- Software as main differentiator, innovation driver & asset
- Ability to provide solutions and integrate across IoT stack
- Scalable platforms and re-usable building blocks

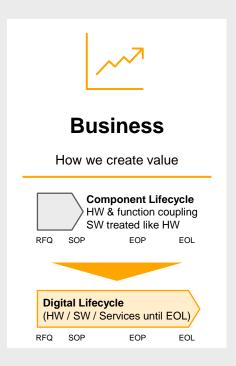
## Paradigm Shift in Multiple Dimensions





...........

Paradigm shift





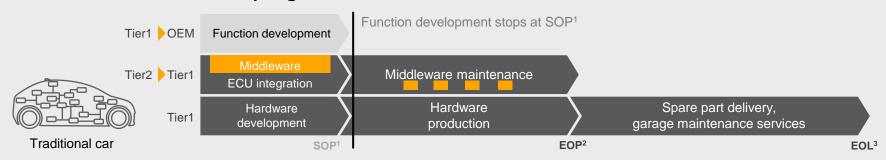


### Trust-based Collaboration & Partnership Models



31

### Hardware and function coupling - Software treated like hardware

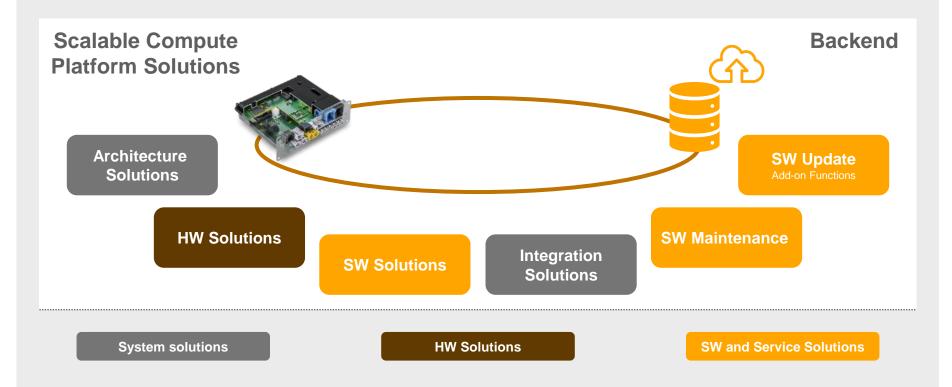


#### Software-defined vehicle needs a software platform partner throughout vehicle lifecycle Function development continues after SOP1 OEM Function development New functions and services Middleware adaption including security Maintenance and lifetime SW supplier **ECU** integration and safety support security and safety support HW Hardware Hardware production: Spare part delivery, supplier development Updates/changes possible garage maintenance services IoT car SOP1 EOP<sup>2</sup> EOL3

<sup>1</sup> SOP: Start of production, <sup>2</sup> EOP: End of production, <sup>3</sup> EOL: End of life

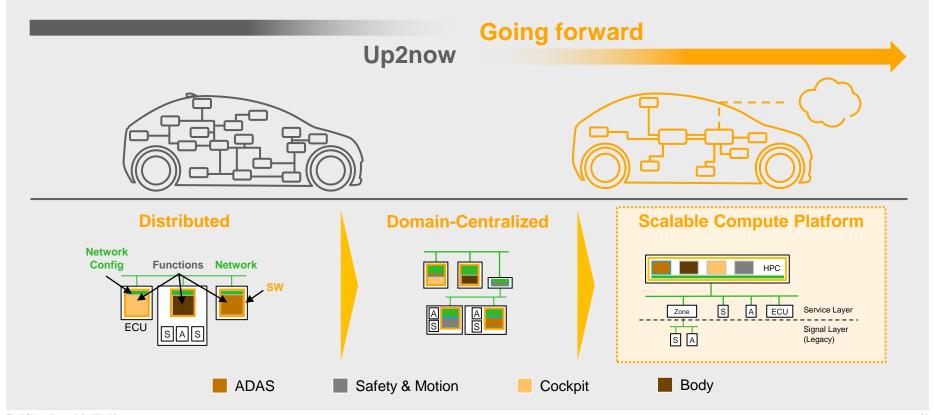
New Opportunities for Value & Product Creation





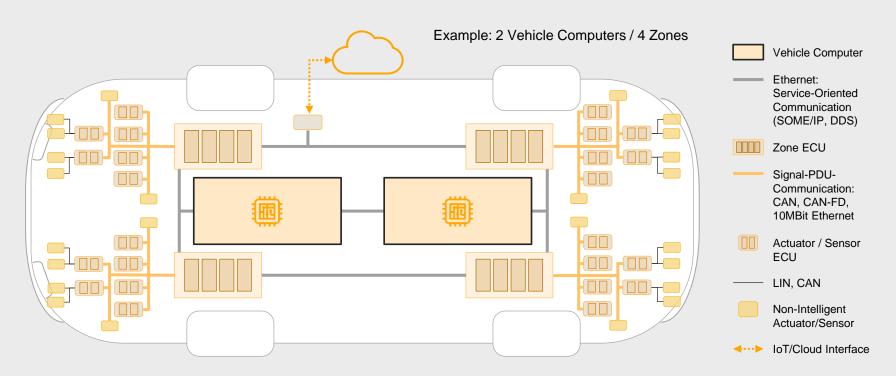
Scalable Compute Platforms – Enabler for Smart IoT Mobility



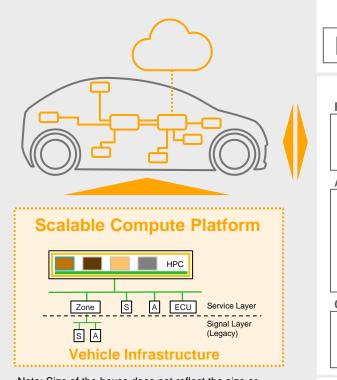


Server / Zone Architecture, Networking & Connectivity

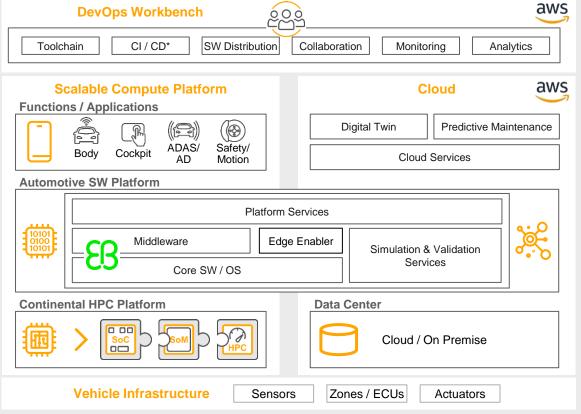




Continental Automotive Edge - Our Full-Stack IoT Architecture Solution



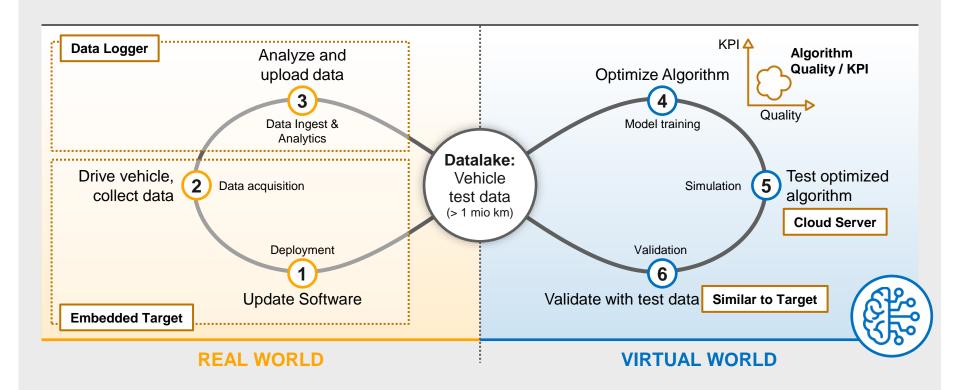
Note: Size of the boxes does not reflect the size or complexity of the software.



\* µP / SoC / SoM: Micro-Processor / System on Chip / System on Module; CI / CD: Continuous Integration / Continuous Deployment

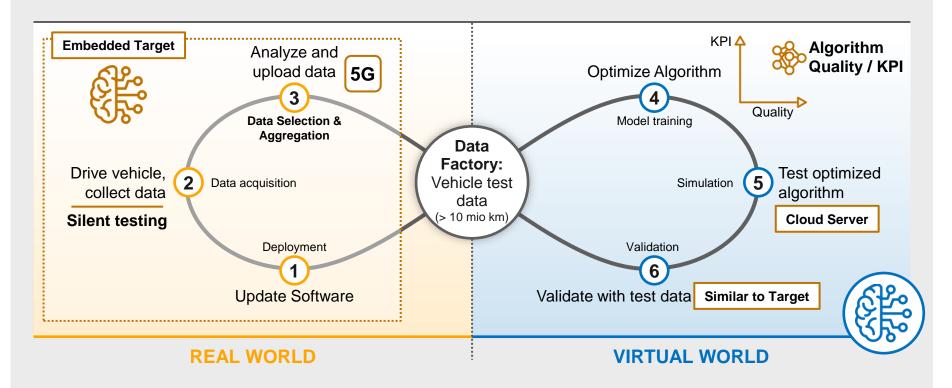
Use Case: Validation of ADAS/AD Functions (Field Op. Test)





#### **Evolution Towards Data Driven Ecosystem**





#### **Development Kits** – Enabling Efficient Product Development





- Harmonize development and integration of distributed services & applications
- Provide a platform solution, clear interfaces & development environment
- > Enable seamless development of service-oriented IoT ecosystem architectures

#### Summary





#### **Ecosystem Transformation** is happening... **Now!**

- > Stakeholder requirements and expectations are shifting
- Traditional domain barriers dissolve
- Trust-based Collaboration & Partnership Models evolving
- New business models and value streams establishing

#### **Consequences to Architecture, Business & Processes**

- Complexity & functional growth reaching its limits
- Need to master the transformation with a holistic approach...
  ...covering the full development and product lifecycle
- Enabler of Data Driven Ecosystem
- > Platform approach to optimize re-use, time-2-market and cost
- Development kits to support quick-start and "fail & learn fast"
- Scaling Software Skills & Competence

## QUESTIONS?





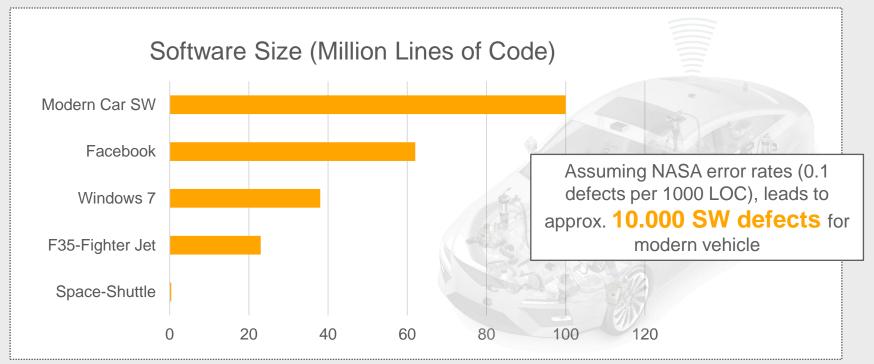
# Security for Automotive Ecosystems

Mathias Dehm, Cyber Security Expert, Continental AG

#### **Automotive Software**

## Lines of Code (LOC) in a Vehicle



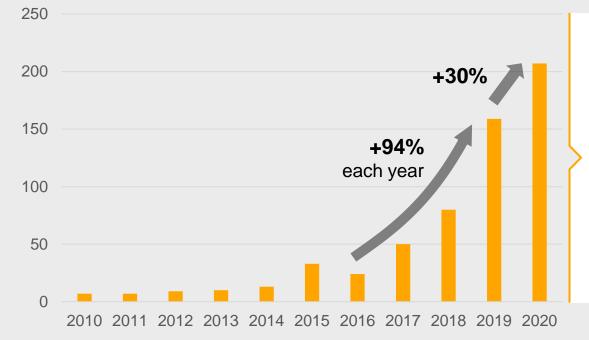


Data source: https://informationisbeautiful.net/visualizations/million-lines-of-code/

### **Security Attacks on Automotive**

## Nearly doubled each year since 2016





- Cyber Security incidents / attacks nearly doubled each year from 2016 - 2019
- Increase in Black Hat Hackers
  - 49% Black Hat,
  - 46% White Hat,
  - 5% other hackers
  - ~80% of all attacks were remote (short-range or long-range) between 2010 and 2020

Source: https://info.upstream.auto/hubfs/Security\_Report/Security\_Report\_2020/Upstream%20Security-Global\_Automotive\_Cybersecurity\_Report\_2020.pdf?

#### **Prominent Attacks / Vulnerabilities**

#### Selection





Hackers Remotely Kill a Jeep on the Highway

https://www.wired.com/2015/07/hackers-remotely-kill-jeephighway/ 21.07.2015



Tesla App hacked Car Stolen

https://promon.co/security-news/hacking-tesla-app-stolencar/ 23.11.2016



Arbitrary Messages to Engine Control Unit by remote Attack

https://www.cvedetails.com/cve/CVE-2018-9318

31.05.2018



Vulnerabilities in Real-time Operating System: BlackBerry QNX

https://us-cert.cisa.gov/ncas/alerts/aa21-229a

17.08.2021

#### **Holistic Concept**

#### Security by design and privacy by default



## UNECE R.155 & R.156 – Regulation on Cybersecurity & SW Update

#### **Data Privacy Regulation**

- Two new regulations enforce vehicle manufactures to establish a
  - 1. Cybersecurity Management System (CSMS) along the product lifecycle incl. the supply chain
  - 2. SW Update Management System (SUMS)
- Regulation effective 07/2022 for new vehicle type in EU, Japan, Korea – further may follow<sup>(1)</sup>
- ISO/SAE 21434 as CSMS reference implementation & ISO 24089 for SUMS

(1) China 1-3 years and US soon

66% of countries worldwide have a regulation about data protection and privacy legislation\*

#### Overview

- > EU: EU General Data Protection Regulation
- USA: hundreds of privacy and data security among its 50 states and territories e.g. California Consumer Privacy Act
- > China e.g. PRC Cybersecurity Law
- > Russia e.g. Data Protection Act

⇒ Impact along the whole lifecycle of the product – from design, operation until disposal.

## **UN Regulation on Type Approval** Requirements on CSMS and Vehicle Type



#### Goals

#### **UN Regulation on Cybersecurity**



Organizational structure and processes

Design of vehicle architecture and implement mitigations



Vehicle Manufactures require a

**Cyber Security Management System (CSMS)** Certificate of Compliance (CoC)





Vehicle Type A



Vehicle Type B



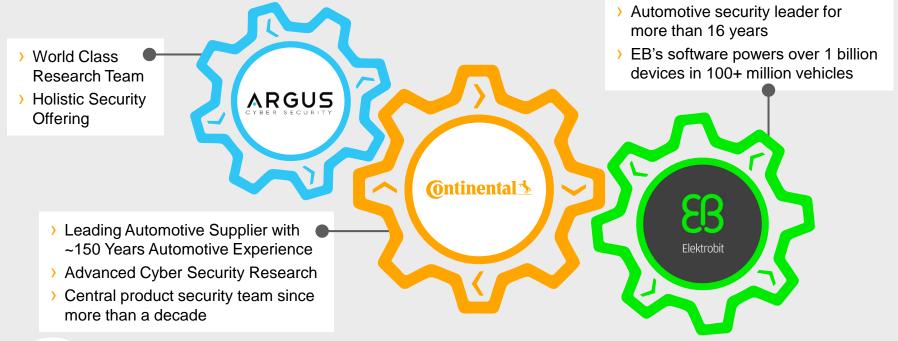


Vehicle Type N

- > Processes for Development, Production and **Operations**
- > Risk Management
- Sufficient Resources and Staffing
- > Cyber-risk should be EVALUATED, PRIORITIZED and TREATED throughout the value chain and lifecycle
- > Implement appropriate cyber security measures
- > Need for DETECTION, PREVENTION and RESPONSE backed up by quick remediation cycles for new threats
- Mitigations to be considered

> Comprehensive list of Cybersecurity Threats and

#### **Our Combined Value**





A pre-integrated combination of Continental leading products, Argus cyber security, and EB automotive software!

## **Cyber Security & Privacy Philosophy**



#### **Prevent**

Make it as hard as possible to attack / steel data

#### Respond

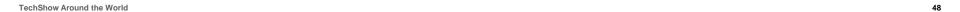
Mitigate the damage and immunize the fleet in hours with software updates overthe-air or handle data breach



#### 3 Pillars of End-to-End Security

#### **Detect**

Know you are being hacked and how, in real time



## Measures For Each Phase of the Lifecycle Continuous processes along the vehicle lifetime



**Development** 

**Production** 

**Post-Production** 

VEHICLE CYBER-RISK MANAGEMENT





ONGOING MONITORING, ANALYSIS



RESPONSE CAPABILITIES (e.g. SW UPDATE)



Continuous SW development & security monitoring throughout the vehicle lifetime

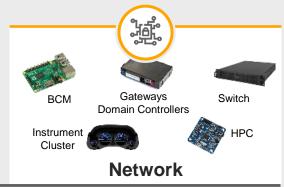
#### **In-Vehicle Security**

#### Scalable defense-in-depth











Secure Boot System Limiter ECU Firewall Control Flow Integrity

Secure diagnostics

Identity & access mgmt Cryptography & Post Quantum Crypto

Hardware security modules

CAN Firewall Network | Se Integrity | Upo

Secure | Ethernet Updates | Firewall



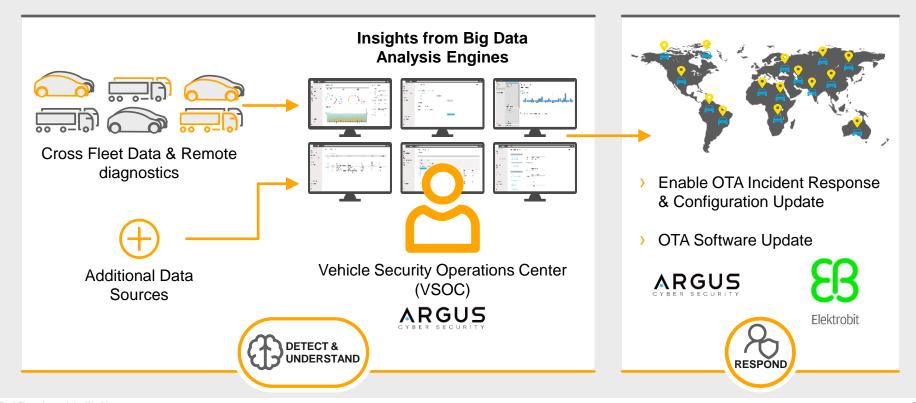
Threat Detection

Security Logger Remote Diagnostics

CAN IDPS OTA Updates Ethernet IDPS

#### **Board Technologies**

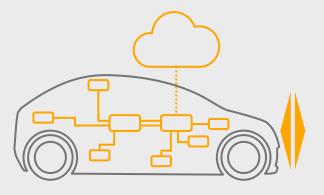


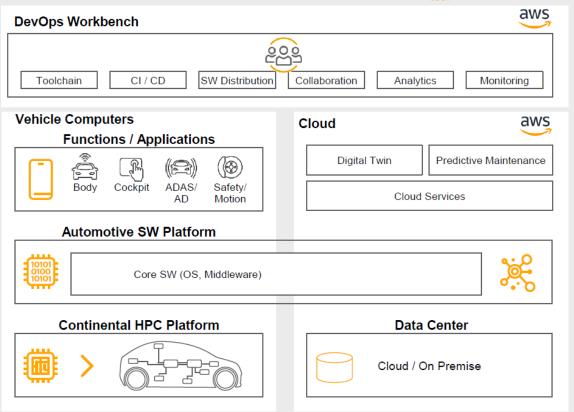


### **Continental Automotive Edge Platform**

#### **Architecture**



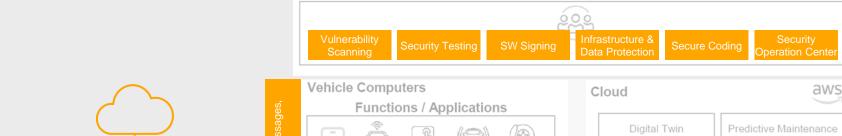




## **Continental Automotive Edge Platform**

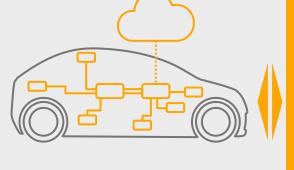
## Selection of Security & Privacy Elements

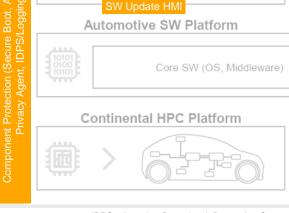




ADAS AD

DevOps Workbench





#### **Take-Away Messages**





Increasing attack surface & growing number of attacks requires active measures

Regardless of the regulations, cyber security is a MUST in the connected mobility world

Continental Automotive Edge Platform provides the environment for security by design & privacy by default

The combination of Argus, EB & Continental together with AWS offers SW, security, automotive, and cloud expertise

Continental is THE partner of choice for connected & SW defined vehicles due to our comprehensive portfolio, holistic understanding & partnerships.

## QUESTIONS?



# As cars become software-enabled, cloud-connected data devices, digital services are expected to become new revenue streams also for Automotive players





Applying the idea of connected devices to Automotive



- Monetization of SaaS, 3rd party applications and user data
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Source: Roland Berger

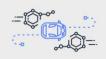
#### **AWS Automotive business outcomes**

> The business benefits you can expect



Manufacturing & supply chain

> VOLKSWAGEN GROUP



Connected car. in-vehicle experience

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**Product design** and innovation



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Sales and marketing





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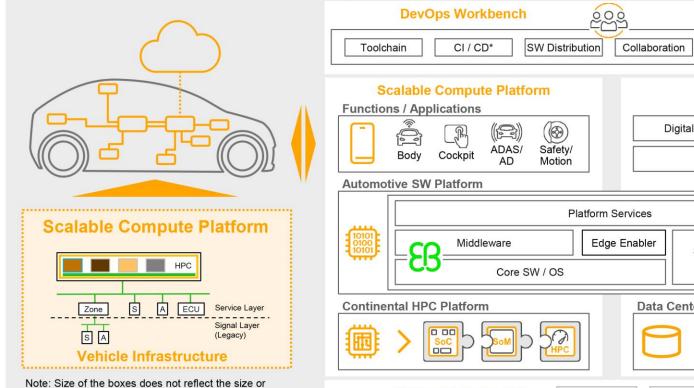
+66% user engagement +10% online conversion

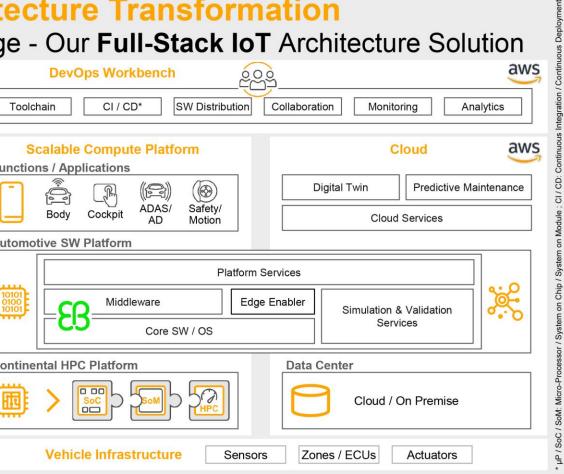
Saves up to 75% per month for testing processes





Continental Automotive Edge - Our Full-Stack IoT Architecture Solution





TechShow Around the World

complexity of the software.

## **Cyber Security & Privacy Philosophy**



#### **Prevent**

Make it as hard as possible to attack / steel data

#### Respond

Mitigate the damage and immunize the fleet in hours with software updates overthe-air or handle data breach



#### Governance

Processes, policies, rules, risk management

#### Detect

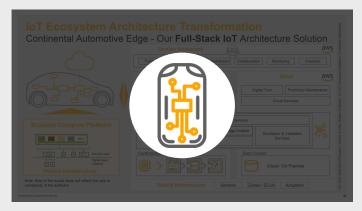
Know you are being hacked and how, in real time

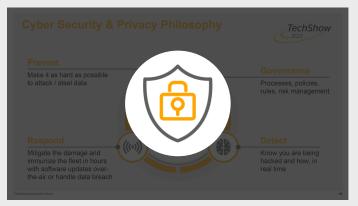
#### **Summary**











### Thank you and Good-bye



- Materials & recording will be available on TechShow Website
- Your feedback is highly welcome: <u>ilona.tzudnowski@continental-corporation.com</u>
- Stay tuned for our upcoming events:
  - CVS TechTalk on Smart MobilityOctober 22, 2021





## **Ontinental**