

Pythagoras Pizza's
Evan Kuo, and a car
he doesn't own.



THE COMPANY CAR IS ABOUT TO CHANGE

It might steer itself. It might fly. It might, well, not be a thing you own anymore. But if the experts are right, one prediction will definitely hold true: **The future of fleets is awesome.**

PHOTOGRAPHS BY CODY PICKENS



THE END OF OWNERSHIP?

Ride-sharing services changed the way we travel. Now they're changing the way we do business.



YOU CAN'T EAT AT San Francisco's Pythagoras Pizza: Each \$20 pie is available for delivery only. The model keeps costs down, but when the shop's popularity skyrocketed in 2015, founder Evan Kuo had a problem. "How do you staff to endure waves of two- to three-times-demand spikes?" he says. After all, he needs way more drivers (and cars) for lunch and dinner, but he can't afford to own a huge fleet that goes unused during most hours.

His solution: Uber.

In 2015, the car giant launched UberRush, which is essentially a messenger service that uses Uber drivers. It partnered with e-commerce platform Shopify and is available in

San Francisco, New York, and Chicago, and has become a favorite tool of businesses that deliver. Today, half of Kuo's pizzas arrive via UberRush. "Even if your forecasting model is 80 percent accurate, you're still either over-staffing by 20 percent or underserving by 20 percent," Kuo says. "That volatility can be frustrating and really costly."

In using Uber this way, Kuo is joining an entrepreneurial crowd: Like cord cutters who stop buying cable, a movement of car cutters are exploring life without auto ownership. Many services are helping this along. ReachNow is in beta testing in the Seattle area; it's like Zipcar, in that members can rent cars in small chunks of time rather than being forced to pay for the whole day. (Bonus: ReachNow loans only BMWs and Minis, so your makeshift fleet has a built-in air of success.) Similarly, Silvercar rents on-demand Audis for just \$59 a day, proving that business folks are still willing to drive themselves as long as they can do it in style.

Automakers themselves are exploring how to capitalize on the car-sharing game: Toyota

recently invested in Uber and made a deal to offer drivers special lease rates on their cars; Volkswagen sunk \$300 million into Gett, a New York City-focused Uber rival; and GM bought a \$500 million chunk of Lyft and will pilot test autonomous-driving Chevy Bolt taxis in 2017. Not to be outdone, FCA inked a deal with Google parent Alphabet to be a supplier of vehicles to Google's well-publicized driverless system.

In the face of this competition, Uber is doubling down. In September, the brand launched UberCentral, which allows businesses to act as dispatchers, scheduling car services for clients and ordering multiple rides days in advance to multiple pickup locations at once. Entrepreneurs can even build UberRush into their own software, so they can allow vendors to access delivery services themselves. "It just takes a couple of lines of code and then you have access to Uber's logistics network, and that's the same whether it's a person or a delivery," says Uber spokesman Sarah Maxwell.

All of this is changing the way some businesses operate, encouraging them to add services they previously couldn't afford. San Francisco-based Dijital Fix Design + Electronics, for example, sells everything from audiophile-level speakers to floor lamps and candles, and now it can get products to customers within an hour via UberRush. Shopify merchants can have the system up and running in three minutes, according to Niko Downie, partnerships lead at Shopify. He says that 1,500 of their customers (including Dijital Fix) use UberRush, and can choose how much of the cost of delivery they want to pass along to customers.

The end of ownership may mean potential big bucks for car-sharing services, but the real benefit seems to fall to small-business owners. "One of the toughest things about having a real-time delivery business is anticipating demand," says Pythagoras' Kuo. "But now we can basically understaff by 20 percent for downside protection and still meet our demand fully, at almost no extra cost." —Michael Frank



Kuo in the pizza shop no customers visit.

How We Chose Our Fleet

Three food startups on their company rides.

Dang Foods (Berkeley, Calif.)
Toyota Prius

"We make all-natural foods like coconut chips and onion chips, and want to mirror that ethos in sustainable practices across the company. So we use solar panels and green cleaning products at HQ and recyclable shipping, and we chose the Toyota Prius for our company cars. As hybrids, they save us money on gas and reduce emissions. It's a bonus that the car is modern, unique, and fun, which fits with our brand palette."

—Vincent Kitirattragarn, founder



Illustrations by Scott Chambers



Vital Farms (Austin, Tex.)
Subaru Outback

"Our founder made his early egg deliveries with his Outback. When it came time to purchase a fleet, we followed industry recommendations and bought seven pickup trucks, but we were struck by how pricey those gas-guzzlers were. Almost out of a sense of nostalgia, we considered switching to the Outback. It ticked every box: great gas mileage, all-wheel drive, remarkable reliability. Today we have a fleet of 13 that we use to service our farms. We chose white to portray a sense of transparency and honesty: We aren't trying to hide any dirt with a white car." —Russell Diez-Canseco, president and COO

Pancheros Mexican Grill (Coralville, Iowa)
Jeep Renegade

"We're a fast-casual burrito franchise across the Midwest, and our fleet is made up of five new Renegades. They act as great billboards wrapped in our branding, but they're also functional: We can efficiently transport equipment—like the 100-plus-pound tortilla press we use, or the 2,000 burritos we recently brought to a local dance marathon. Our brand needs cars that are meant to go to work."



A SEMI-SCIENTIFIC RANKING OF SEMI-AUTONOMOUS FEATURES

Manufacturers are racing to arm their vehicles with enough cameras, radars, sensors, and tech to properly outthink man.

1 Automatic parking

Admit it: You suck at parallel parking. But when you activate automatic parking on some Fords and Nissans, you never again worry about lining up your wheels. Tesla takes it one step further: Stop the car within 33 feet of the space, get out, hit a button on the key fob, and watch the car park itself.

2 Adaptive cruise control

Laser or radar systems monitor surrounding vehicles and adjust speed accordingly. Back in 2010, Audi's A8 was the first to incorporate GPS data, which allowed the car to detect vehicles headed for exit ramps and slow down if necessary. Now traffic-jam functions are the norm: Cars can fully stop and accelerate again if the pause is less than three seconds.

CONTINUED »

The Mercedes-Benz Future Truck 2025.



BIG RIGS, INVISIBLE DRIVERS

Can a line of trucks rumble down the highway by themselves? That's the plan.

PICTURE THIS: You're driving down a highway, behind a pack of tractor-trailers. As you pass the truck in the back, you notice that its driver's seat is empty. Next one, same thing. And again. All these trucks are being driven by themselves. Finally, when you reach the lead truck, you're relieved to see a human behind the wheel. Except then you realize that the driver is reclined in his seat, flipping through a magazine.

This could be the future of long hauling, led by autonomous trucking platoons. It's not just a hypothetical; it's something the world's largest auto companies are developing right now.

Automotive giant Daimler is currently testing its autonomous trucking system with Freightliner Inspiration trucks in Nevada and Mercedes Highway Pilot trucks in Germany. Cameras and radar mounted in the lead truck scan the road ahead in various lengths and widths, gathering data on lane markings, distant traffic patterns, and even peripheral vehicles that could cut off the truck. That info is fed into computers that handle steering, acceleration, and braking for the

entire line. If the system can be mastered, teams of self-driving big rigs could eventually wind their way across our interstates, safely and efficiently transporting products.

That future is still at least 10 years away. "Large variations in lane markings, the behavior of other road users, and changing weather conditions mean significant testing is still needed," says Derek Rotz, director of advanced engineering for Daimler Trucks North America. "This takes time."

Still, lessons are pouring in, leading to advancements that will improve trucks long before they go driverless. Daimler says its motivation is to improve road safety; after all, most vehicle accidents are caused by human error. It also wants to smooth traffic flow. But its automated system could also mitigate a looming problem in the industry: a lack of labor.

"We're experiencing a driver shortage in the U.S.," says Amelia Regan, professor of computer science and transportation systems engineering at the University of California, Irvine. "With long hours and low wages, it's not an attractive job anymore. Autonomous trucks will make long hauling more alluring." They're also expected to save business owners a nice chunk of change, thanks to lower fuel and repair costs: Synced-up, autonomous trucks should be able to follow each other with just 50 feet between vehicles, instead of the industry-standard 165 feet. Narrower gaps mean less aerodynamic drag, increasing gas mileage and reducing wear and tear on the vehicles themselves.

But there is a potential downside: slower deliveries. "Human truckers are paid by the mile, so they inherently drive more quickly than is efficient in terms of fuel economy," Regan says. "Autonomous platoons may drive more slowly because they're looking to lower gas usage." But the bragging rights that come with delivering your goods via phantom drivers? That may just make up for it. —Sean Evans

CONTINUED

3 Blind-spot assist

Sensors in body panels can detect vehicles lurking in your blind spot. Early forms of the tech were first introduced in the Volvo S80 in 2007, and now nearly every manufacturer offers a range of them—from an alarm bell to an indicator light to an actual braking correction in the Infiniti Q70. The catch: Most don't start looking until you've put on your blinker.

4 Lane departure

In 2004, the Infiniti FX was the first U.S. vehicle to alert drivers when they started drifting out of their lane. Today, Bentley's new Bentayga will gently guide the wheel back to center, while Mercedes-Benz's E-Class and Infiniti's QX30 have wheels that vibrate to give the driver a heads up—though poorly marked roads can cause the systems to fail.

5 Hands-free driving

Tesla's Model S comes with an "autopilot" mode—the most advanced hands-free system on the road, which employs radar, cameras, ultrasonic sensor, and GPS to steer the car. But is it too advanced? In May, a man using autopilot died in a crash; Tesla reportedly blamed its braking system, but the incident caused concern throughout the industry. —S.E.

PHOTOGRAPH COURTESY OF DAIMLER TRUCKS

Preparing for Takeoff

Time to meet the Jetsons?

We've been promised flying cars for, oh, about as long as we've been promised jetpacks. But Woburn, Mass.-based Terrafugia is ready to finally fulfill one of those dreams: It has spent a decade developing the Transition, a car with airplane wings whose first prototype took flight in 2009. President and cofounder Carl Dietrich says he could get this baby on the road in just two years, assuming he raises another round of financing to cover production. —Jonathan Welsh

Private aircraft have been small-business tools for decades. Are today's entrepreneurs in your target market?

DIETRICH: Absolutely. The Transition has the potential to help businesspeople do more in a day. Not only can you land closer to your final destination compared to airline travel, but you can drive straight from the airport instead of arranging another ride.

Other than saving travel time, though, how does this stand to benefit businesspeople?

For example, real estate developers with properties spread across

a region could visit more sites more quickly, and regional salespeople could cover more territory. And a flying car also gives you freedom to spend more time with clients.

Combining a car with a plane must have presented pretty unique regulatory challenges. How do you address those?

To be road legal, the Transition required certain exemptions. For example, we use an aircraft-type polycarbonate windshield instead of automotive safety glass, to preserve visibility if the screen is broken by a bird strike. We were also allowed to use slightly less

advanced airbags than those in the latest cars, mainly to reduce costs—our small company simply cannot afford the newest smart versions. But the vehicle still offers automotive safety technology not previously found in aviation.

Your next-generation version, the TF-X, is largely autonomous. Is that the future of the future?

The TF-X, which looks far into the future, would allow the owner to prepare for meetings while the vehicle flies itself at up to 200 miles per hour—roughly twice as fast as the Transition.



THE RULES OF THE ROAD

A modern passenger's guide to good manners, according to two business-etiquette experts.

When driving the company car, is it tacky to belt out my best Katy Perry impression?

Jeanette Martin, management professor emeritus at the University of Mississippi and author of The Essential Guide to Business Etiquette: "Depends on how passionately you're singing! Remember that you're representing the company, so you need to be on your best behavior: no road rage, no giving people the finger, no texting or eating an elaborate lunch at the wheel. Most companies will also give you guidelines on whether you can use the car for personal errands or lend it to a family member. But if they don't, ask. You don't want to find out after your teen gets a ticket that she shouldn't have been driving."

I'd usually chip in for gas when carpooling with a coworker, but she has an electric car. Should I offer to foot part of her electricity bill instead?

Patricia Rossi, business-etiquette coach and author of Everyday Etiquette: "You always want to show some gratitude—beyond a verbal thank-you—when someone spends their time, effort, and, yes, electricity driving you around. If the coworker doesn't mention sharing costs up front, offer. If they wave you off, thank them with Starbucks or a gift card."

Can I catnap in a driverless car, even if I'm still on the clock?

Martin: "Most people who travel for work are putting in long hours later—a convention trip, client dinners in the evening. So if you want to take a nap, that's fine. Just make sure your phone ringer is on."

Is it kosher to take a work call while driving?

Rossi: "For a big, important client call, never do that. For a smaller call or for something internal, it's sometimes necessary. No one enjoys hearing traffic or sirens in the background, but if you give people a heads up that you're in the car, it shows that you've at least thought of them and how it's not ideal. That goes a long way."

Do I have to make small talk with my Uber driver?

Martin: "Only if you want to. There's no reason to feel guilty for working on your phone—part of the reason you might take an Uber is so you can keep working. But keep in mind that the driver might be doing this on the side, and their day job might very well be in your industry or even at a competitor. So while texting is fine, be wary of talking on your phone about sensitive or confidential info." —Kate Rockwood □