

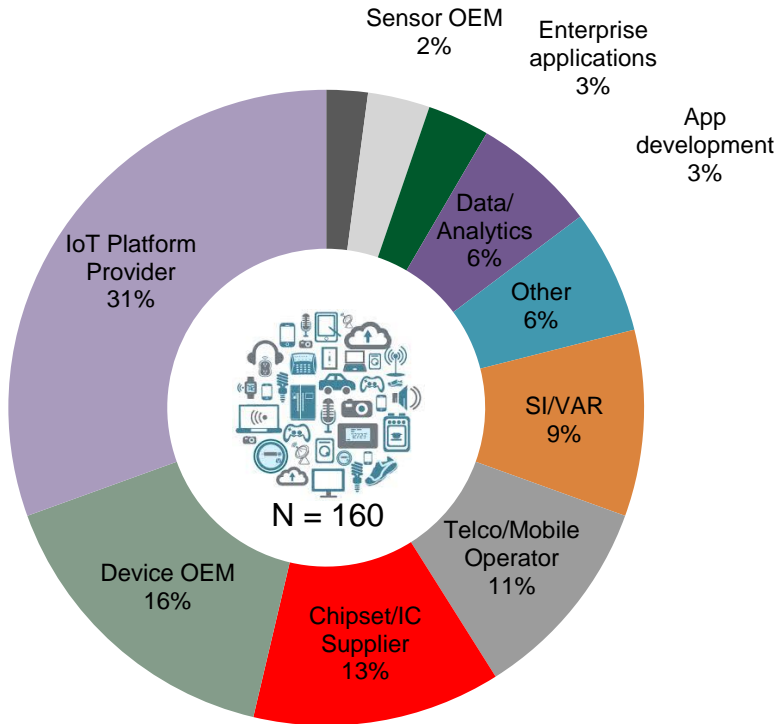
Are IoT End Users and Suppliers on the Same Page?

Industry of Things World 2015

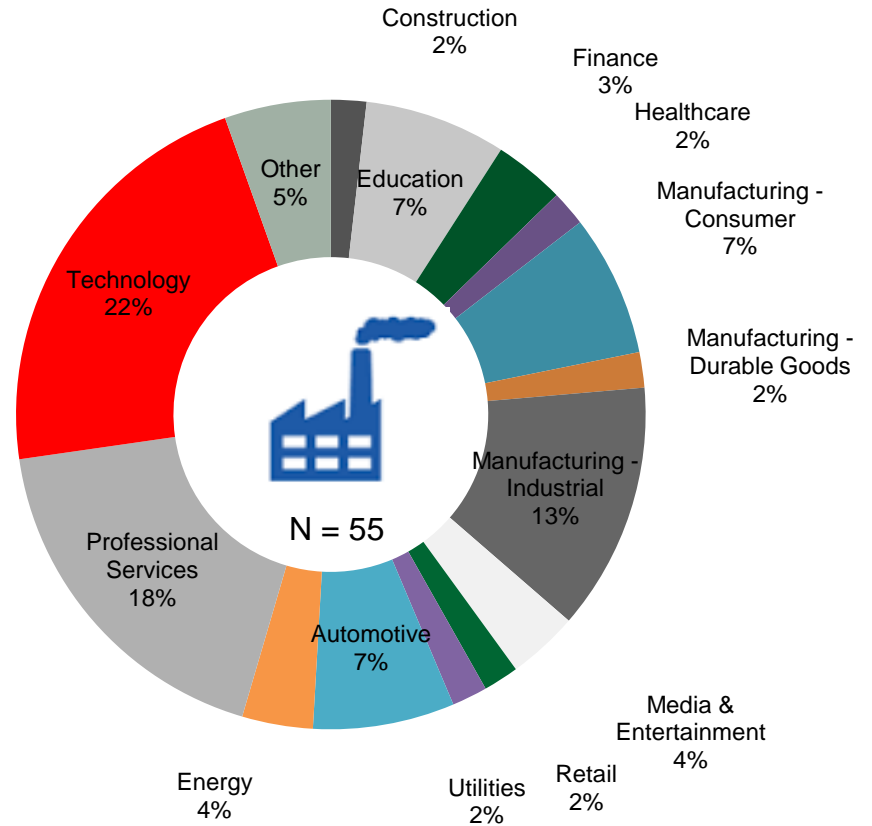
Dan Shey
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Industry Representation

IoT Supplier



IoT End-User

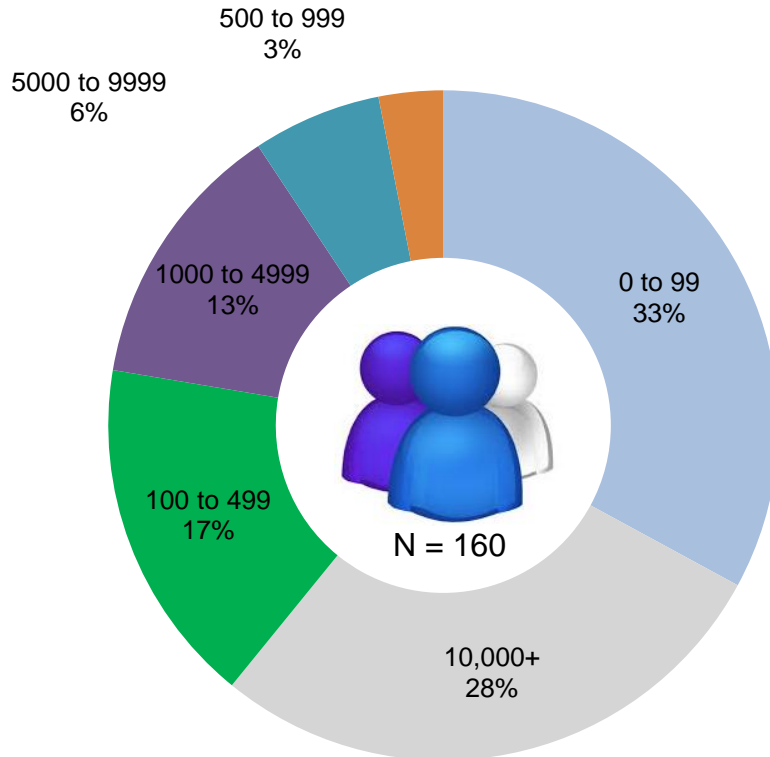


- 29%: Hardware suppliers
- 31%: IoT Platform Providers
- 11%: Telco/Mobile Operator

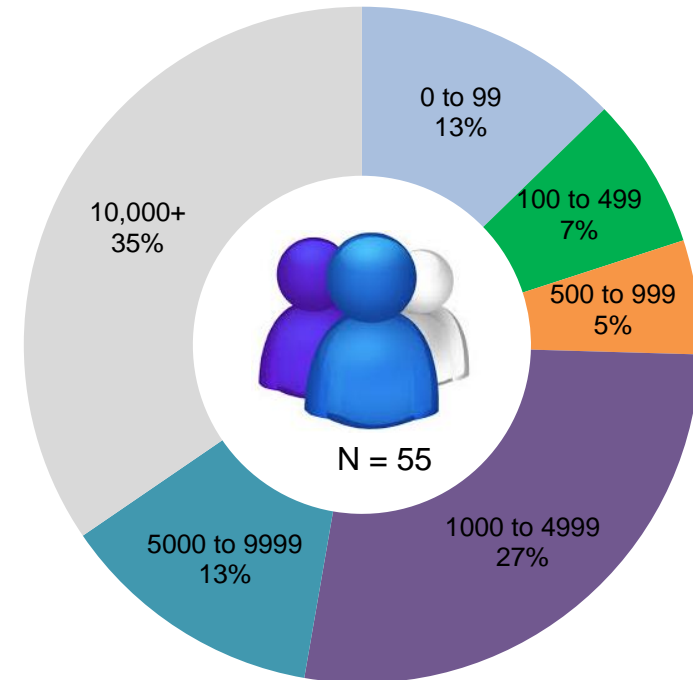
- 40%: Industrial
- 22%: Technology
- 18%: Professional Services

Size of Business

IoT Supplier



IoT End-User

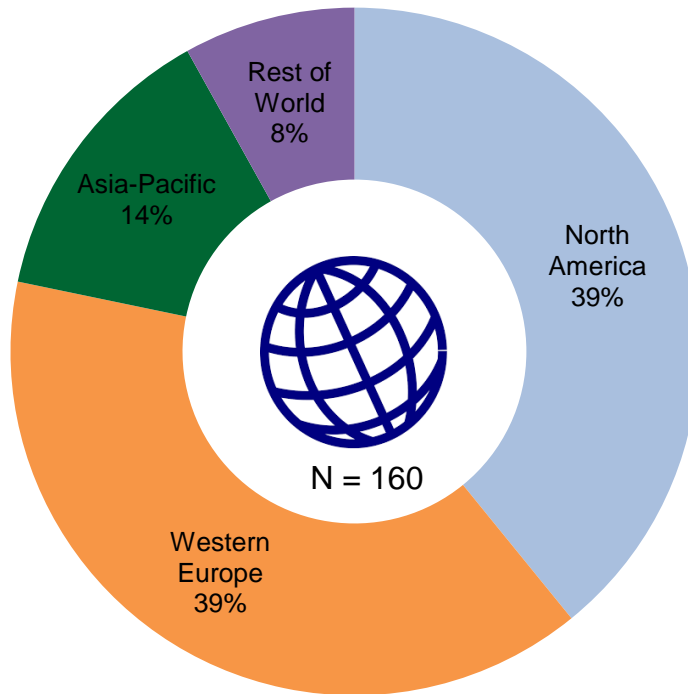


- 33%: 0 to 99 employees
- 50%: Less than 499 employees
- 53%: Less than 1000 employees

- 13%: 0 to 99 employees
- 20%: Less than 499 employees
- 25%: Less than 1000 employees

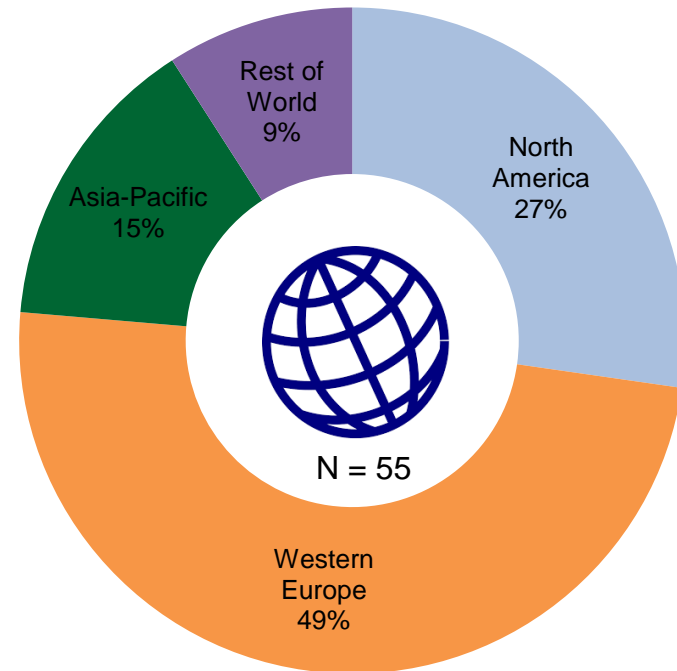
Headquarters Location

IoT Supplier



- 39%: Western Europe
- 39%: North America
- 14%: Asia Pacific

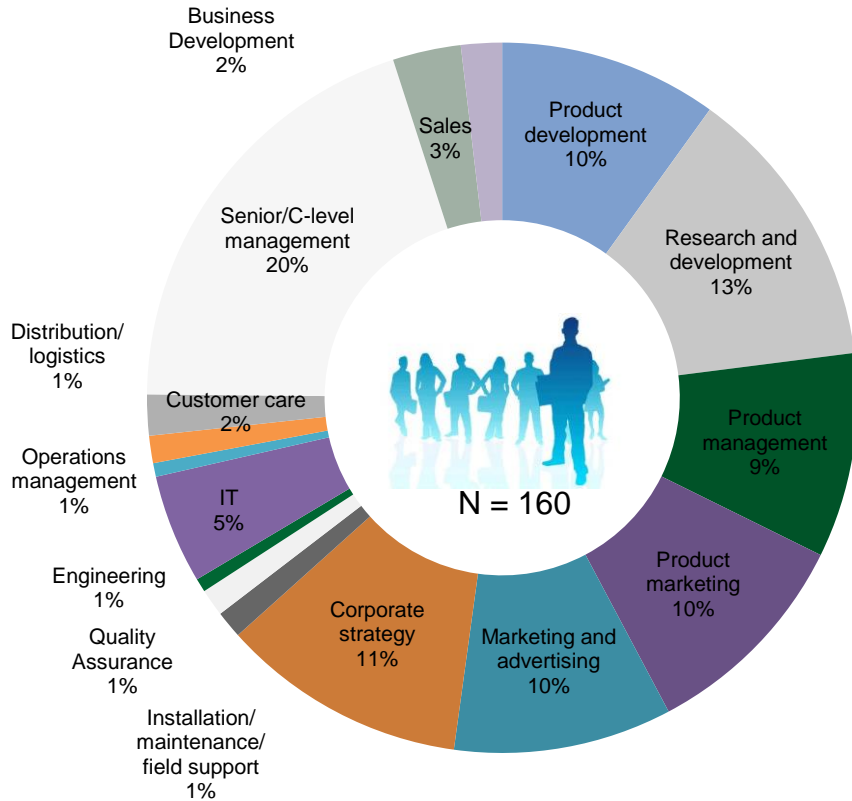
IoT End-User



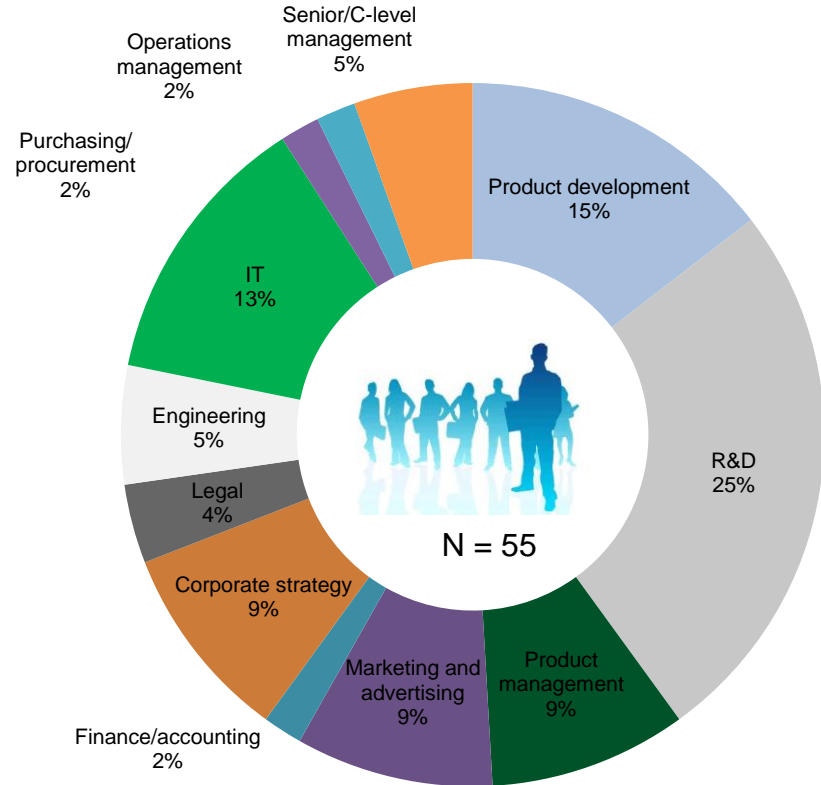
- 49%: Western Europe
- 27%: North America
- 15%: Asia Pacific

Job Function

IoT Supplier



IoT End-User

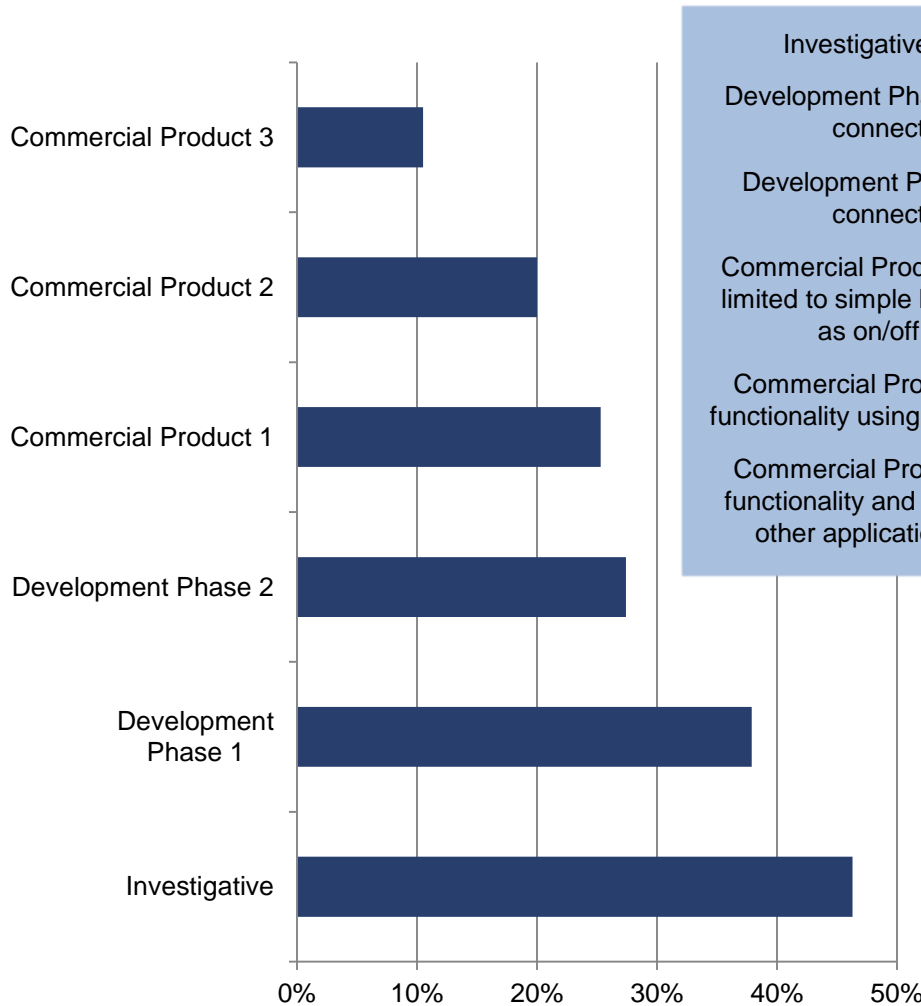


- 20%: Senior/C-level Management
- 13%: Research & Development
- 11%: Corporate Strategy

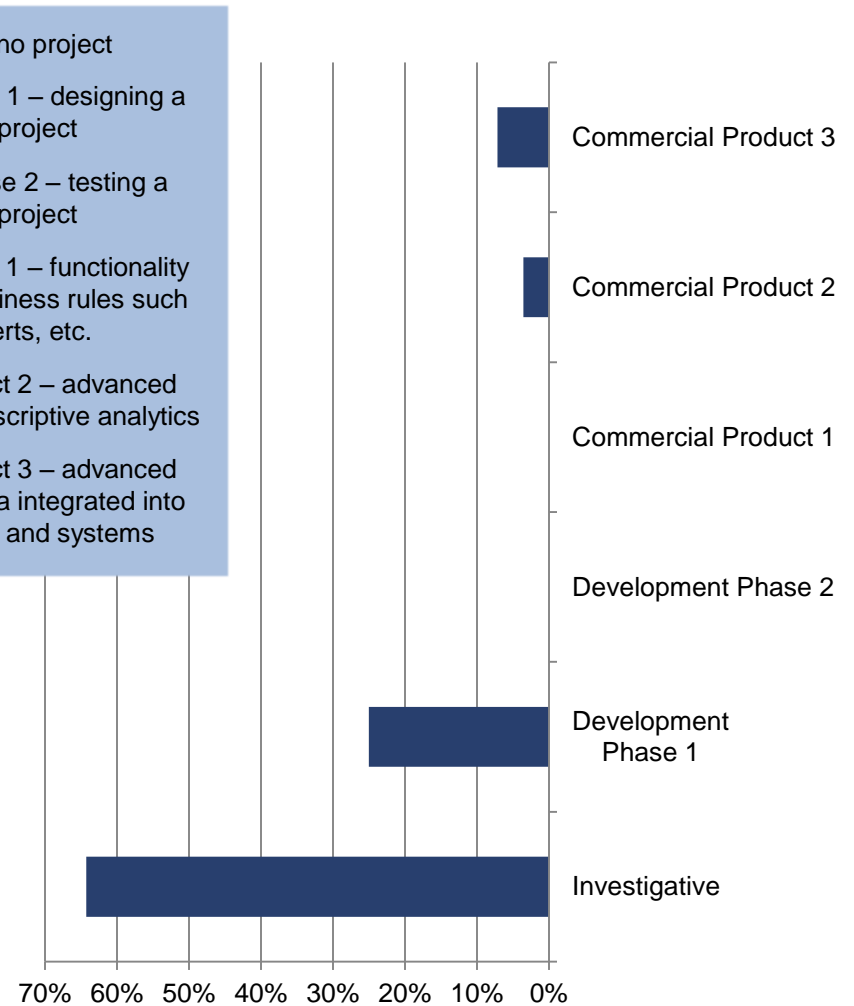
- 25%: Research & Development
- 15%: Product Development
- 13%: IT

IoT Product/Project Stage of Development

IoT Supplier *



IoT End-User



Investigative – no project

Development Phase 1 – designing a connected project

Development Phase 2 – testing a connected project

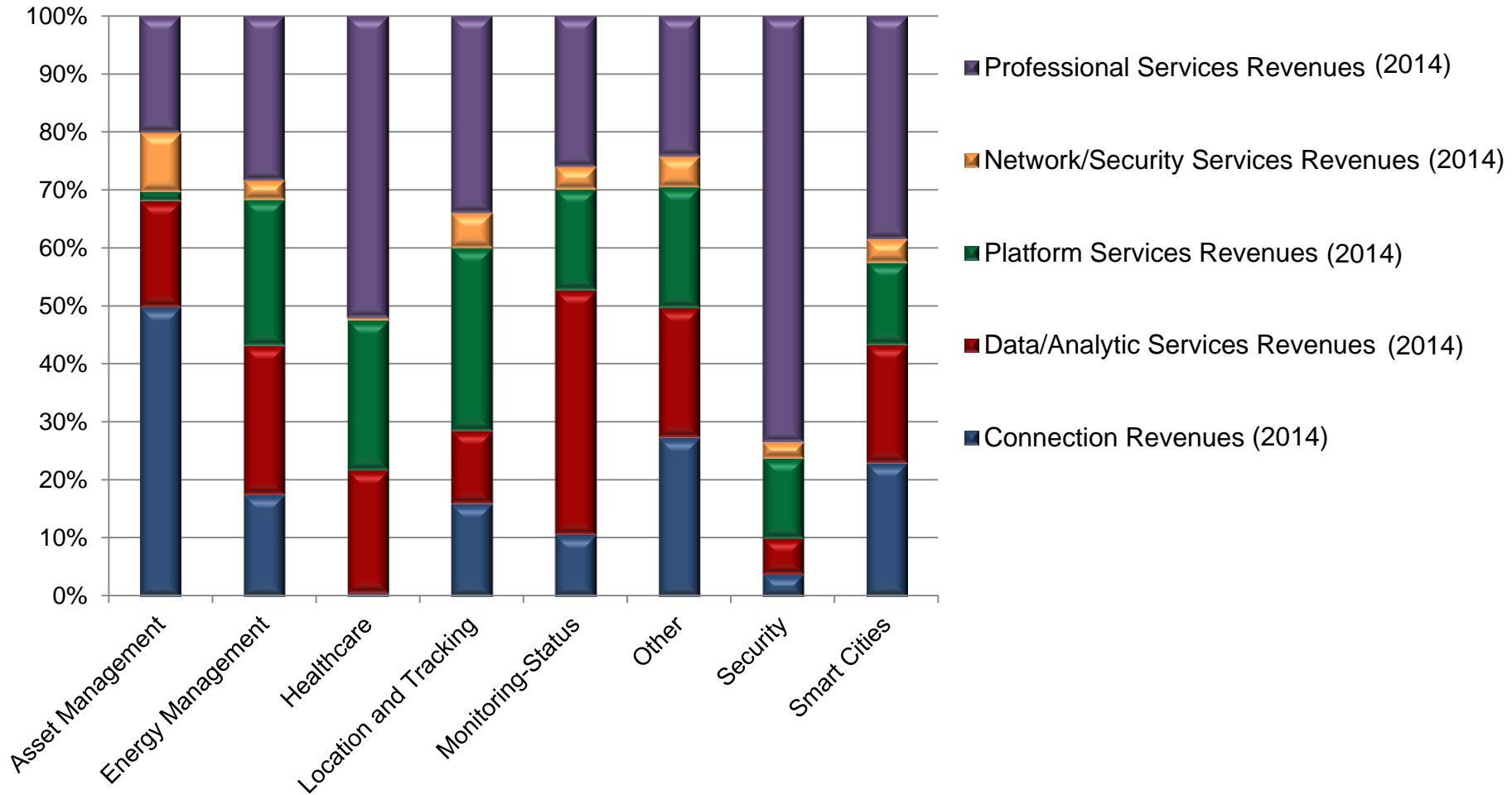
Commercial Product 1 – functionality limited to simple business rules such as on/off, alerts, etc.

Commercial Product 2 – advanced functionality using descriptive analytics

Commercial Product 3 – advanced functionality and data integrated into other applications and systems

* Product/project stage of your customer

IoT Services by Application Segment *



Revenue Distribution Highly Dependent on Application Characteristics and Connection Type

* <https://www.abiresearch.com/market-research/service/iot-market-tracker/>

IoT Supplier Target Applications Segments by Region

North America

- **Industrial monitoring/maintenance**
- **Home Security and Automation**
- **Home Monitoring** (Devices and wearables to monitor patients in home settings)
- **Commercial Building Automation**
- **Fleet Management**

Rest of World

- **Smart Metering**
- **Video Surveillance**
- **Home Security and Automation**
- **Asset Tracking**
- **Industrial monitoring/maintenance**

Western Europe

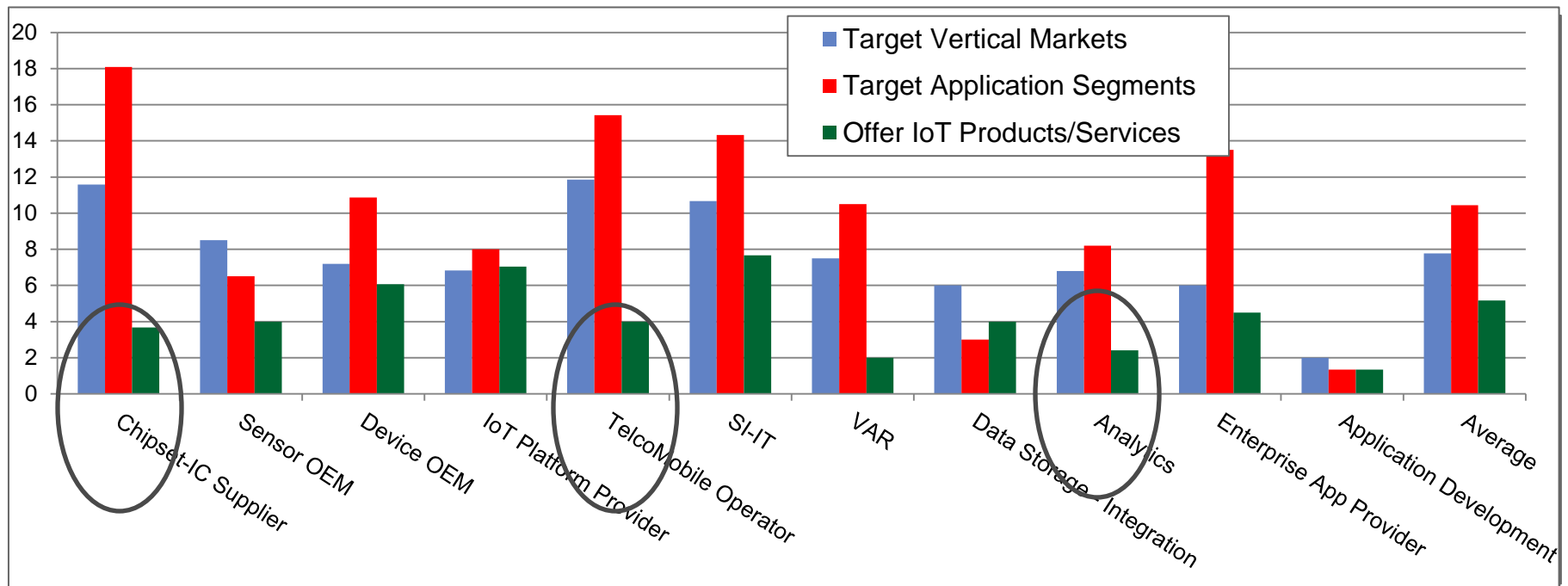
- **Asset Tracking**
- **Home Security and Automation**
- **Industrial monitoring/maintenance**
- **Bin, Container and Tank Monitoring**
- **Smart Metering**

Asia Pacific

- **Home Security and Automation**
- **Asset Tracking**
- **Fleet Management**
- **Wearables** (sports, fitness and wellness applications)
- **Home Monitoring** (Devices and wearables to monitor patients in home settings)

IoT Supplier: What are your target vertical and application segments?

What IoT Value Chain Products and Services do you Offer?



- Does the IoT Supplier have the right partnerships in place?
- Are the sales people talking to the right people to drive adoption of your product/service?
- Are you offering the right services to offer a horizontal solution to vertical markets?

What internal groups of your (customers') company championed the IoT solution project?

IoT Supplier



IoT End-User



IoT Suppliers come from both small and large companies hence are talking to a range of employee types

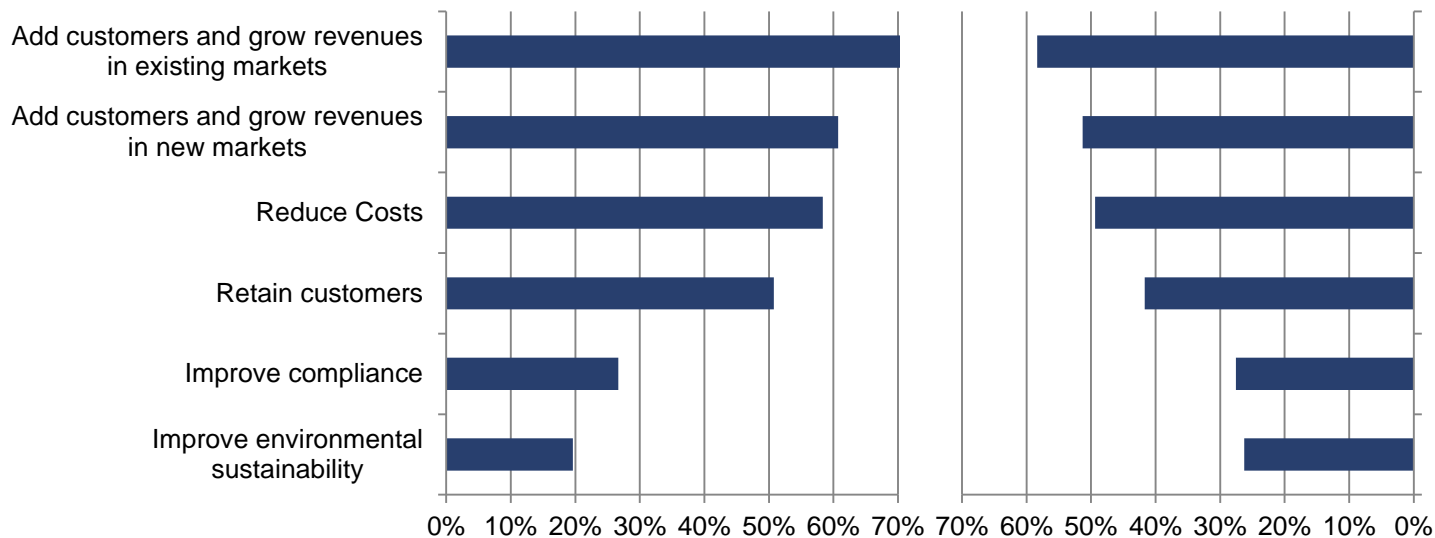
- Small to mid-size firms offers more access to C-level executives

IoT End Users in this sample are from large companies, 1/3 are from manufacturing.

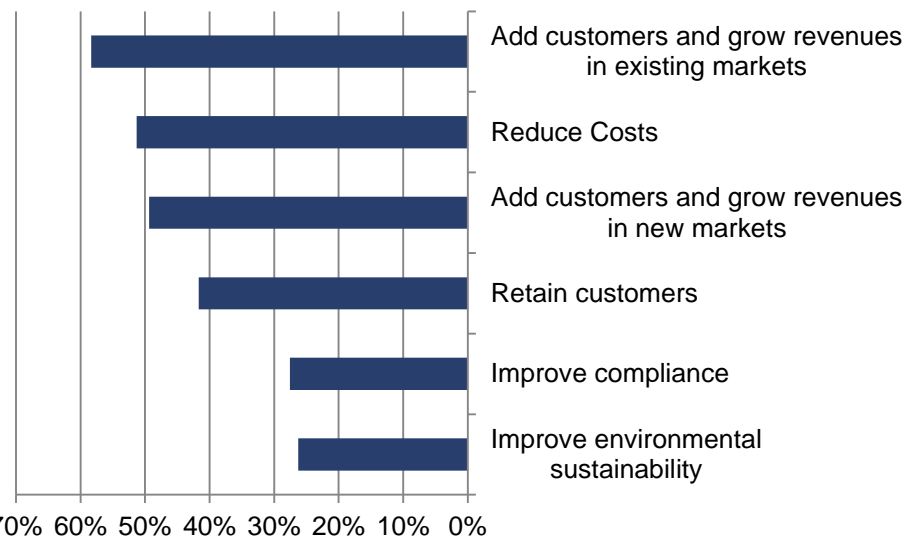
- The take away for this sample is that IoT is a bottoms-up phenomena.

What are your (customers') overarching goals for using IoT products and services?

IoT Supplier



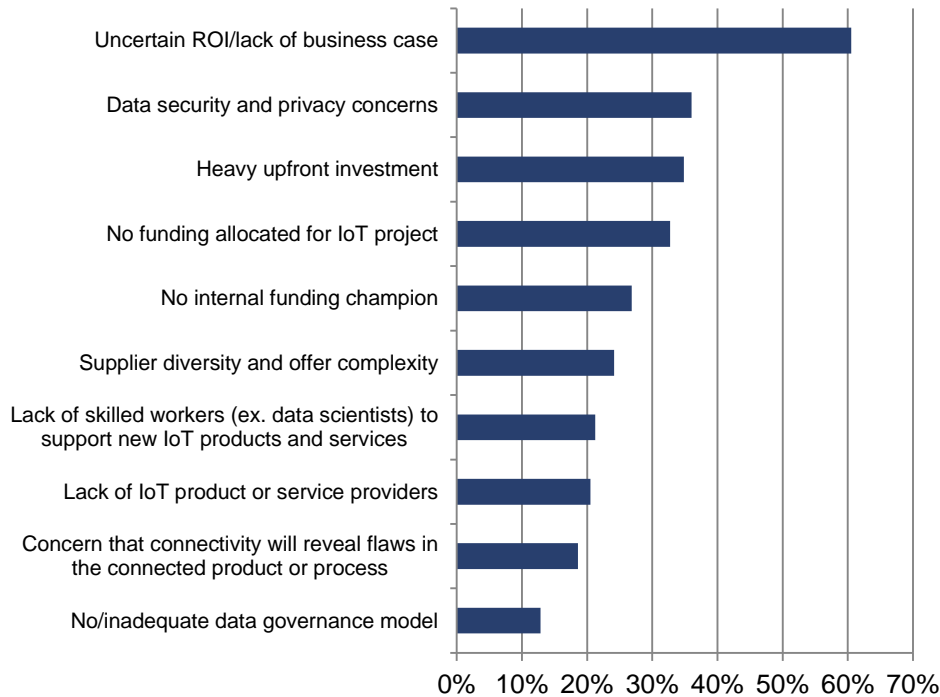
IoT End-User



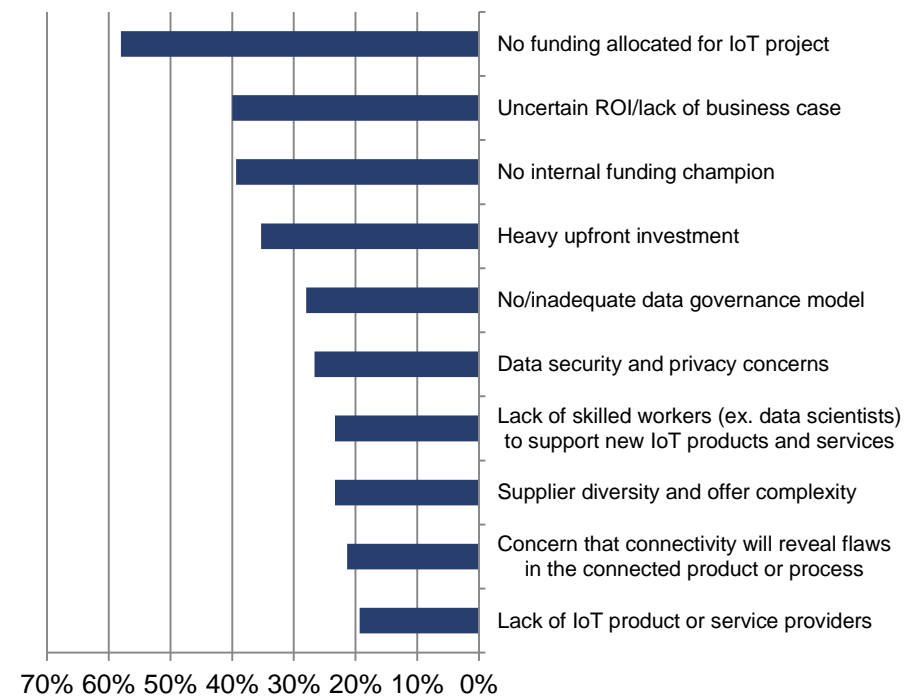
- Today – enterprises pursuing IoT see it as very strategic and have a forward looking view on its potential
 - Existing markets.....
- Future – Retain customers may be the top goal for IoT
 - Fast followers and laggards will see how IoT is offering the value to let competitors steal their customers!
- Side note: For the entrenched technology suppliers – IoT is way to keep the existing customer base and avoid the slow bleed of revenue to the hundreds of innovative IoT start-ups

What are the primary non-technical IoT solution enablement challenges faced by your company (customers)?

IoT Supplier



IoT End-User

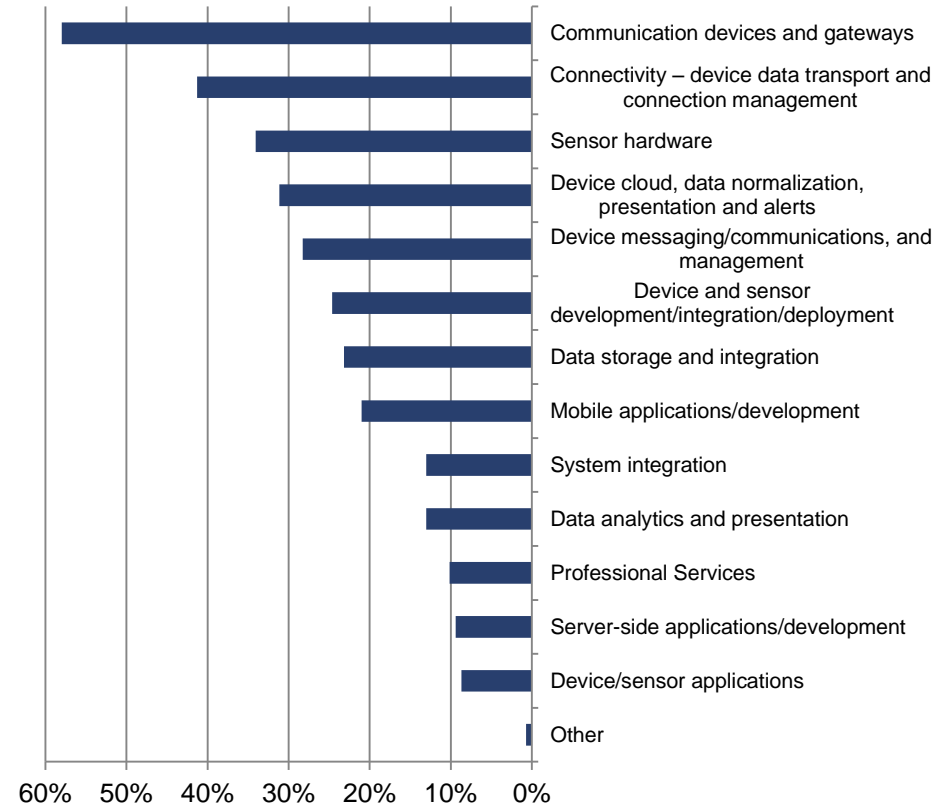
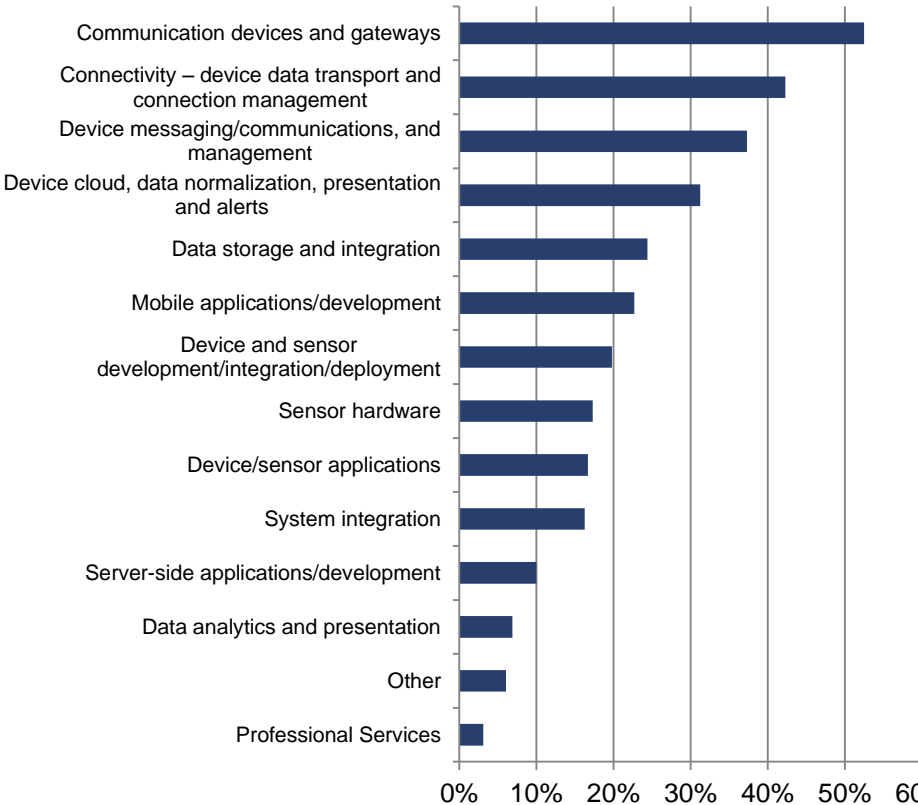


- Lack of funding for IoT projects is not a customer excuse to suppliers to “leave me alone” 😊
 - Most respondents were in the investigative stage of an IoT project
 - Lack of C-level champions on end-user side
- Supplier diversity and offer complexity
 - Large companies are still in the “Do-It-Yourself” stage – don’t have to deal with the large, fragmented IoT supply chain
- End users - Data security and privacy concerns????
- Should IoT suppliers invest more in business case analysis to prove IoT ROI?

What parts of the IoT value chain pose the highest security risks?

IoT Supplier

IoT End-User

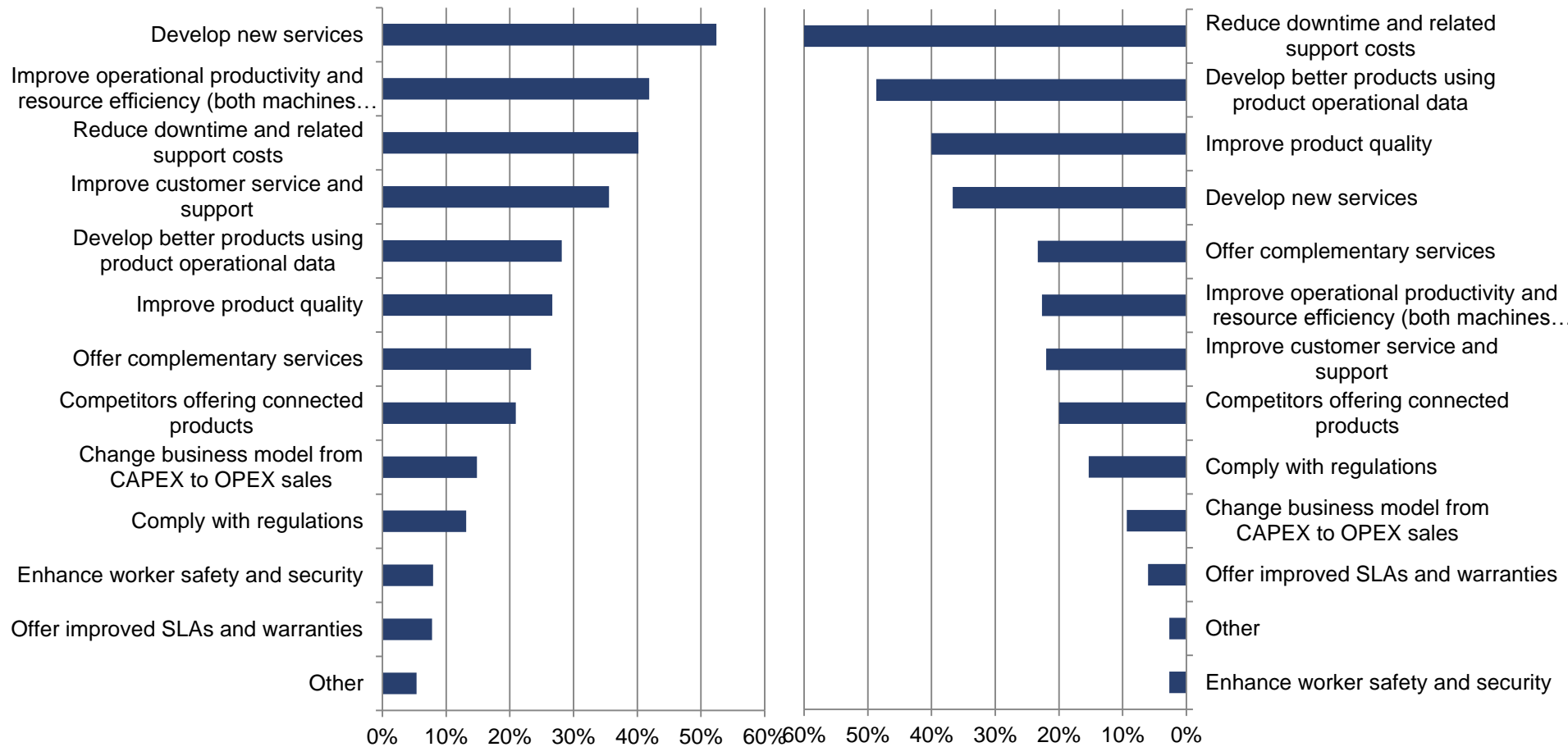


- “IoT plumbing” – from device/sensor to device cloud - is the top concern
 - Device-side security technologies are posed to take-off?
- The security for cloud, server and enterprise applications is just a check-box?

What are your (customers') primary reasons for implementing an IoT solution?

IoT Supplier

IoT End-User



- IoT Suppliers – Develop new services – why #1 reason?
 - Hardware vendors were ~30% of IoT Supplier respondents – trying to become services companies
 - IoT Suppliers in survey talking more to C-level, marketing and IT personnel
- Most interesting responses – Bottom 5
 - IoT is still in its early stages – companies are far from assessing whole new business models and processes

IoT Deployment Challenges



IoT Supplier

IoT End-User

Communication modules or gateways are too expensive	Communication modules or gateways are too expensive
Sensors difficult/costly to deploy Communication devices not secure enough	Sensors not secure enough Sensors difficult/costly to deploy
Connectivity choices not suitable for application Connectivity costs too high	Connectivity choices not secure enough Connectivity costs too high
Lacks sophistication in business rule tools Limited device management capabilities	Limited device management capabilities Poor cloud data access capabilities
Insufficient internal developer resources Lack internal skillsets for app development	Lack internal skillsets for app development Insufficient internal developer resources
No significant challenges Lack of data standards	Data storage costs too high Data integration tools insufficient
Skills shortages among the staff	Skills shortages among the staff
SI costs too high for potential benefit ERP system integration challenges	ERP system integration challenges CRM system integration challenges
Lack of suppliers with end-to-end technology know-how Lack of suppliers with end-to-end vendor knowledge	Lack of suppliers with end-to-end vendor knowledge Coordination challenges between vendors

Are IoT End Users and Suppliers on the Same Page?

Thank You!

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