From Toilet Rolls to Jet Engines

Important factors for your successful IOT strategy

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IoT isn’t coming... it’s already here
FIGURE 1: Global internet device installed base forecast

Sources: Gartner, IDC, Strategy Analytics, Machina research, company filings, BII estimates
IoT SIM connectivity

Connected devices (billions)

- 2014: 10 billion
- 2015: 11 billion
- 2016: 12 billion
- 2017: 13 billion
- 2018: 14 billion
- 2019: 15 billion
- 2020: 16 billion
- 2021: 17 billion

M2M devices and consumer electronics
Mobile phones, PCs/laptops/tablets

Ericsson 2015

Addressable market
“IoT Cloud” @ Google Trends
THE INTERNET OF THINGS
AN EXPLOSION OF CONNECTED POSSIBILITY

2020
50.1 BILLION

2016
22.9 BILLION

2015
11.2 BILLION

2014
14.4 BILLION

2013
8.7 BILLION

2010
34.8 BILLION

2009
28.4 BILLION

2008
18.2 BILLION

2005
10.2 BILLION

2003
0.5 BILLION

2002
1,000,000

1999
0

YEAR
BILLIONS OF DEVICES
Smart Connected World 2020

- Air pollution
- Forest Fire Alarm
- Wine quality control
- Agriculture
- Sports & Leisure time
- Infrastructure monitoring
- Smartphone locating
- Access control
- Emission tracking
- Electrical emissions
- Traffic routing
- Traffic routing
- Vehicle diagnostics
- Water pipes
- Waste management
- Smart Parking
- Localization of things
- Water quality
- Golf courses
- Shipping & Seafaring
- Smart roads
- Smart Lighting
- Intelligent smart shopping
- Noise Monitoring

Source: Libelium
IoT Transformation

“Software is eating the world"

[Marc Andreessen, Co-Founder of NETSCAPE]
Uber seeking to buy self-driving cars: source

Earlier on Friday, Germany’s Manager Magazin reported that Uber had placed an order for at least 100,000 Mercedes S-Class cars, citing sources at both companies.

The top-flight limousine, around 100,000 of which Mercedes-Benz sold last year, does not yet have fully autonomous driving functionality.
How mature is IoT?
IoT: Top Topic 2014

Prediction 2020:
- From €0.4 Trillion to €1.9 Trillion Market Volume
- From 1.8 to 26 Billion Smart Products

Source: Gartner (August 2014)
IoT is adding value for services—...and much more
The biggest business value from IoT

- Increase of efficiency: 46%
- Customer Service: 34%
- Internal Collaboration
- Strategic decisions
- Profitability
- Increase revenues
- Innovation
- Employee satisfaction
- Data and physical security
- Overall collaboration
- Time To Market

Source: Cisco, n=7000 global executives
Of revenues are generated with services in aftermarkets ~25%.

Of profit coming from Services 40-80%.
Connected Product Opportunity

**CORE CAPABILITIES**
- Operational Monitoring & Alerting
- Remote Diagnostics
- Software/Firmware Updates
- Operational History
- Benchmarking

**PRODUCT R&D**
- Understand How Products are being used
- Real-time Usage Information Speeds Product Cycles
- Scope Recalls More Tightly

**MAINTENANCE & SERVICE**
- Proactive Maintenance
- Remote troubleshooting & Diagnostics
- Software/Firmware Updates
- Condition-based Maintenance
- Automated Service Ticket Creation
- Predictive Maintenance

**NEW VALUE-ADDED SERVICES**
- Operational Benchmarking
- Targeted Training
- Higher Level SLAs

**SALES**
- Know when new opportunities arise based on usage data
- Know Problems as soon as they happen

**BUSINESS MODEL TRANSFORMATION**
- Sell Product as a Service
- Auto-replenishment
- APIs as a Service
IoT Transformation

"If you went to bed last night as an industrial company, you're going to wake up today as a software and analytics company"

[Jeff Immelt, chairman and CEO of GE]
Organizations are benefiting from IoT today
Thank you!