Innovation Summit 2016

SIERRA WIRELESS®

Create Value with the Internet of Things

Alexis Morlière
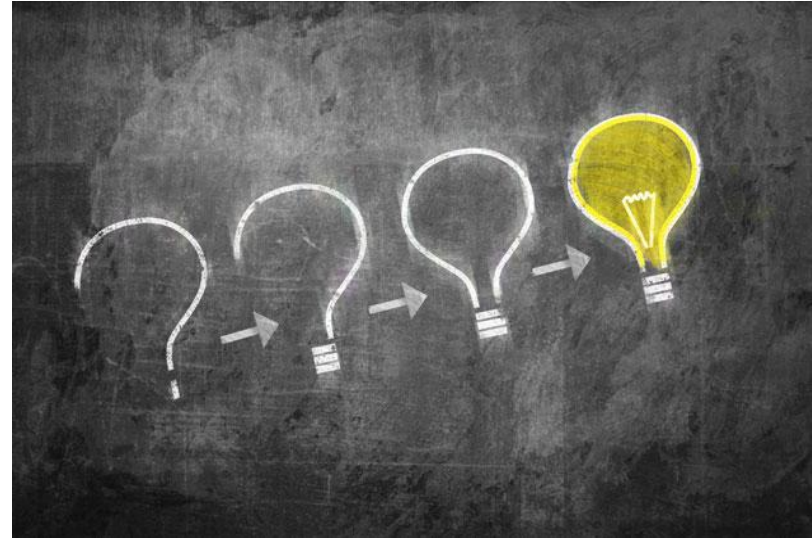Cloud & Connectivity Services Sales Manager

Value Definition

"The extent to which a good or service is perceived by its customer to meet his or her needs or wants, measured by customer's willingness to pay for it."
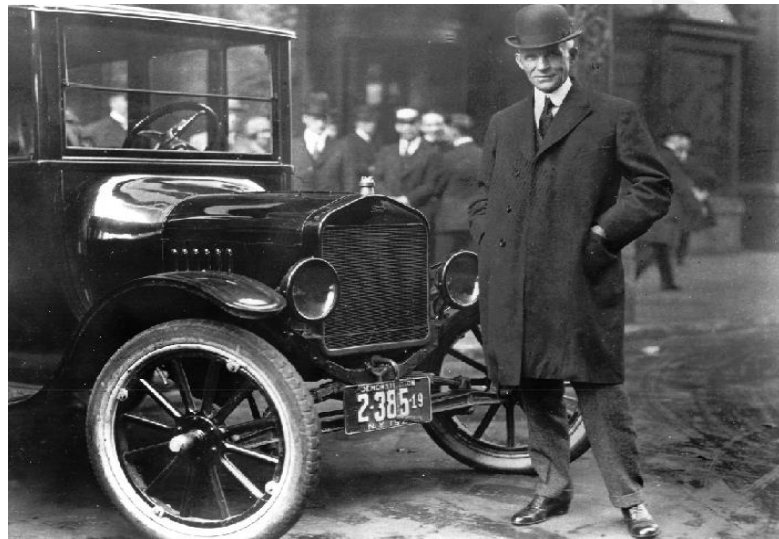
Innovation Definition

"The process of translating an idea or invention into a good, method or service that creates value for which customers will pay."

Innovation & Value are closely tied

« If I had asked people what they wanted they would have said faster horses »
Henry Ford (1863 – 1947)

Value is what you get on top of costs

The promise of the Internet of Things

$6.2T

Estimated potential economic impact of The Internet of Things in 2025, range from $2.7 – 6.2 trillion annually

— McKinsey Global Institute

BUSINESS INSIDER

Business Insider Intelligence estimates that by 2019 $1.7 Trillion of value will be added to the world wide economy in the form of revenue and cost savings.
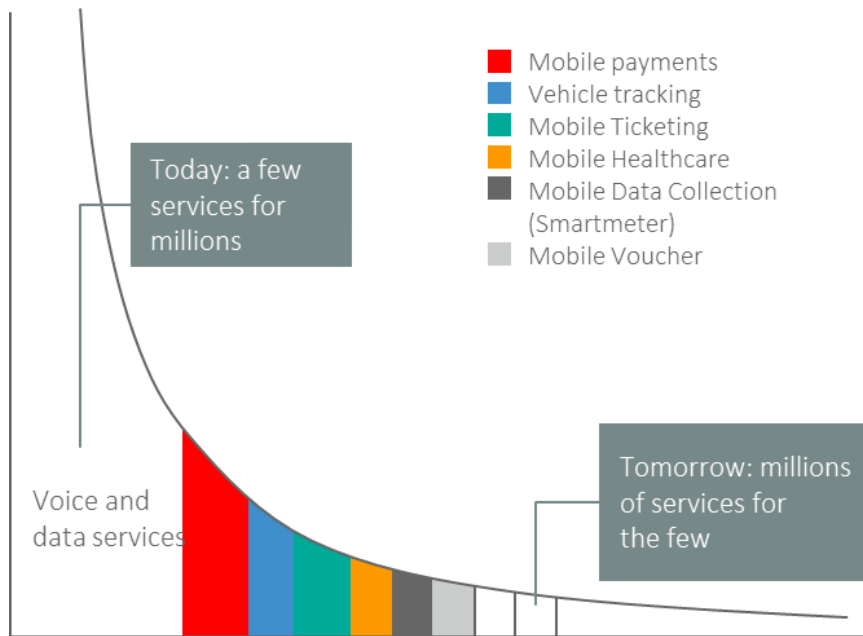
— Business Insider Intelligence

The promise of the Internet of Things

The market trend

There is no mass market anymore; it's a market of mass niches instead

Today: a few services for millions

Voice and data services

Tomorrow: millions of services for the few

- Mobile payments
- Vehicle tracking
- Mobile Ticketing
- Mobile Healthcare
- Mobile Data Collection (Smartmeter)
- Mobile Voucher

What is the Internet of Things

Device that combine Hardware, Software, processors, sensors & connectivity

Wired or Wireless network infrastructure

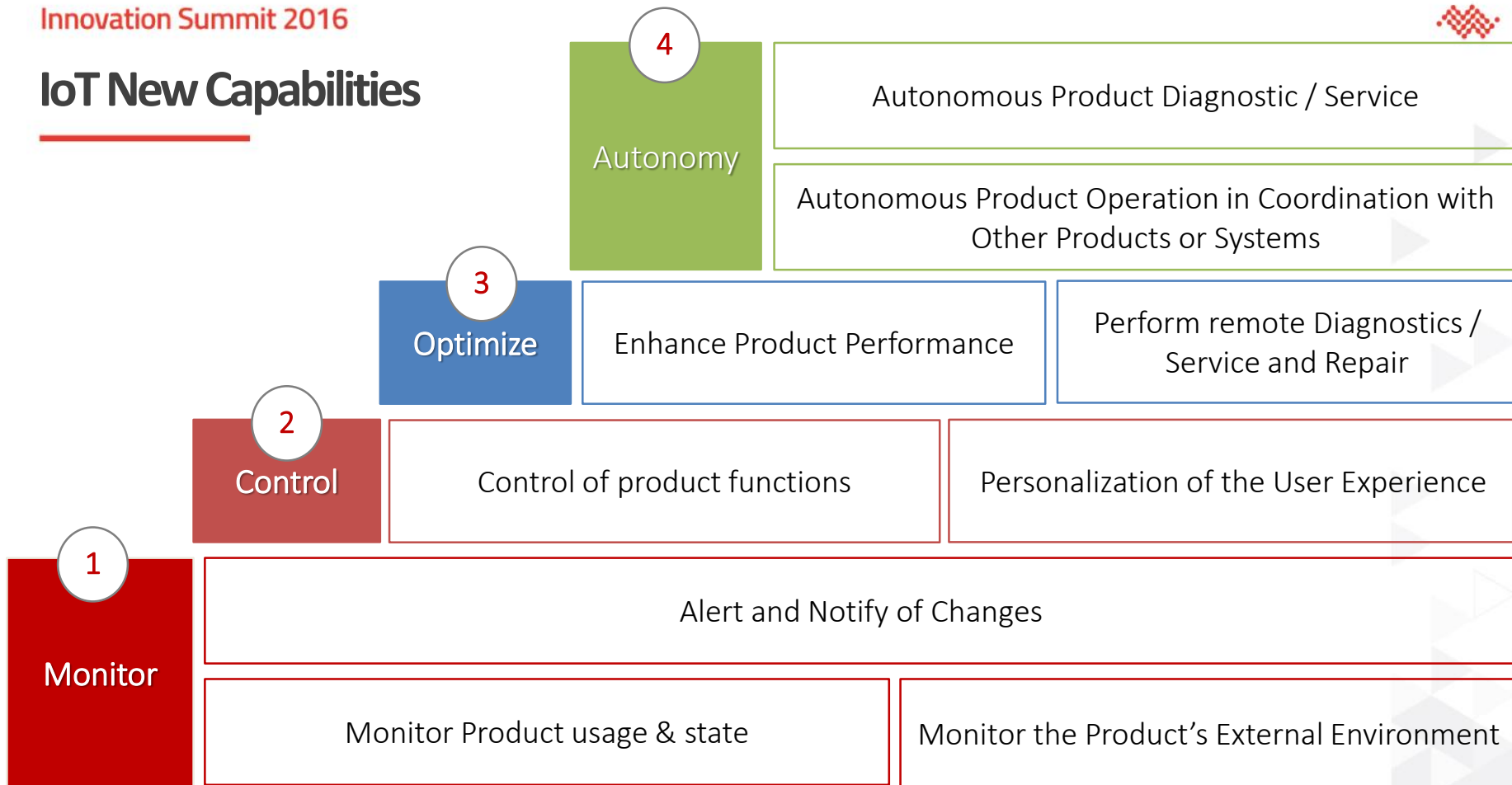Data processing infrastructure, Analytics, Business applications

Low Cost captors

Affordable connectivity

Analytical capabilities

IoT New Capabilities

4 Autonomy

Autonomous Product Diagnostic / Service

Autonomous Product Operation in Coordination with Other Products or Systems

3 Optimize

Enhance Product Performance

Perform remote Diagnostics / Service and Repair

2 Control

Control of product functions

Personalization of the User Experience

1 Monitor

Alert and Notify of Changes

Monitor Product usage & state

Monitor the Product's External Environment

Source: November 2014 HBR issues

IoT Value Throughout the Enterprise

PLM — Engineering

CRM — Sales

SLM — Aftermarket services

ERP — Finance

SCM — Logistics operation

The power of data

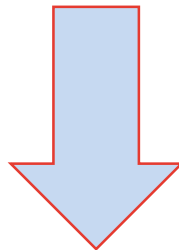Number of printed copies data

- Service & maintenance

- Sales & Marketing

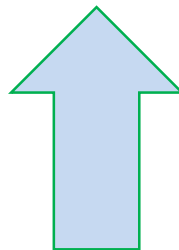- Engineering & R&D

- Top Management

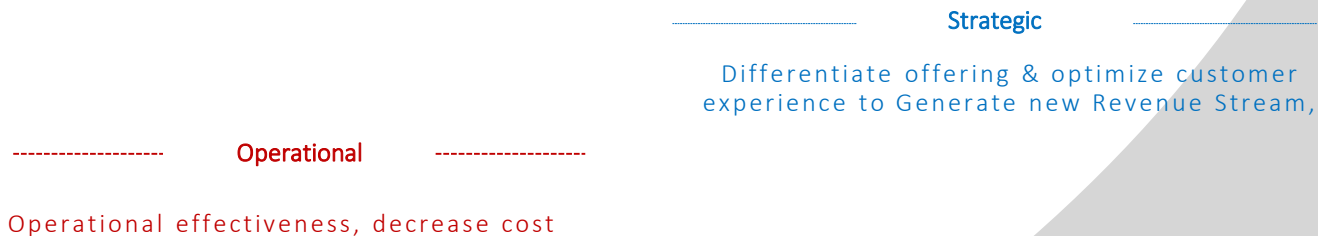- Finance

The power of data

Number of printed copies data

- Service Costs
- Equipment Downtime

- Innovation
- Revenue & Profit margin
- Business Intelligence
- Customer Satisfaction

The IoT Value Curve

Strategic

Differentiate offering & optimize customer experience to Generate new Revenue Stream,

-------------------- **Operational** --------------------

Operational effectiveness, decrease cost

Service & Support	**Product Development**	**Customer**	**Marketing & Sales**
Warranty Management	Quality Monitoring	Enhanced customer experience	Value added services
Proactive Maintenance	Product Usage Monitoring	Self-service	Usage Based Pricing
Product tracking & Monitoring	Embedded Software Management	Fleet Management	Business Insight

VALUE

TIME

The top 4 IoT challenges

The top 4 IoT challenges

Complexity

Longer time to Market & increase risks of failure

The top 4 IoT challenges

The top 4 IoT challenges

Time To Market

Increase development cost – Missed opportunities

The top 4 IoT challenges

The top 4 IoT challenges

Scalablility, Reliability & Security

Increase Time To Market Higher TCO

The top 4 IoT challenges

The top 4 IoT challenges

Return On Investment
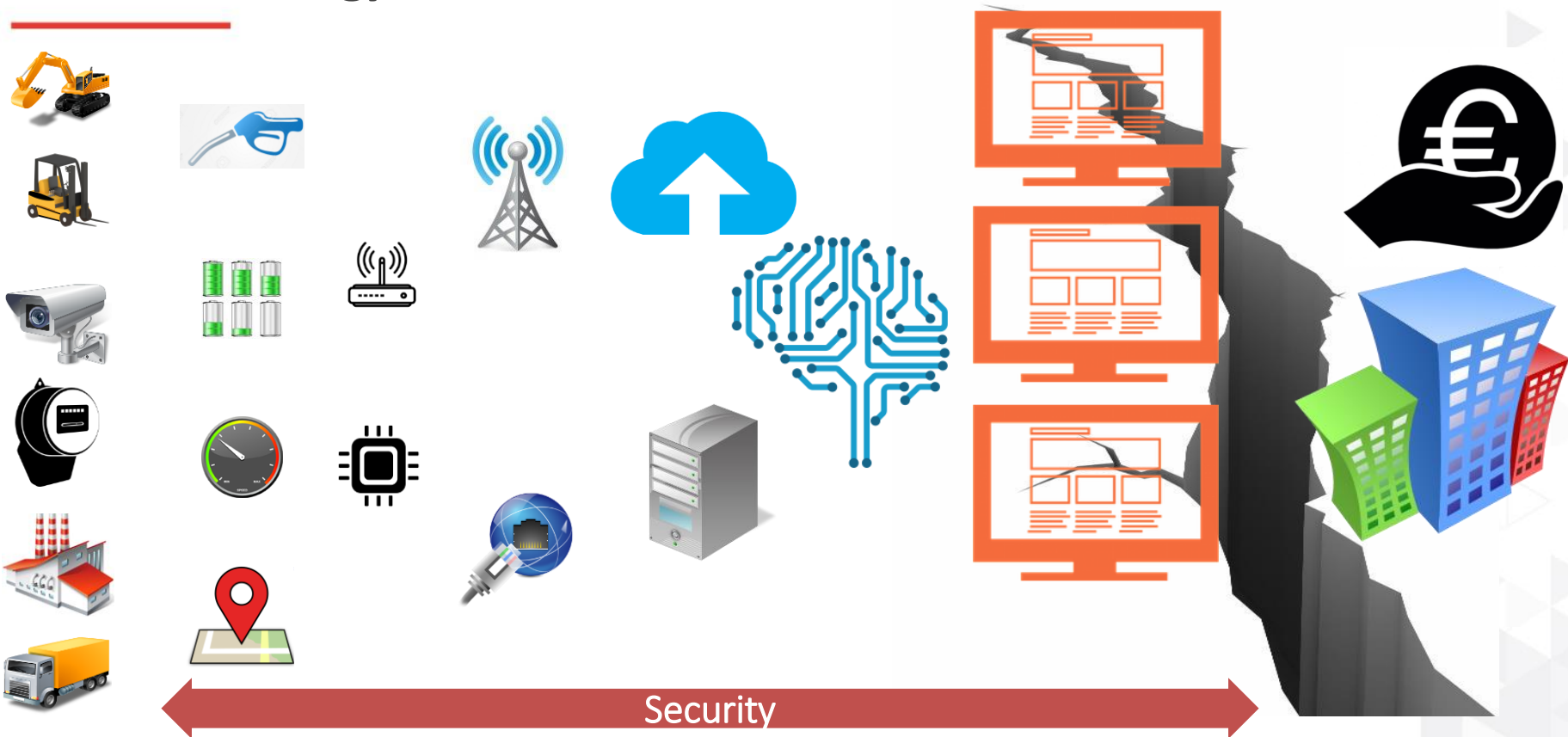
No initial funding
No pay back

The IoT Technology Stack (Simplified)

The IoT Technology Stack

Security

The Iceberg of Things

Time To Market

Business value perceived
by the customer / user

The actual required activities
/ Technologies
to do in order to get
the business value realized

The Iceberg of Things

Time To Market

- Business Application development

- Business Value Identification
- Use Case Definition
- Device & Data Management
- Connectivity Services Management
- Connectivity Services network
- Communication Protocol
- Security Encryption
- Connectivity Hardware integration
- Sensors
- Database & Infrastructure
- API
- Back-end system integration
- SLA

The Iceberg of Things


Time To Value

- Business Application development

- Business Value Identification
- Use Case Definition
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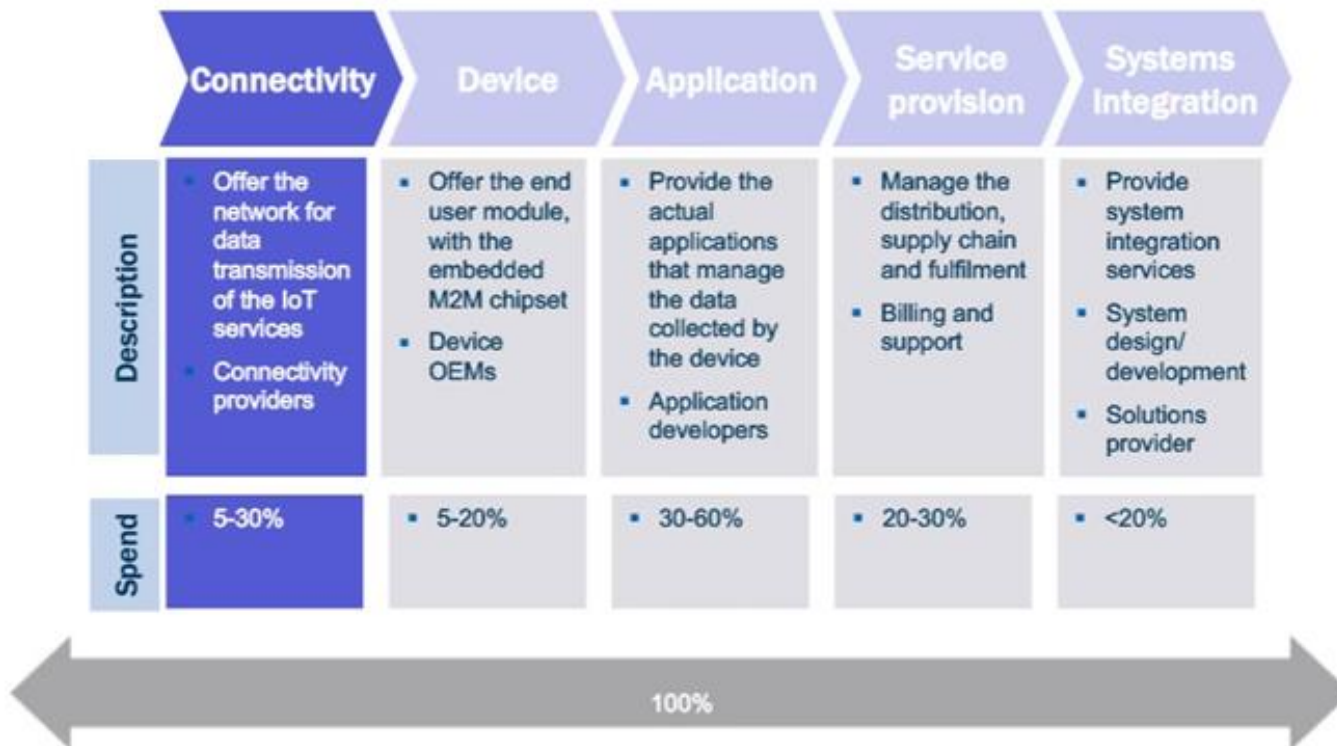- SLA

A clear & mesurable business case
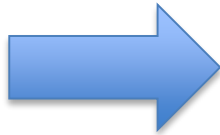
In which way those datas will help me being more efficient and /or reduce costs
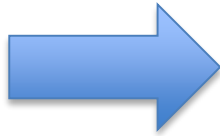
In which way those datas will help me generate new revenue stream
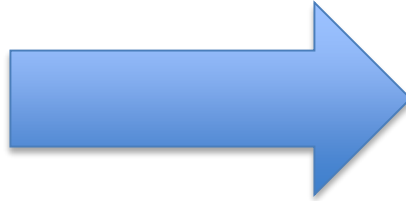
Connectivity is an important TCO contributor

	Connectivity	Device	Application	Service provision	Systems Integration
Description	• Offer the network for data transmission of the IoT services • Connectivity providers	• Offer the end user module, with the embedded M2M chipset • Device OEMs	• Provide the actual applications that manage the data collected by the device • Application developers	• Manage the distribution, supply chain and fulfilment • Billing and support	• Provide system integration services • System design/ development • Solutions provider
Spend	• 5-30%	• 5-20%	• 30-60%	• 20-30%	• <20%

100%

analysys mason

Connectivity is an important TCO contributor

Connectivity is not just about money

NO
DATA AVAILABLE

SAVE LIVES

The IoT Technology Stack
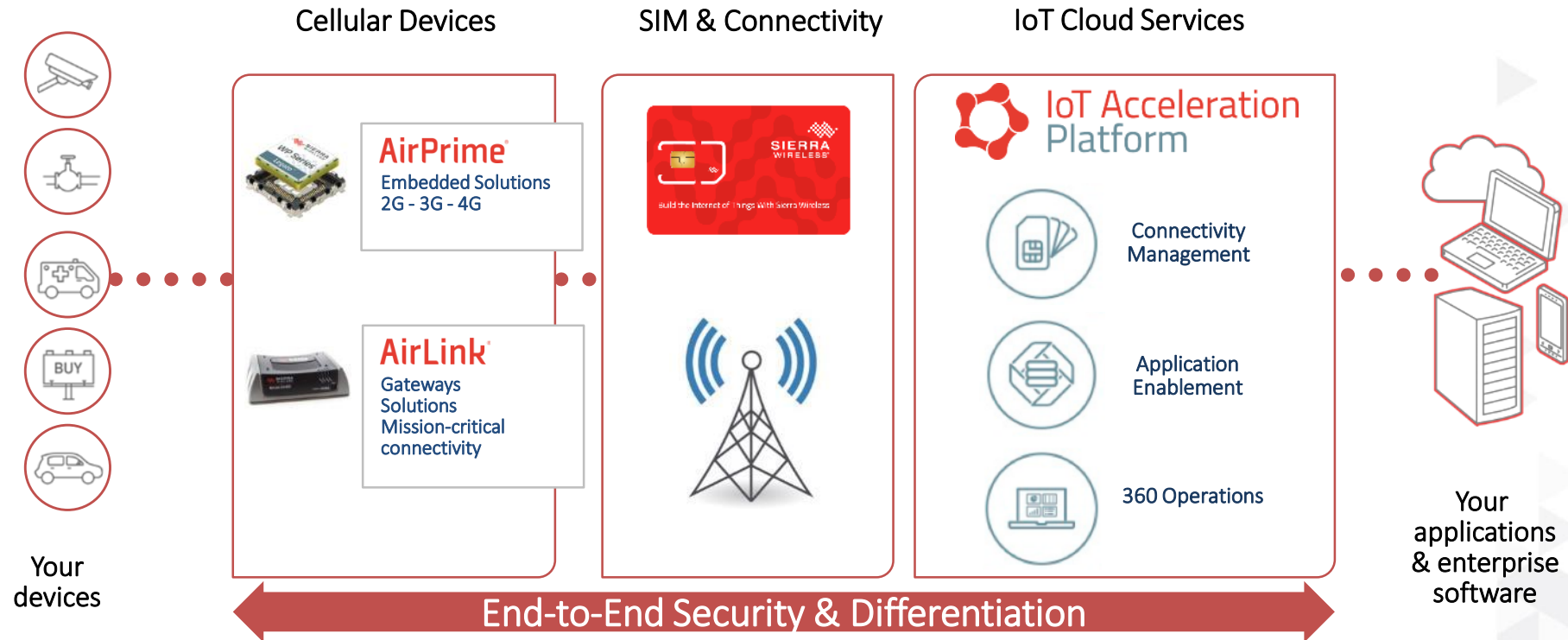

Security
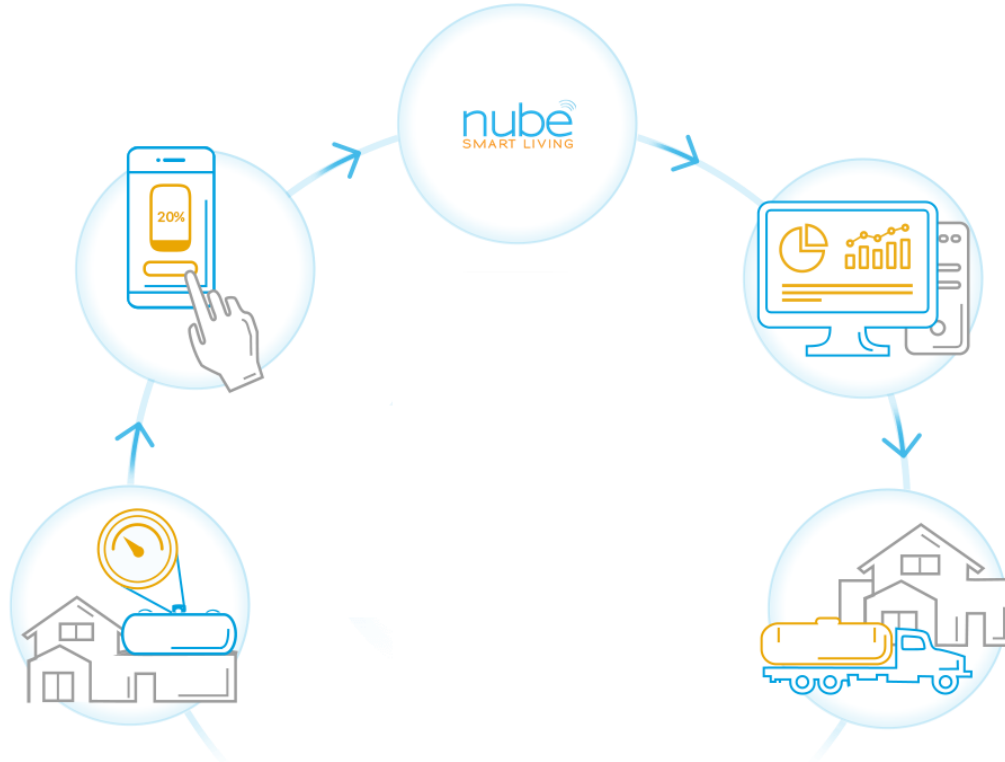
Reale Life experience

Reale Life experience

devices   connectivity   platform

AirPrime
Embedded
Modules

Sierra
Wireless
Smart SIM

IoT Acceleration
Platform

- Gas levels
- Consumption
- Alerts
- Orders

- Payment Status
- History
- Analytics

Customer Benefits

- Improved user experience

- Improved operations efficiency

- Optimized installation & maintenance cost

- Scalable

Reale Life experience

Challenge

Customers
- Moving to a predictive maintenance model improves machine up-time

Veolia
- Deliver a more cost effective service with a better user experience for the customer
- Time-to-market pressure and lack of internal expertise

Veolia Water

- Global Fortune 500 company based in Paris, France

- Delivers water purification systems to medical labs, pharmaceutical manufacturers and healthcare facilities

Sierra Wireless Device-Cloud Solution

devices   connectivity   platform

AirLink Gateway   Sierra Wireless Smart SIM   IoT Acceleration Platform

- Purified Volume
- Filter status
- Predictive Maintenance

- Alerts
- Service Schedules

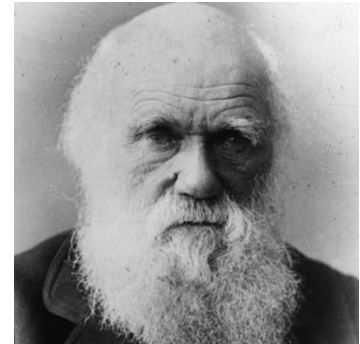## Conclusion

« It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change »
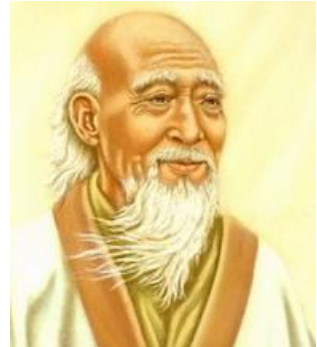
Charles Darwin

Conclusion

The journey of a thousand miles begins with one step.

Lao Tzu – III century BC

Innovation Summit 2016

Thank you