How does your Internet of Things (IoT) strategy stack up?

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Held on October 20, 2015, this webinar on the Internet of Things was facilitated by Jim Love, CIO and Chief Digital Officer, ITWC. Eric Simmons, general manager machine-to-machine (M2M), for Rogers was the guest speaker. The following content comprises two articles written in relation to the webinar (and published on itbusiness.ca) together with poll questions asked of the participants during the live webinar and their responses.

How does your IoT strategy stack up?

The Internet of Things — IoT, as many like to call it — can have a huge impact on an organization's bottom line. In fact, it can have a huge impact on a company's top line. The network of independent, autonomous, Internet-connected devices can provide the three Vs of today's data collection — volume, velocity and variety — that today's enterprise needs to compete.

But the fact of the matter is, most enterprises don't have a well-thought-out Internet of Things strategy. They don't know how they can collect the data that they can use to provide customers the right offer at the right price at the right time, because they don't know what data to collect, what data to preserve, what data to analyze — or even what they're trying to deliver.

IoT is gaining traction in a number of verticals — financial services, retail, transportation, and many more. Yet recent studies suggest that only a small percentage of enterprises have a thoroughly thought-out IoT strategy. It's here, it's becoming more affordable, and it's becoming a competitive differentiator — if organizations can determine how to use the incredible volume of data, from mobile devices, Internet searches, kiosk interactions, sensors that provide ambient data. Estimates of the value of the IoT range into the trillions of dollars. Does your company have a strategy to take advantage of this opportunity?

Developing an IoT plan: does your strategy stack up?

We're hearing a lot these days about the IoT's potential to fundamentally change the way we do business, but many companies are just developing their strategy, and are asking the question: how does our IoT strategy stack up?

ITWC CIO Jim Love, who moderated the webinar, argued IoT is well on its way to becoming a strategic and competitive driver for businesses of all sizes. "IoT has captured our imagination," said Love. "Studies show only a small percentage of companies have an IoT strategy and yet, at the same time, IoT is gaining momentum in key industries. In a lot of cases you may not realize how fast this is moving."

It can help to start with definitions. Eric Simmons, general manager of the IoT business for Rogers, offered his take on a definition. "At its simplest form, it's taking everyday objects like a vending machine, a car or a truck, putting a sensor or a wireless modem on that device to capture information, either in real time or whatever's relevant for the solution, taking the information, analyzing it, and leveraging it to make faster and more informed business decisions," said Simmons. "And where necessary, automating those actions."

While IoT is an emerging market in Canada, it's also an evolution of the machine-to-machine (M2M) market that is already well developed. IDC Canada predicts IoT will be a $21 billion market by 2018, and Gartner says IoT has replaced big data as the most hyped technology. "IoT is a disruptive technology, and most Canadian organizations aren't ready for the coming disruption," said Simmons. "Many won't survive."

A number of trends are helping to set the table for IoT, and make it a more powerful business driver than M2M ever was: cloud computing, big data, analytics, social media and mobility. All are providing key building blocks to enable an automated, intelligent, real-time IoT network.

"It has really led to an environment that makes IoT easier for companies to adopt," said Simmons. "Earlier, putting the pieces together was complex.

Now it's easier to do; the return on investment is quick; and the cost models have come down significantly." Businesses can now collect information with intelligent monitoring, analyze the data with intelligent analytics, and even automate the action taken based on that data. Examples include tracking the temperature of food in the supply chain, where vehicles are in your fleet, or even the vibration on a key piece of machinery. The benefits of a successful IoT implementation can include increased revenue from new business models and big data analytics, cost reduction from operational efficiency and preventative maintenance, and improved customer service through new customer experiences and differentiation.

Take the Coca-Cola Freestyle machines, which we've all probably seen in a fast food restaurant or at a movie theatre. They allow us to choose from hundreds of drink combinations (raspberry Diet Coke, anyone?) but can also be supply replacement-intensive for the operator. Simmons said Coca-Cola wanted to create a differentiated customer experience, and so it built IoT technology into the machines. Letting users share their drink combinations from the machine to their friends on Twitter and Facebook was one customer innovation. But the more interesting IoT is on the back end.

"They worked with Salesforce and used Chatter to take machine data from sensors on the syrups and CO2 cartridges to track the usage and fill rate, and do analytics on when the tank will empty," said Simmons. "That's put into the Salesforce Service Cloud which re-orders what's needed and notifies the person in store. That way, syrups are never out and there's no work for the store."
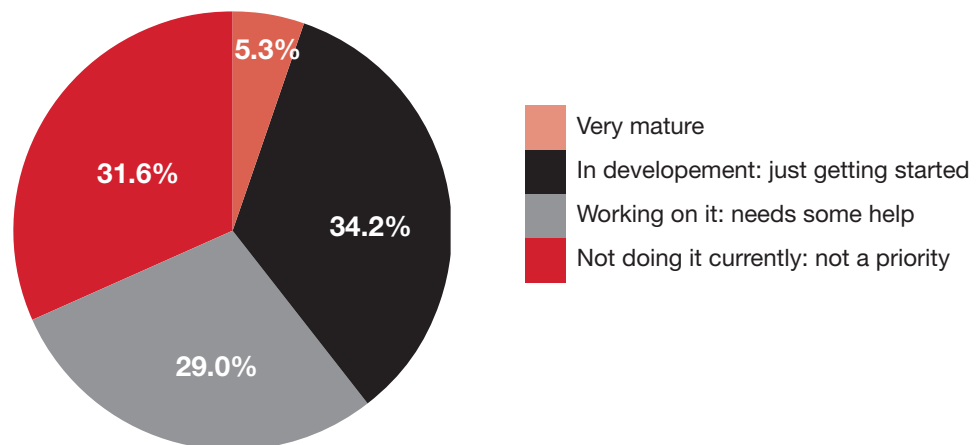
When it comes to getting started with IoT, Simmons offered six tips for companies that are unclear about where to start:

1. Start small and grow
2. Focus on a key pain point with a rapid ROI
3. Think about improving the customer experience, process automation and real-time monitoring, and new revenue models
4. Explore where having the right data in real-time insight might be a game changer
5. Consider what you might do with IoT to get ahead of your competition
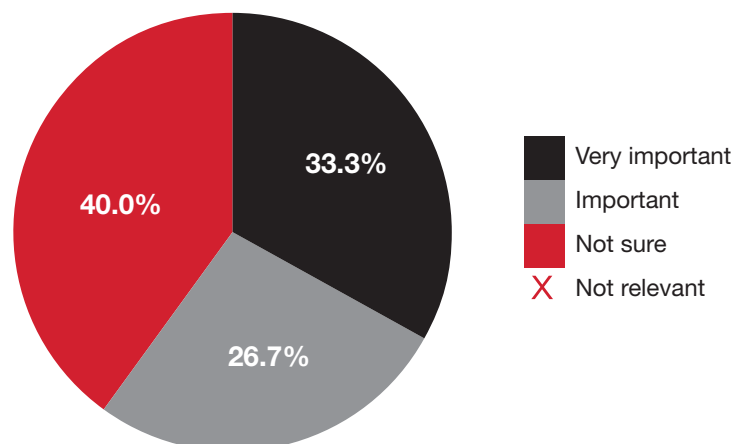6. Start now.

Poll Questions and Answers:

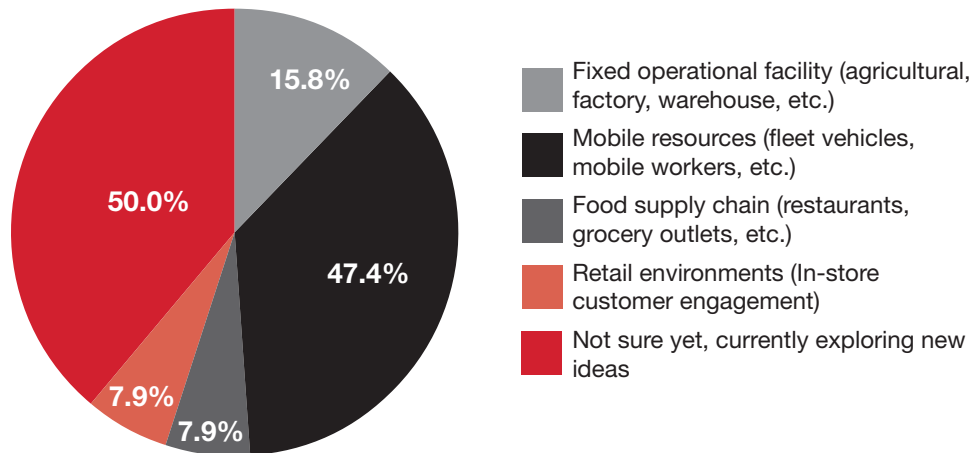The following charts reveal participants` responses to the poll questions asked during the live webinar.

How mature is your Iot strategy?

- Very mature — 5.3%
- In developement: just getting started — 34.2%
- Working on it: needs some help — 29.0%
- Not doing it currently: not a priority — 31.6%

How important is an IoT strategy to the future of your business?

- Very important — 33.3%
- Important — 26.7%
- Not sure — 40.0%
- X Not relevant

Where in your business would you like to deploy IoT solutions?

15.8%

47.4%

7.9%

7.9%

50.0%

- Fixed operational facility (agricultural, factory, warehouse, etc.)
- Mobile resources (fleet vehicles, mobile workers, etc.)
- Food supply chain (restaurants, grocery outlets, etc.)
- Retail environments (In-store customer engagement)
- Not sure yet, currently exploring new ideas

When is your business planning to deploy IoT solutions?

26.2%

28.6%

33.3%

31.0%

- In 6 months
- In 12 months
- In 12 to 24 months
- In 24+ months
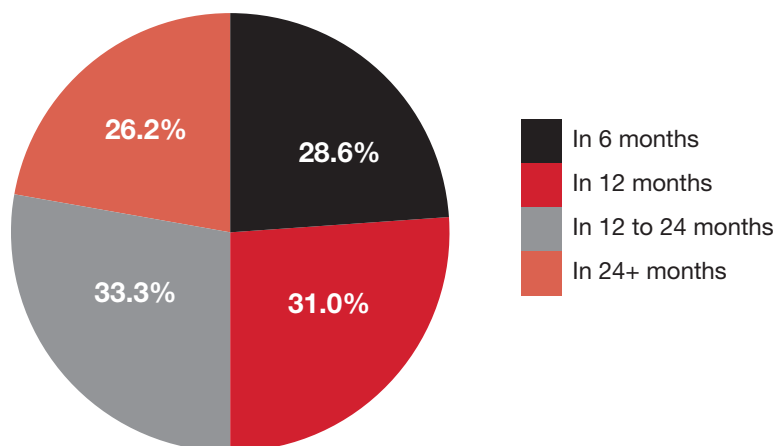
View the full webinar here.

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