

Creating Business Value With The Internet of Things



Bryan Kennedy
VP WW Sales & Strategic Development
Electric Imp

The Promise of the IoT:

A world in which *EVERY* device is connected to the Internet

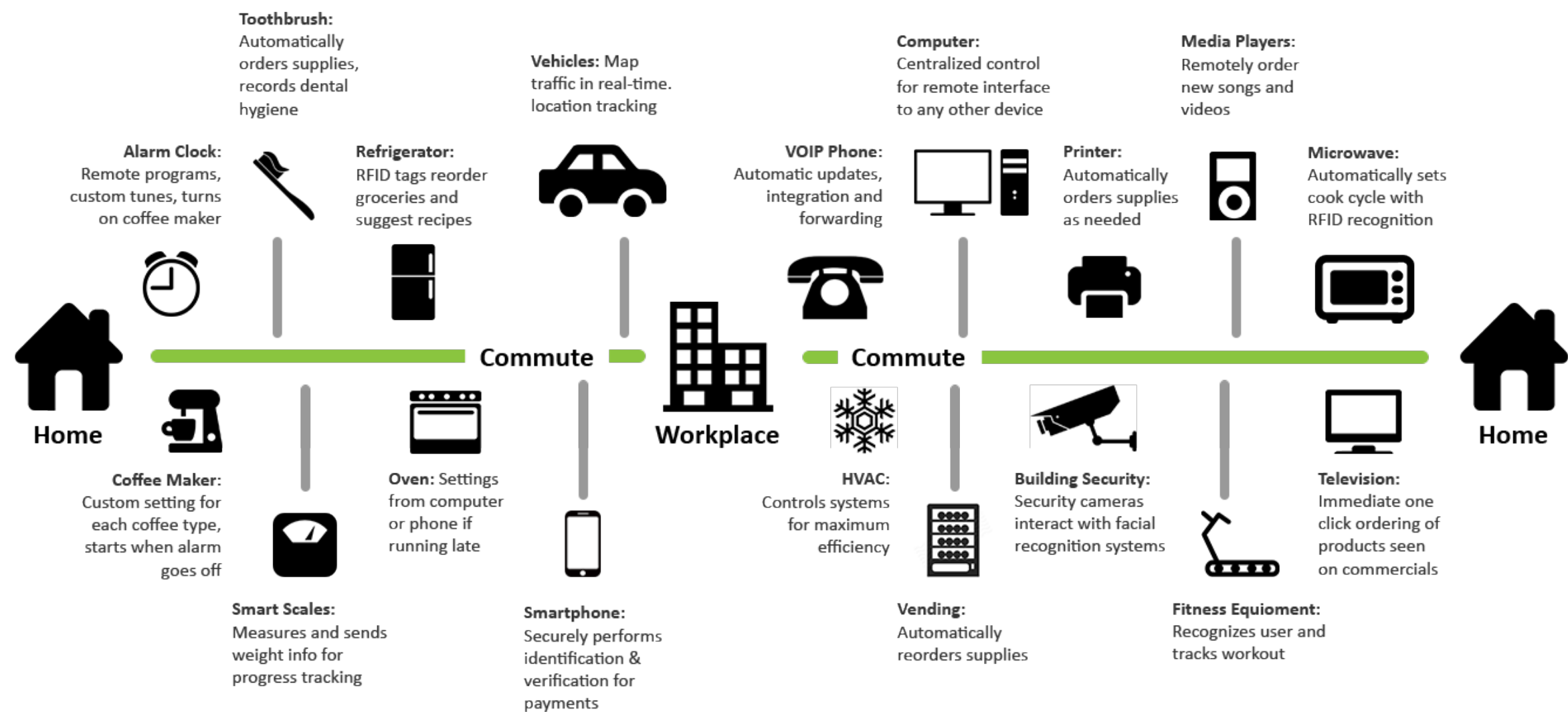


Billions of Connected Things

Many Billions of New Dollars of Economic Value Creation Possible



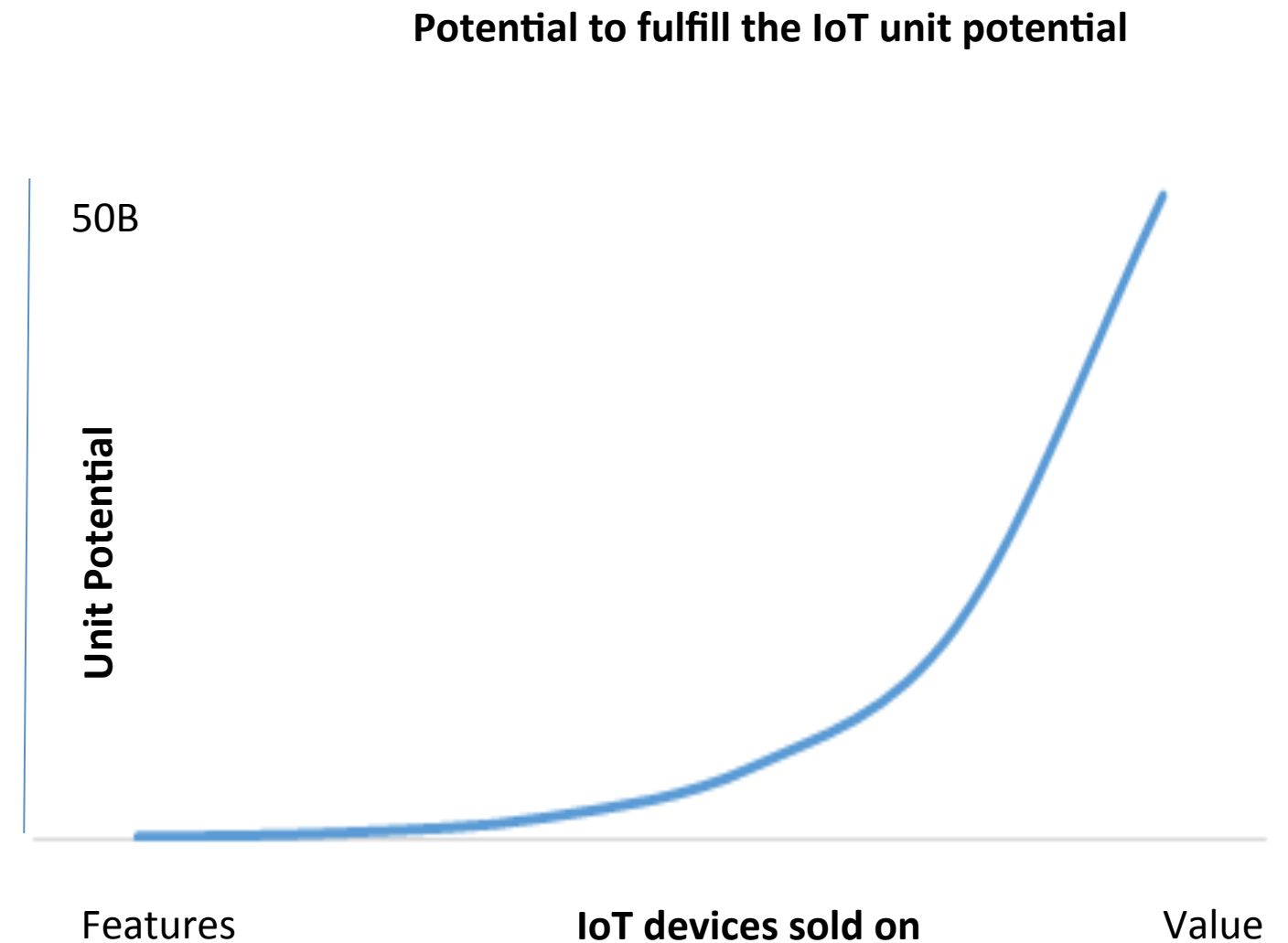
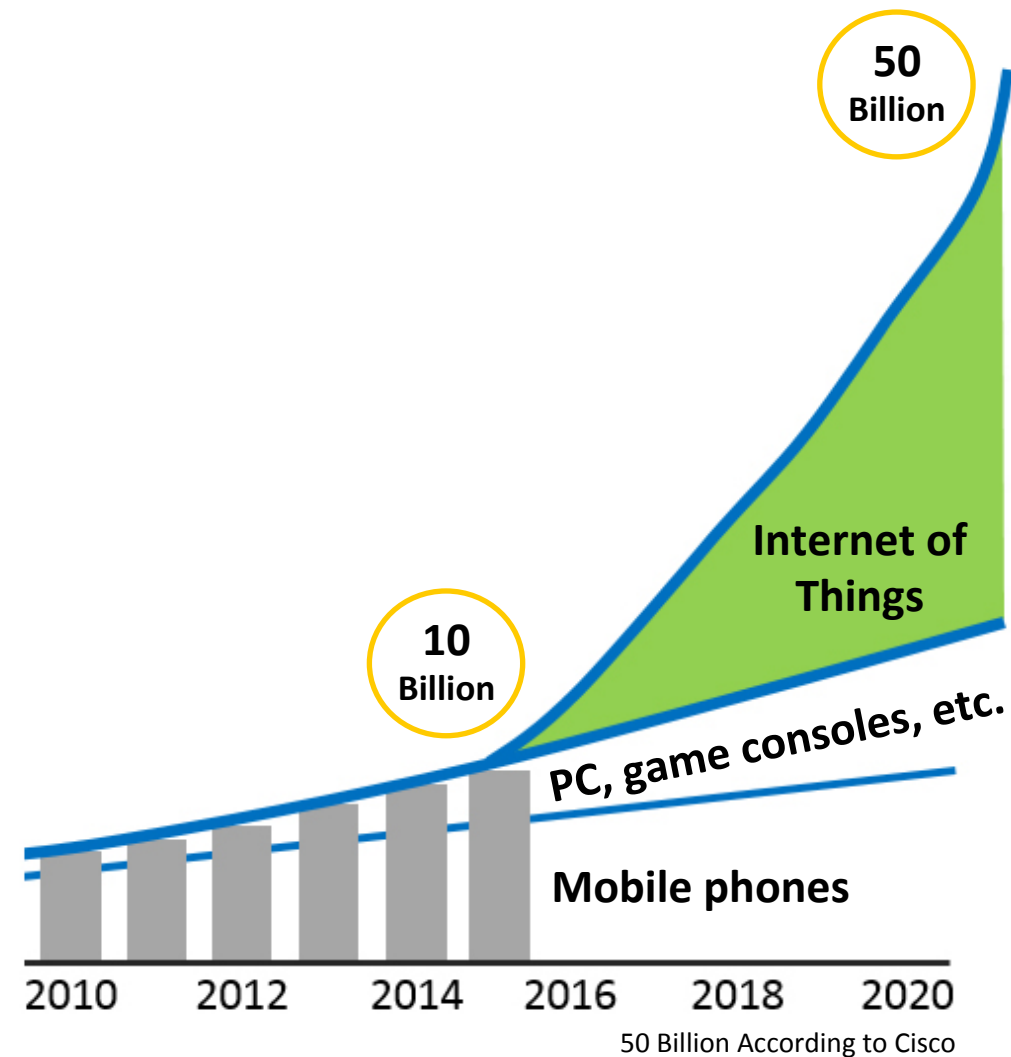
A simple day in your connected life – just a few years into the future



As an end user, am I going to want to pay an ongoing service charge for each and every one of these devices?



The total potential of the Internet of Things market is enormous . . .



. . . But the ability to realize this potential is dependent on delivering new value creation mechanisms now possible with connected devices



Every industry will be impacted by the Internet of Things...



Home

Products: Automation, security, consumer electronics, toys



Transportation/Supply chain

Products: Tracking, fleet mgmt inventory



Environmental

Products: Resource mgmt/smart grids



Automotive

Products: Insurance, car sharing, maintenance



Healthcare/fitness

Products: Non-critical patient care/elder care/quantified self



Retail/Marketing

Products: Data, inventory mgmt, promotional



Buildings

Products: Energy and resource mgmt/security/sensor



Agriculture

Products: Resource management and automation



Mining/Minerals/Oil & Gas

Products: Machine monitoring/Safety/Environmental



Manufacturing/Industrial

Products: Machine monitoring, process control, service plans



... And there are *many* mechanisms for new value creation in every IoT application

Enhance product differentiation	Deepen customer engagement	Enable new revenue sources	New Business Models / Reduce Costs	Leverage New Partnerships	Mine Data Value
<i>New “Connected” features</i> <ul style="list-style-type: none">▪ Remote control and monitoring▪ Seamless automated experiences▪ Geo-fencing▪ Weather reports▪ Energy Management▪ “Smart” behaviors.	<i>Direct customer facing applications</i> <ul style="list-style-type: none">▪ Frequent daily brand interactions▪ New direct 2 way communication platform▪ User customized experiences▪ 100% customer registrations	<i>Direct to consumer ecommerce platform</i> <ul style="list-style-type: none">▪ Cross sell accessories▪ Auto replenish consumables▪ Upsell to other products and services▪ Auto-provision upgrades and new features▪ Drive customer capacity upgrades	<i>Supply chain, support, service</i> <ul style="list-style-type: none">▪ Configure / add features at time of shipment or upon user setup▪ Field service auto diagnostics▪ Predictive maintenance▪ Product reliability tracking / continuous design improvement▪ Service partner integration	<i>Integrate partners into solutions</i> <ul style="list-style-type: none">▪ Integrate partners with applications software and web services▪ Cross promote partners products and services	<i>Capture high value insights</i> <ul style="list-style-type: none">▪ Detailed user behavior tracking▪ Dynamic “A-B test” features, functions, upgrade pricing▪ Spot usage anomalies▪ Ask for user feedback in context of use▪ Add data value layers – food content, regional popularity, etc.



But maximum value will likely come from the newly enabled ecosystems

Device Manufacturers

- New revenue streams
- Reduced maintenance costs
- Improved customer insight
- Brand fidelity
- Higher value perception by customer
- Data driven decision making

Leverage Effect of Having a Community of Devices

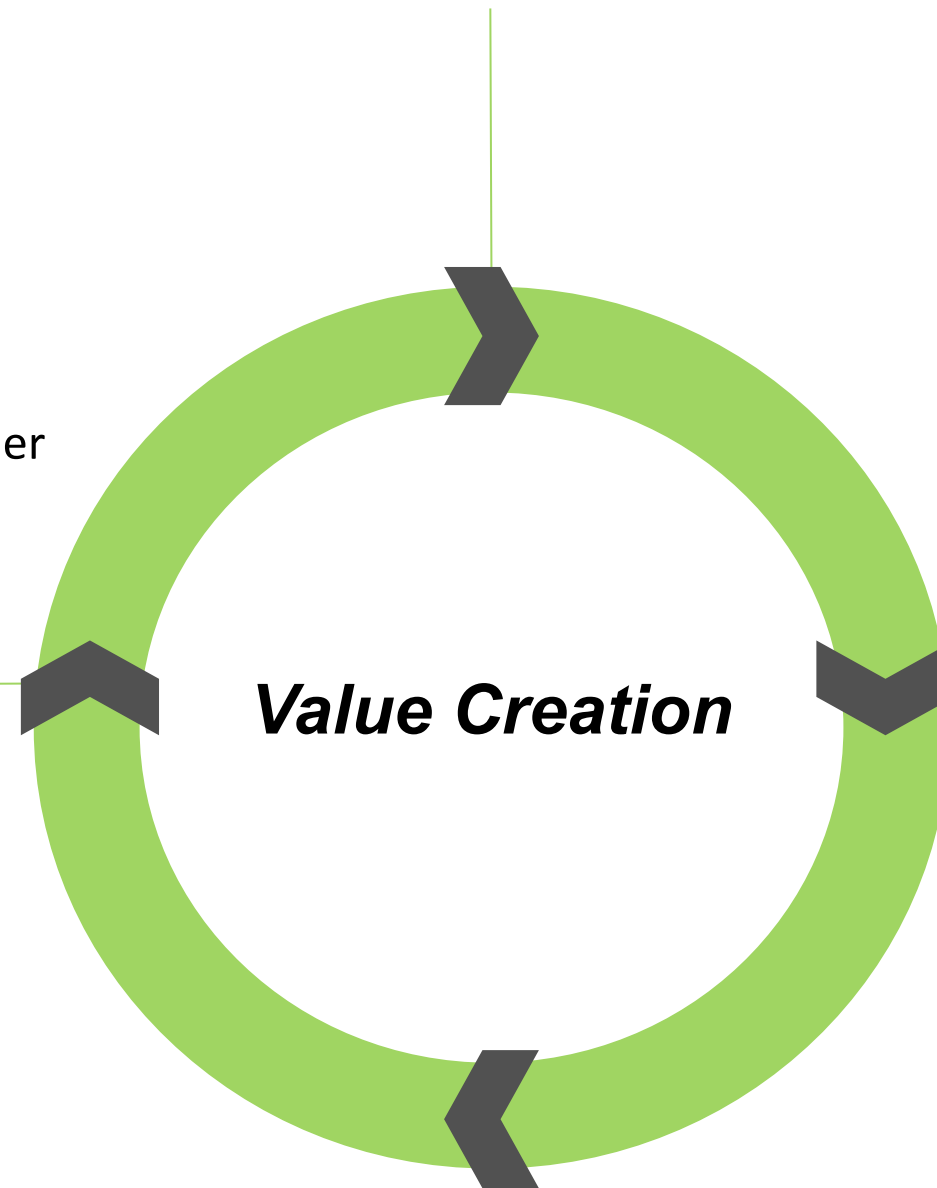
- Ability to have logical relationships and coordination of related devices
- Inclusion of M2M devices, not just cell phones
- Big data drives automated intelligence
- Not bound by the 'home' or the 'office'

Direct Channel Partners

- Partners that fulfill 'intent to buy' indications
 - hiku is partnering with Auchan (France) and Waitrose (UK)
- Web services partners

Secondary Channel Partners

- Partners that find additional value from data
 - State Farm Plug and Play IoT Accelerator Partnership
 - Maintenance/service contracts
 - Targeted advertising or direct offering based on customer profile



And the biggest payoffs often comes from new partners ecosystems leverage



hiku *

Recently announced partnerships with Auchan in France and Waitrose in the U.K.

For hiku:

- New business centered around the IoT
- Simple elegant design
- What great product companies do
- Barcode scanning and voice recognition

For Direct Service Providers:

- Back-end opportunities
- Seamless - consumers will not have to pay services fees
- Increased customer service opportunities (two way communication)
- Fulfillment and resupply

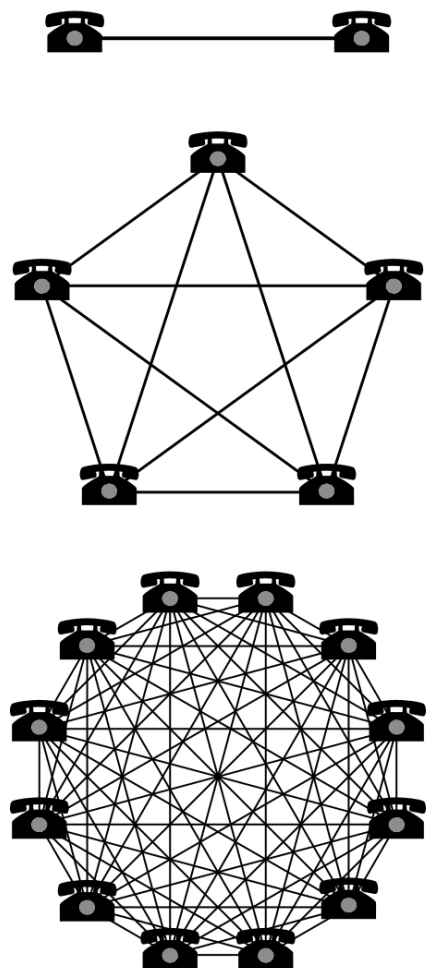
For Third Party Companies:

- Ability to monetize data by leveraging consumer purchase intent for targeted marketing

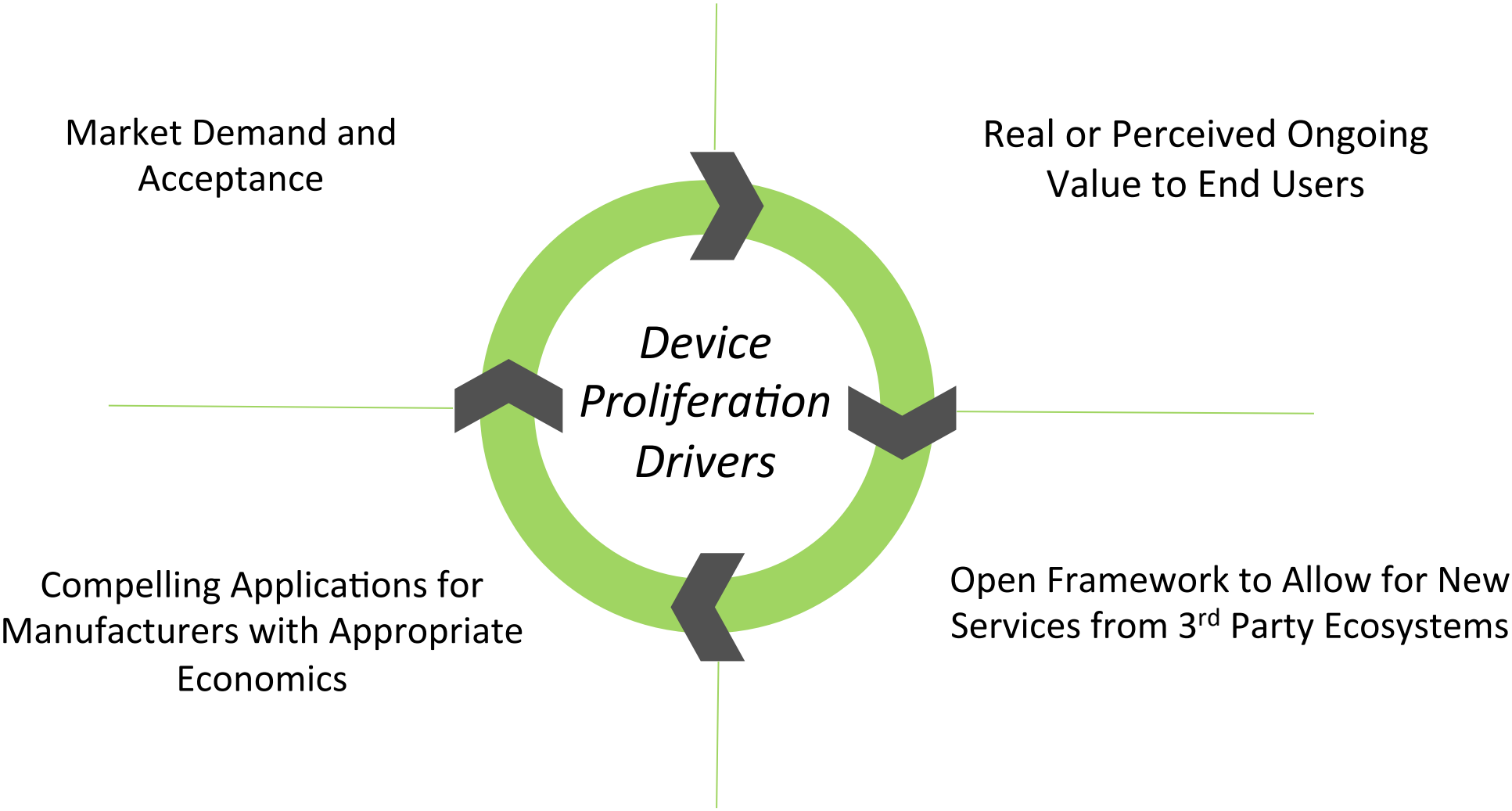
** Use cases are for illustrative purposes only and are not necessarily representative of hiku's business model*



IoT Communities of Devices and Metcalf's Law



The value of a communications network is directly proportional to the square of the number of users or nodes

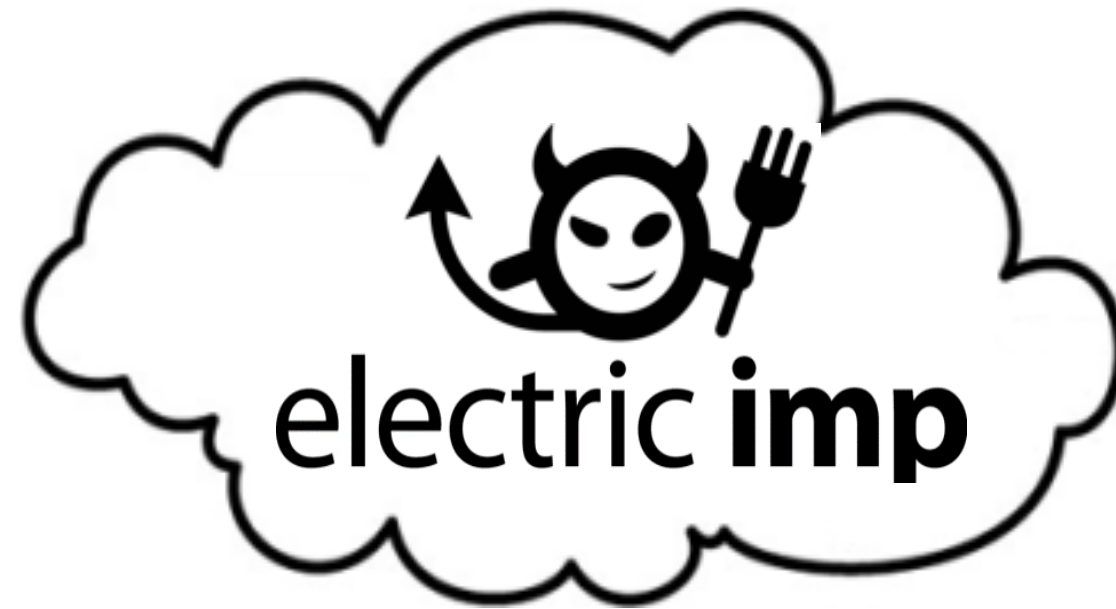


Conclusions

- Massive new value creation opportunities
- Real traction is only going to happen with appropriate value creation for:
 - End users
 - Manufacturers
 - New ecosystem partners
- Connected device value creation must provide an incremental ROI
 - Consumer applications will be most successful with no ongoing cost to consumer end/user
 - Commercial/Industrial applications will be more dependent on ROI and/or ability to extract fees from ecosystem partner



Questions?



Bryan Kennedy
bryan@electricimp.com

www.electricimp.com



Property of Electric Imp, Inc.