



IoE in Action: Are You Ready?

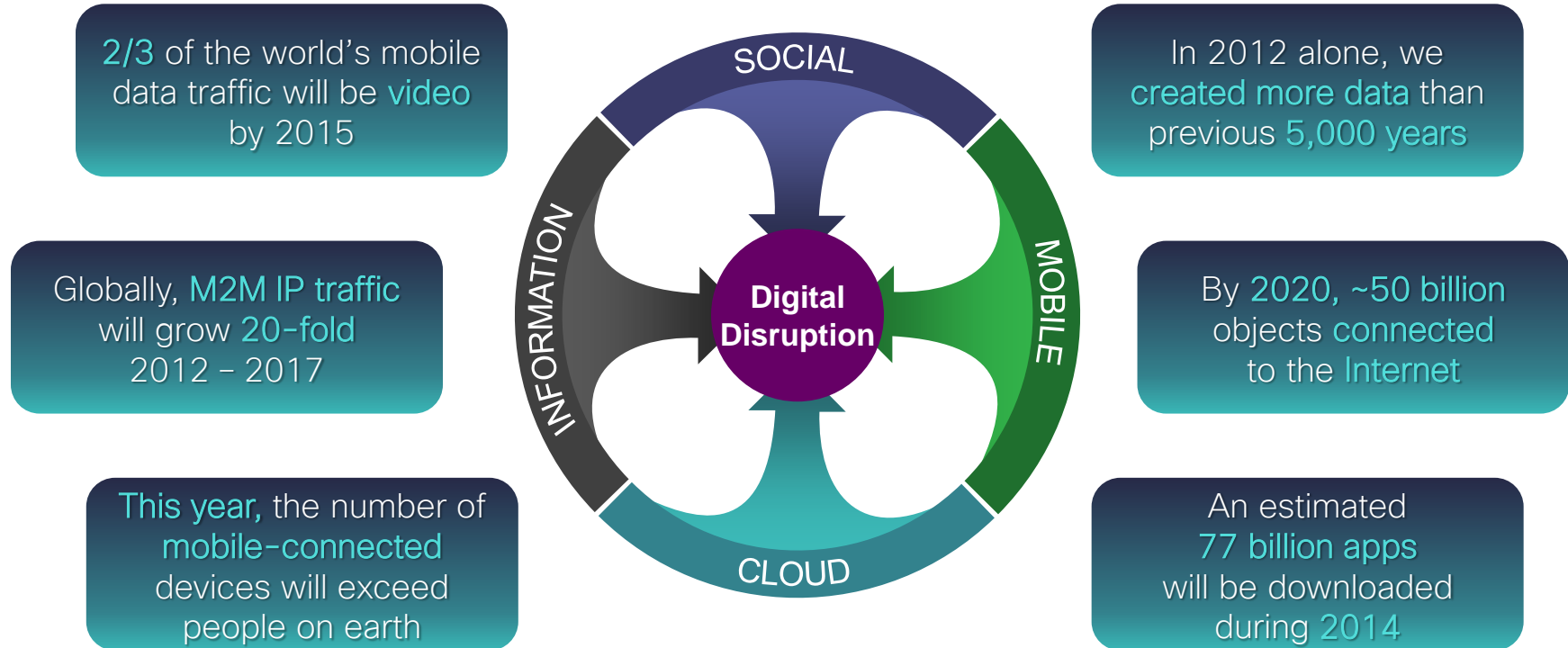
Joseph Bradley

Vice President, IoE Practice, Cisco Consulting Services

@JosephMBradley

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Convergence of Mobile, Social, Cloud, and Data Is Driving Digital Disruption



Top 10 Implications of Digital Disruption

Implications of Digital Disruption

Delicious Profits



10 Every company is a technology company

Implications of Digital Disruption



- 10 Every company is a technology company
- 9 Change isn't constant, it's instant

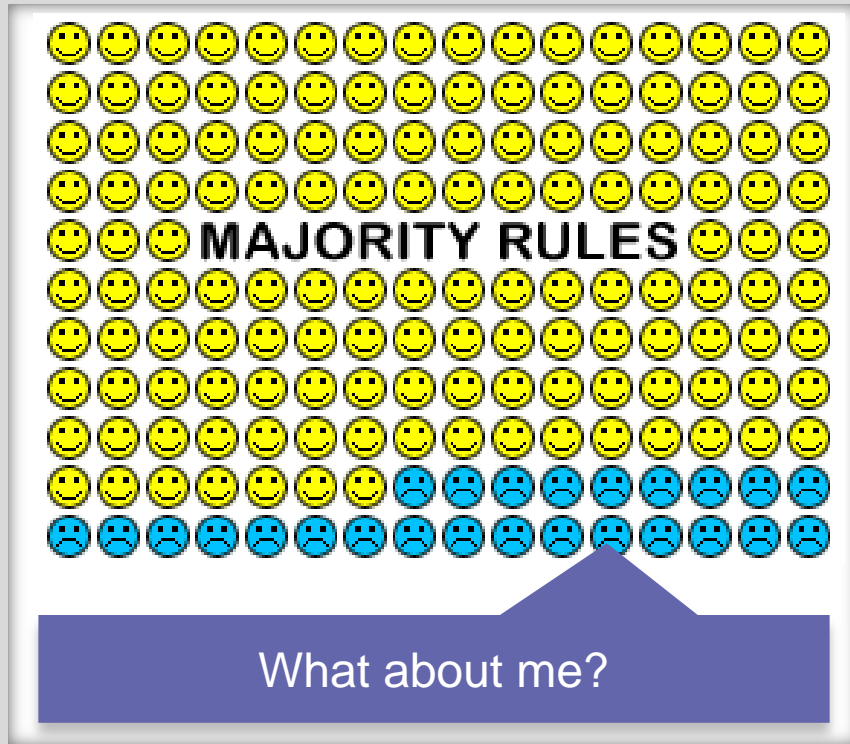
Implications of Digital Disruption

The Ultimate Platform Company?



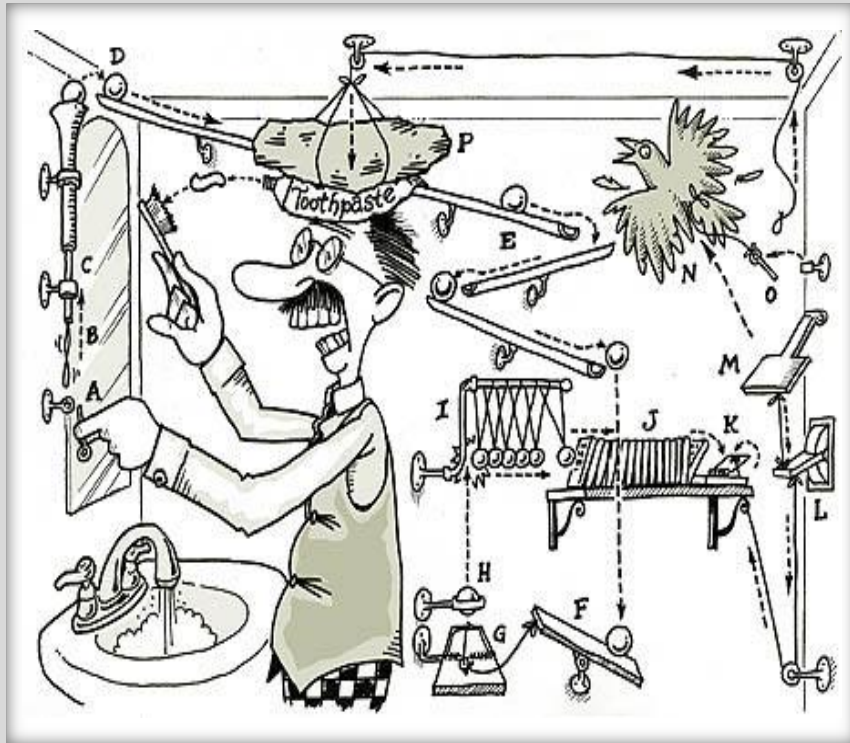
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Implications of Digital Disruption



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Implications of Digital Disruption



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Implications of Digital Disruption



\$19B

U B E R

\$18B



\$10B



\$5B



\$1B

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Implications of Digital Disruption

Don't be afraid to
change your stripes



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- 4 Fail fast and often to win
- 3 Data is everywhere, insights are scarce
- 2 Insight is the new currency
- 1 Context is king

Are You Ready?

Value Is Not in the Number of Things, But the Connections of People, Process, Data, and Things

People

Connecting people
in more relevant,
valuable ways

Data

Leveraging data
into more useful
information for
decision-making



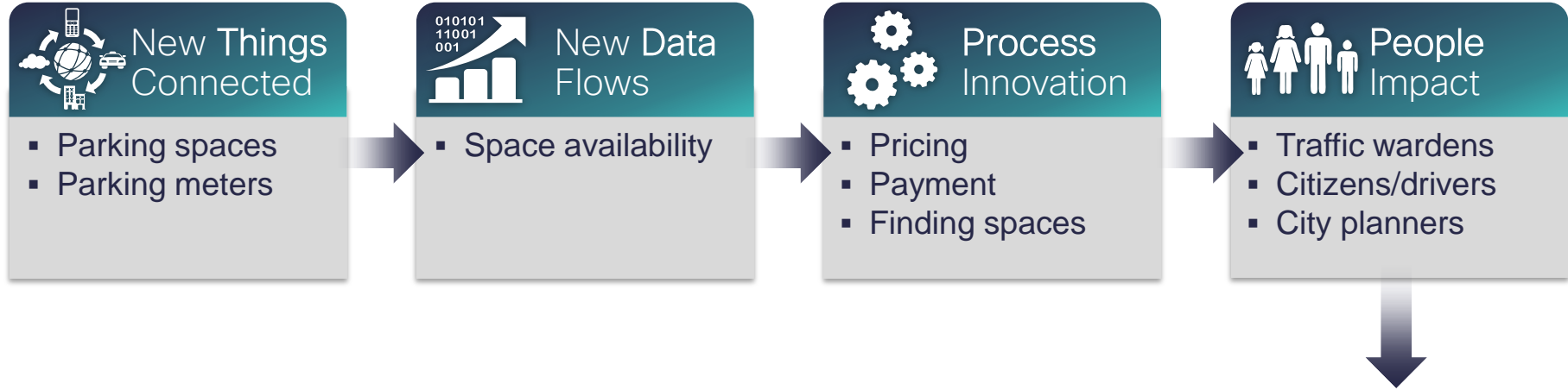
Process

Delivering the right
information to the right
person (or machine)
at the right time

Things

Physical devices and objects
connected to the Internet
and each other for intelligent
decision-making; often called
Internet of Things (IoT)

Nice City Increased Parking Revenue 40-60% without Raising Taxes



Value Impact



- Increase compliance by 30%
- Parking Revenue increase 40 – 60%
- City data sales
- Reduced congestion, time-to-park
- Dynamic pricing — revenue increase

IoE Drives \$19 Trillion In Value Over 10 Years



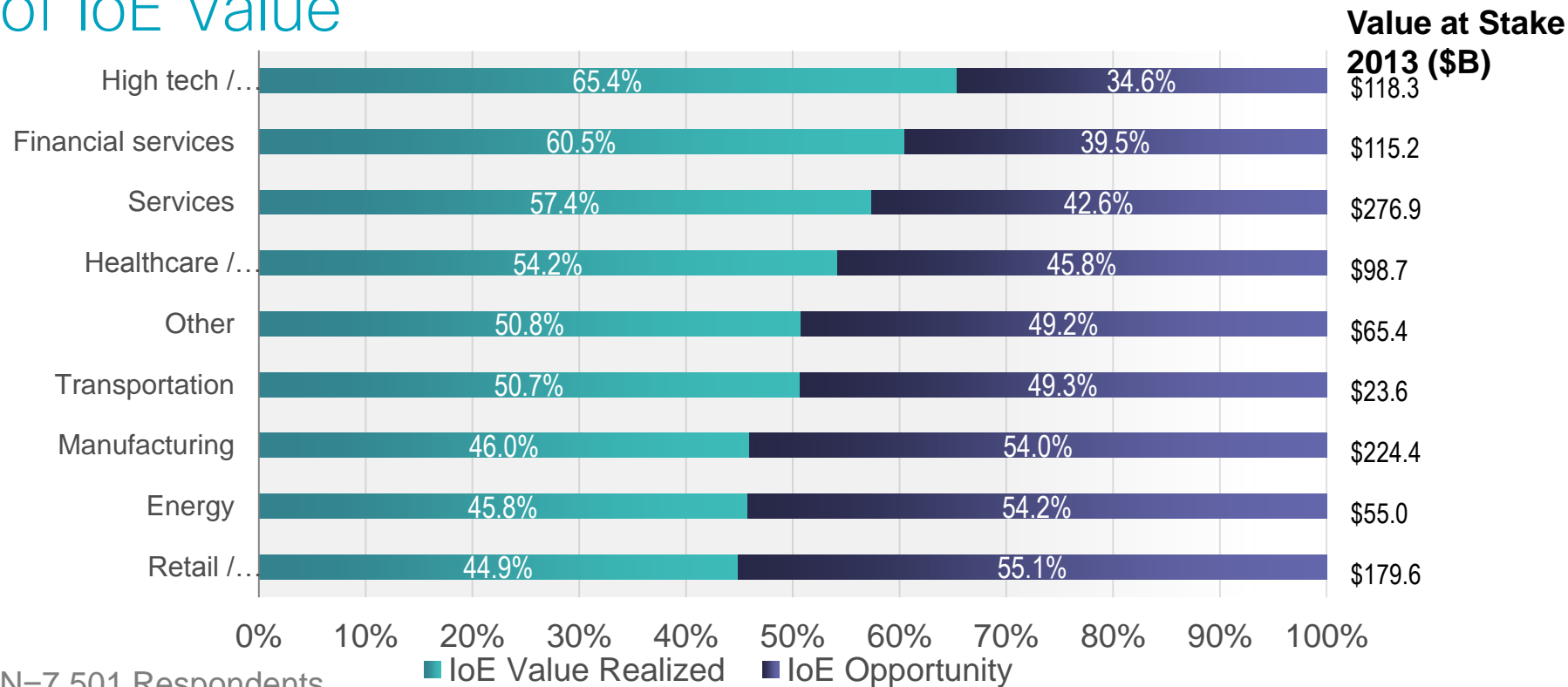
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IoE Is Already Here

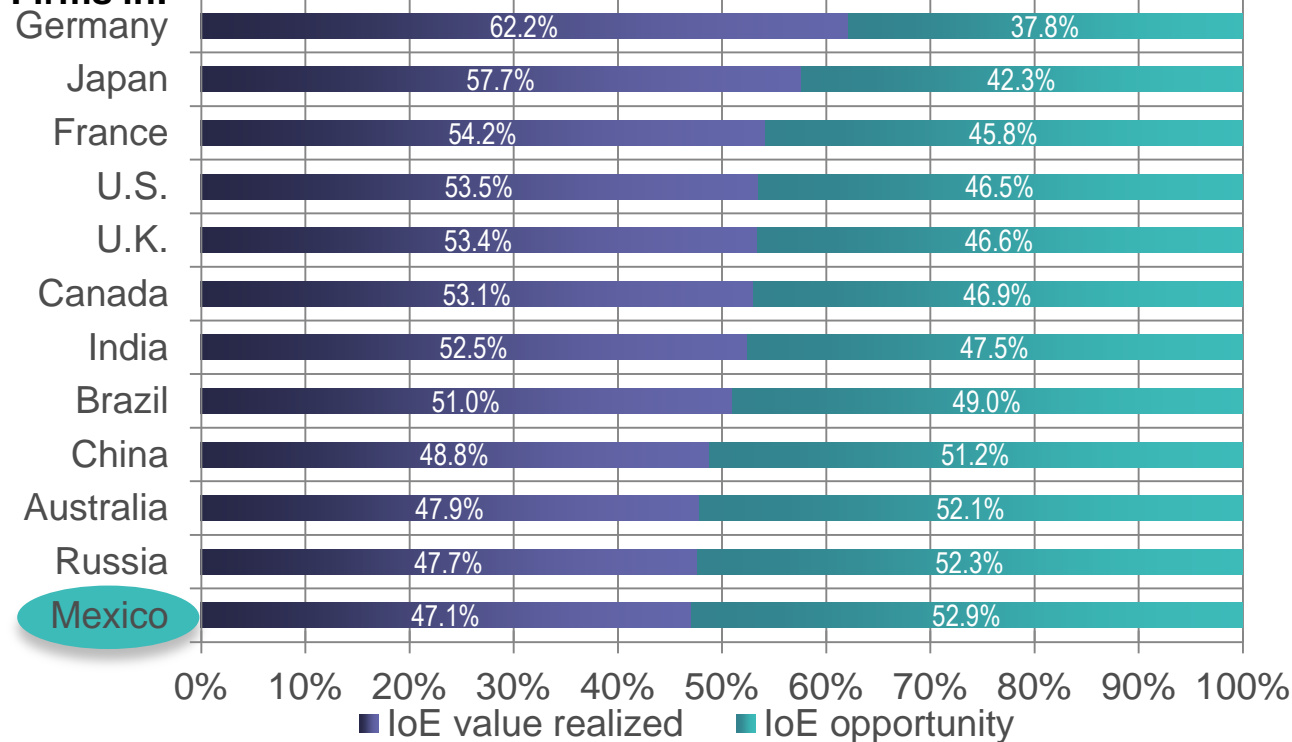


IT-Driven Industries Capturing Greatest Share of IoE Value



Mexico Has Greatest Opportunity To Benefit from IoE

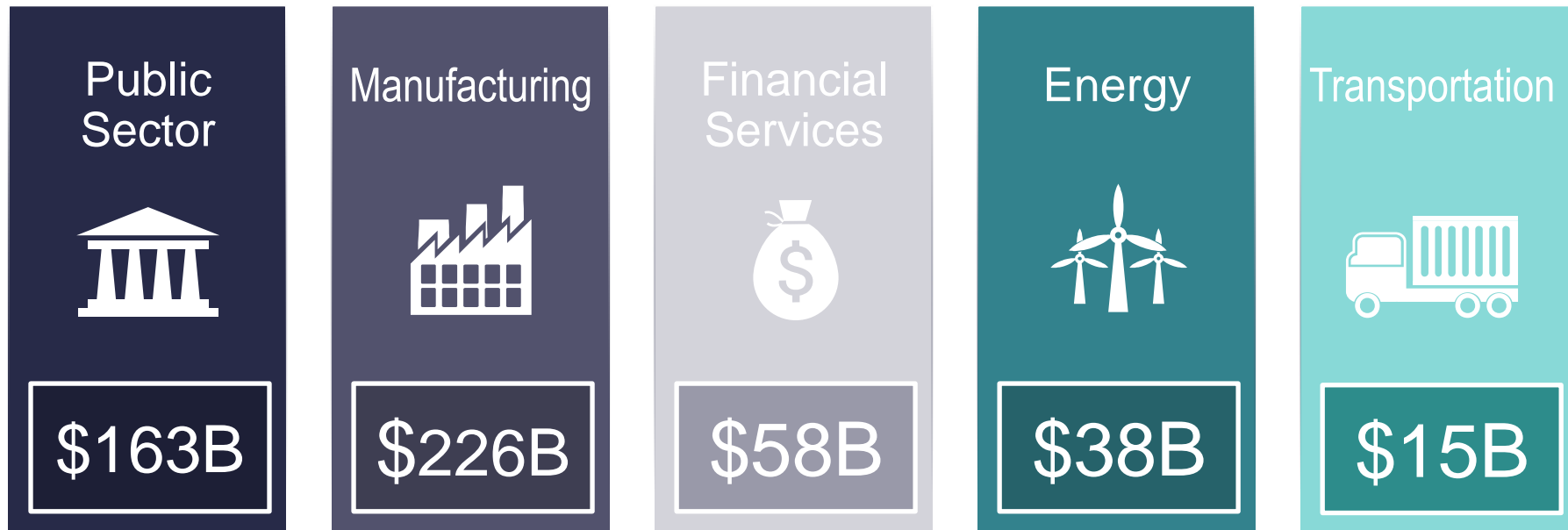
Firms in:



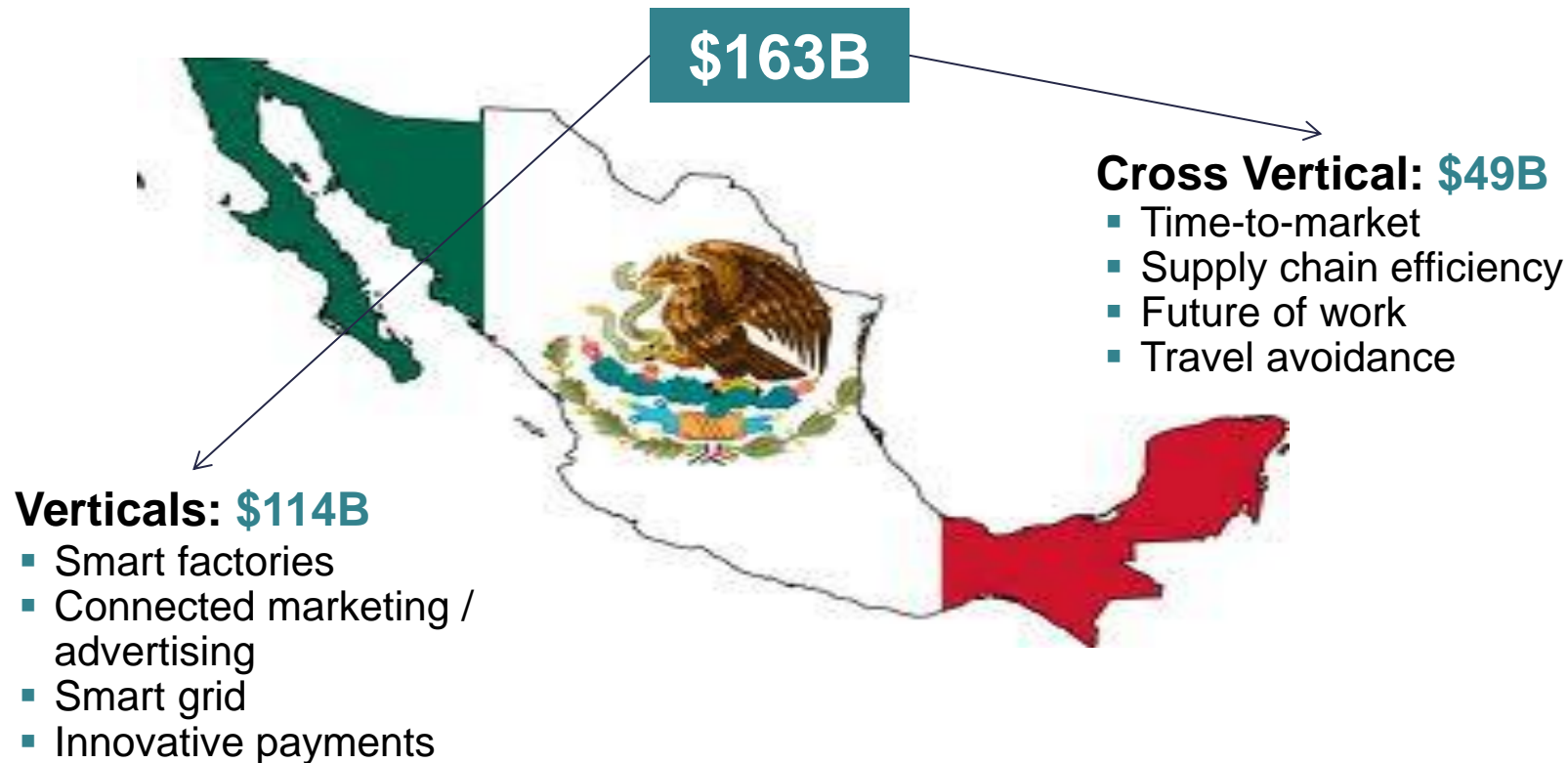
- At 47.1% of value realized, Mexico has the greatest opportunity to benefit from IoE
- Firms in Germany, Japan, and France have realized the most of their share for 2013 VAS
- High level of parity across companies in different geographies

IoE Value at Stake for Key Verticals in LATAM

Total IoE Market Value for LATAM - \$870B

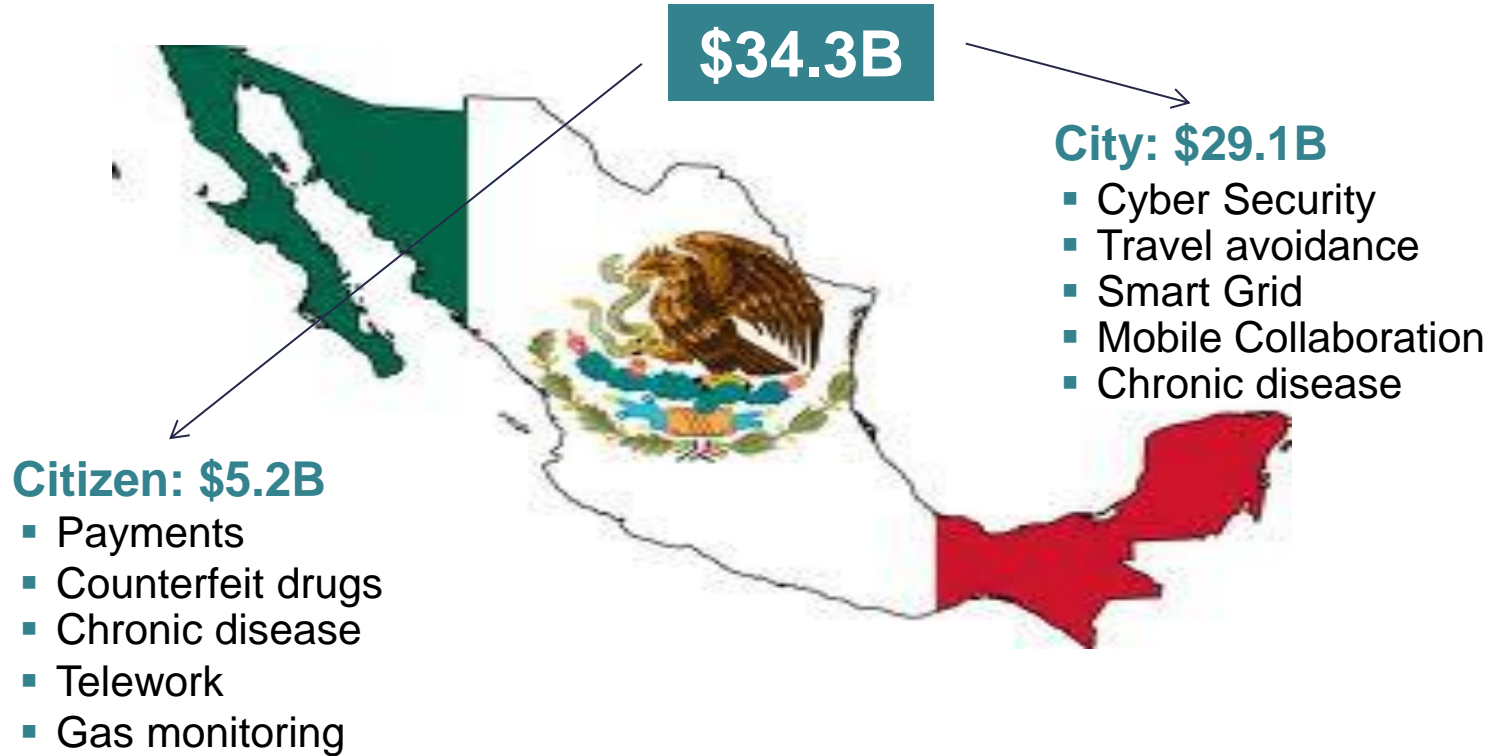


Private Sector in Mexico: Implementing IoE Could Generate \$163B of Value



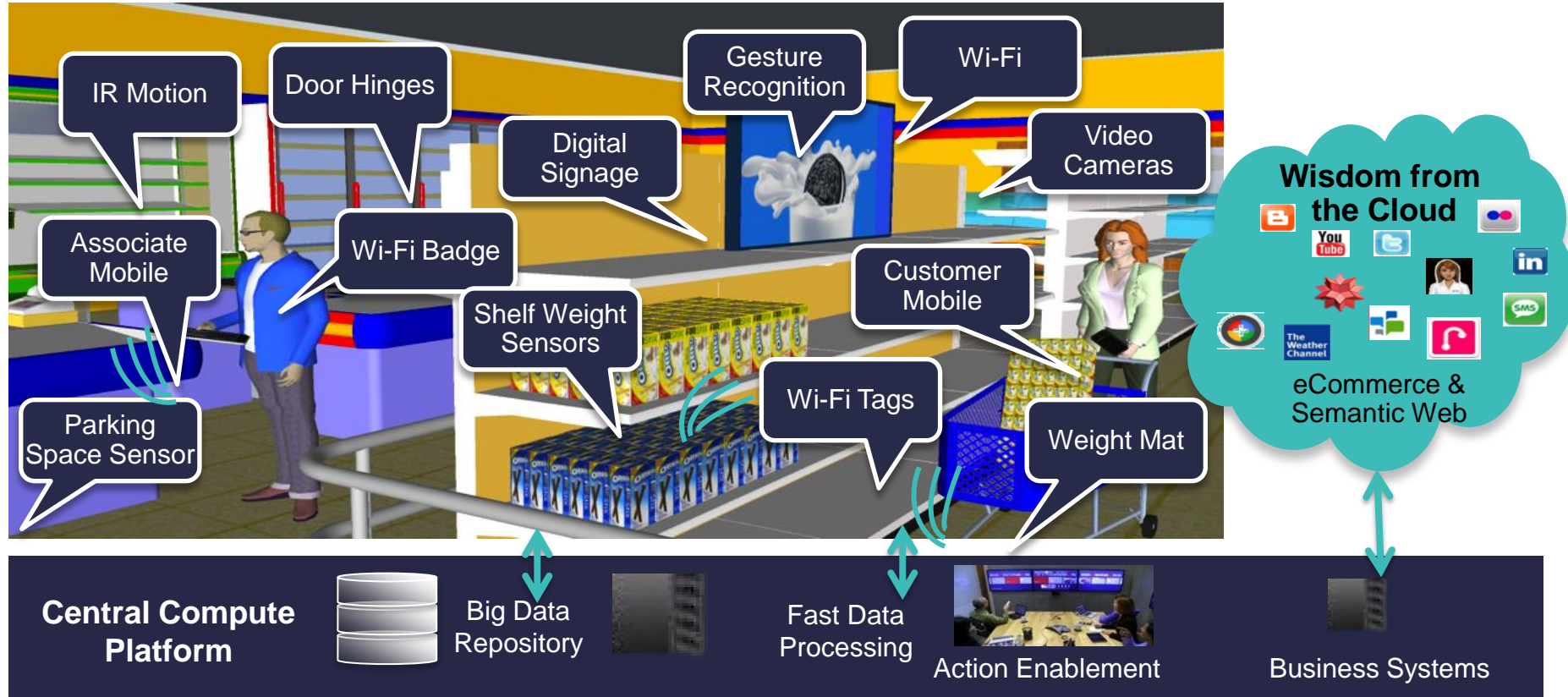
Public Sector in Mexico:

Implementing IoE Could Generate \$34.3B of Value

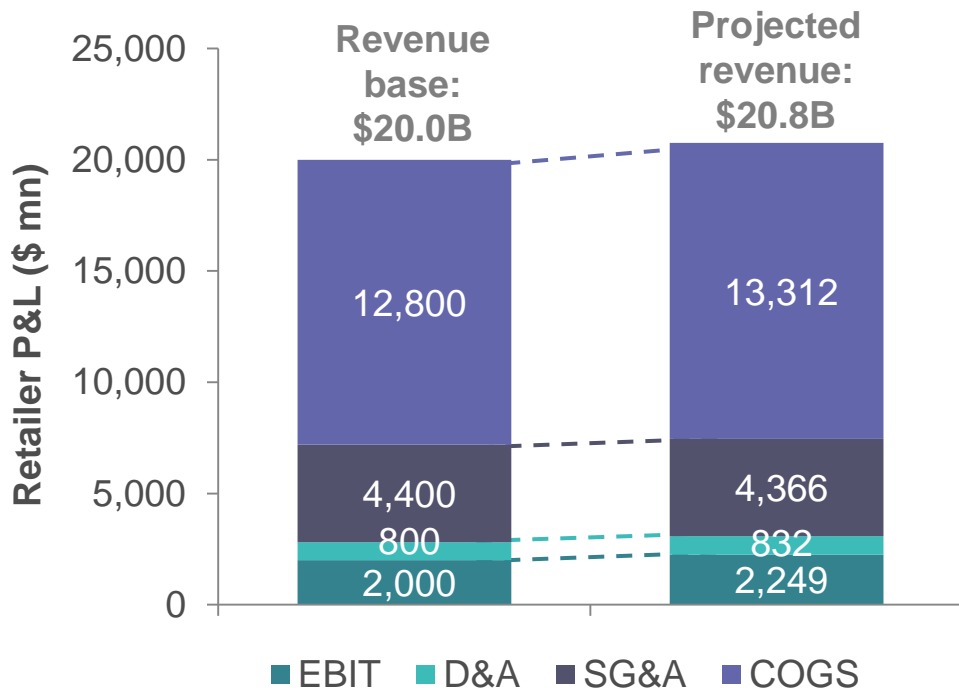


IoE in Manufacturing, Retail, and the Public Sector

IoE Is Here Today – The Connected Retailer



Retailer Value at Stake: 12% Higher Profits / 0.8 Percentage Point EBIT Margin Gain



Next-gen workers

\$182M contribution to EBIT driven by higher employee productivity and lower real estate rentals (telecommuting)

Innovative payments

\$28M contribution to EBIT due to lower merchant processing fees

Connected marketing and advertising

\$60M contribution to EBIT resulting from more targeted, location-based advertising

Reduced out-of-stocks

\$20M contribution to EBIT generated by reduced out-of-stock occurrences

Increase in IT costs

IT connectivity cost of \$41M to enable IoE

IoE Is Here Today – The Connected City



Smart Street Lighting: Each Opportunity Can Create Multiple Benefits Across Stakeholders



What role can SPs play in accelerating Smart Cities?

Barcelona: Smart City Creates \$3B in Value

Smart Lighting

Smart Buses

Smart Water

Smart Bus Stop

Smart Parking

Smart Waste

- Reduced costs, more revenues, better productivity and citizen experiences
- Created 47,000 jobs

Smart Water: \$58 million

Smart Parking: \$53 million

Smart Lighting: \$47 million

Smart Buildings: \$124 million

Connected Learning: \$170 million

Smart citizens

Revenue

Citizen Experiences

Jobs

Productivity

Cost Avoidance

Beyond Nice and Barcelona...

Korea



- **Objective:** Improve environment
- **Solution:** 13 Smart Work Centers
- **Impact:** 64 agencies / 71 public organizations increase productivity, save costs, improve job satisfaction

Amsterdam



- **Objective:** Economic development, investment, quality of life
- **Solution:** Smart grid, lighting, parking, work centers, Wi-Fi, buildings
- **Impact:** 9-14% energy savings; fewer electrical outages

Hamburg



- **Objective:** Improve infrastructure and quality of life
- **Solution:** Management systems for waterway, train, and road traffic
- **Impact:** Smarter decisions reduce traffic congestion

IoE Is Here Today – The Connected Manufacturer

Remote sensing of objects
and environment

Subscribe to my
status updates

Cameras deployed for
monitoring and security

7100kWh of
energy used today

Just plug me in! I am
online and ready for
configuration with the line.
Here is my configuration.

My yield will meet
today's production needs

Everything has a URL

Clean me next shift



Sensors



Actuators



Intelligent
Motor Control



Terminals



Audio



Video

IoE - Automation

The background of the slide is a close-up photograph of an industrial welding process. A welding torch is positioned vertically, and a bright, intense flame is visible at the point of contact with a metal surface. Sparks are being generated, creating a dynamic and high-contrast scene. The overall color palette is dominated by the warm tones of the fire and the metallic grays of the machinery.

Connected Factory Automation

- Faster diagnostics = **lower downtime**
- Flexible manufacturing = **higher revenue**
- Converging motion, safety, data, video and wireless = **higher productivity**

Increase **OEE** (equip. utilization) by 7-12%
(1% OEE = 3-4% profitability)

10-25x improvement in BTO (Build-to-Order)
cycle times (e.g 18 months → 2 weeks)

IoE – Wireless

Connected Factory Wireless

- Workforce enablement
 - 82% faster retrieval time
 - 80% faster decision making
- Wireless tools/assets → reduced cabling costs and set up time
- Continuous asset management

Reduce **cabling** and other costs for machines that move 95%

7% production **throughput** increase

IoE – Energy Management

The background of the slide is a photograph of an industrial facility, likely a steel mill. In the center, a large furnace or ladle is glowing with bright orange and yellow light, indicating molten metal. Thick white steam or smoke rises from the area. The surrounding environment is filled with complex machinery, pipes, and structural steel beams, all under industrial lighting.

Connected Factory Energy Management

- Reduce variable costs (Energy is the largest variable cost)
- Monitor machine level energy consumption
- Demand response – get alerted and take action to avoid peaks
- Optimize energy by matching machine energy utilization with activity (e.g. idle machines)

Avoid peak energy charges
(up to 10X base load cost)

Reduce energy consumption 10-20%

Keys to Success

Launching IoE



IoE Methodology

Real-time
Insights
and
Analytics

Rapid
Prototyping
and Real-
time
Results

Smart
Ideation
Know-
How

What We've Learned: Innovation, Apps, and Insights

To Capture More IoE Value, Companies Must:

1

Innovate outside
the four walls of
your organization

2

Apps are the
oxygen of the
business

3

Big Data is
nothing without
Big Judgment

1. Successful Companies Build Innovation Bridges

KICKSTARTER

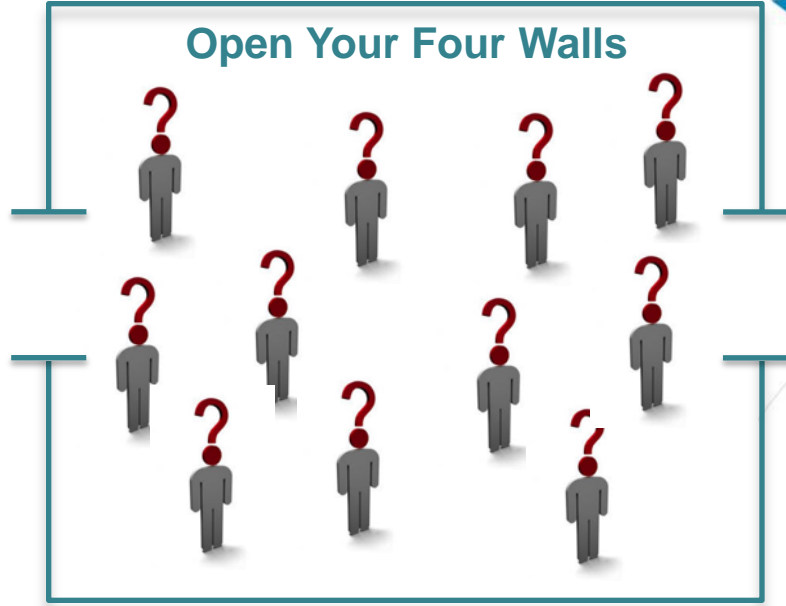


Cisco Entrepreneurs
in Residence



**Freelance Digital Personas
(34% of today's workforce)**

Open Your Four Walls



A Proven Process for Smart Innovation Ideation

1

Which connected capabilities?



2

Place features in product or cloud?



3

Pursue open or closed system?



4

Develop internally or outsource?



5

Data – capture, secure, analyze?



6

Manage ownership / access rights to data?



7

Impact channels /service networks?



8

Change business model?



9

Enter new businesses by



10

Expand company scope?



Source: Concepts adapted from Harvard Business Review, November 2014

2. Apps Are the Oxygen for Business

Mercado Libre Mobil App



- Search and buy where ever you are
- Available in Argentina, Brazil, Chile, Columbia, Costa Rica, Ecuador, Mexico, Panama, Peru, Portugal, Dominican Republic, Uruguay, and Venezuela

Mobile Apps in Mexico

WEBINAR

Accelerate your Mobile Delivery Series

Meet the Mexican Nearshore Mobile Experts

As many companies in the U.S. are moving toward the hugely opportunistic mobile market, they are finding that their old partnerships with traditional Offshore IT companies need to be re-aligned.

iTexico

Get in touch

- iTexico, one of several firms helping companies “go mobile”
- Provides resources, expertise, experience

3. Big Data Is Nothing Without Big Judgment

Big Data



+

IoE



=

**Insights to improve
business outcomes**



Trust Must Be Earned

What every business should tell consumers about their data collection?

- 1 Exactly **what** data is being collected
- 2 **How** the data collection technology works.
- 3 How the data is being **secured**
- 4 **Why** the data is being collected
- 5 How the data is being **analyzed and reported**
- 6 **Who** is seeing the data.
- 7 The **consumer benefits** of data collection
- 8 **It's opt-in**

Source: DataInformed, September, 2013

Expand Your Security Perimeter



1

Expand Security Perimeter

Protect against advanced malware and threats across all infrastructure and the entire security continuum; detect and quarantine cyberattacks



2

Improve Visibility

Through analytics, increase visibility around threats, users, behavior, and infrastructure



3

Respond Faster

Use identity- and context-based information and behavior to improve security response

Key Take Aways

1

We live and work in a world of digital disruption

2

IoE is here today...and it's changing customers' expectations and behaviors as it amounts to \$19.0T (LATAM \$870B)

3

The implications of digital disruption are impacting business

4

Organizations can capture significant value from IoE using a proven methodology

5

Three keys to success: 1) Innovate outside of the organization, 2) Apps are the oxygen of business, and 3) Big Data is nothing without big judgment

Imagine...



TWITTER

@JosephMBradley



SLIDE SHARE

JosephMBradley



EMAIL

josbradl@cisco.com



LINKEDIN

JosephMBradley

Thank you.

