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44790, S Gilmart Blvd.
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STOP WINCING ABOUT IOT AND GET MOVING

By Neil Strother, Principal Research Analyst, Navigant Research [NYSE:NCI]

The Internet of Things (IoT) keeps popping up on many a CIO's radar. Yet, many struggle with how to intelligently harness promising IoT technologies and platforms—it can be an elusive endeavor. Is this you?

You are not alone. A global SAP survey of 3,000 corporate executives conducted this year found that 3 percent of the respondents said their firms had completed company wide digital transformation projects, which can be interpreted as IoT deployments of one kind or another. The flip side is that the overwhelming majority (97 percent) have not done so. Nonetheless, more than half (55 percent) of the respondents said their companies are conducting pilot projects. Although they are on the IoT journey, they've just begun trying to figure it out.

CONFUSION RAMPANT?

One of the big hurdles is defining the IoT—and its cousin, the industrial IoT (IIoT). It helps to step away from the broad, ill-defined IoT concept. Navigant Research defines IIoT as the use of digital and Internet technologies and tools (e.g., hardware, software, cloud, and analytics) for the benefit of business processes. Many companies have latched onto the term superficially to ride the hypewave or out of fear of falling behind competitors. Doing so has helped create rampant confusion in the market, according to Stan Schneider, CEO of Real-Time Innovations (RTI). RTI is an IIoT connectivity platform solutions provider and an influential member of the Industrial Internet Consortium's (IIC) steering committee. Confusion also stems from the hundreds of vendors promoting a myriad of platforms and/or solutions.

The uncertainty dissipates by some measure when the focus narrows to IIoT. The idea is better defined, and there is traction for IIoT technologies among companies in diverse industrial sectors that are early adopters.

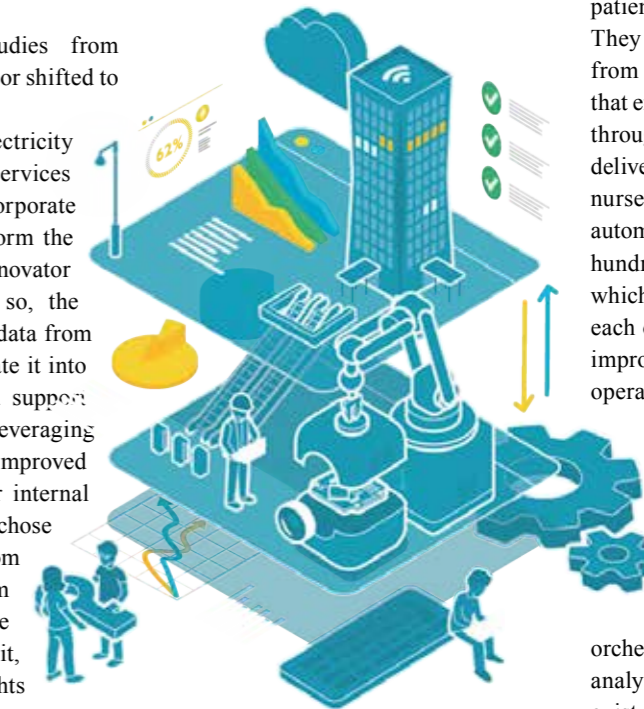


Neil Strother

CASE STUDIES TO THE RESCUE

Consider several case studies from companies that have adopted or shifted to IIoT solutions or platforms:

- **Alpiq** is a leading electricity provider and energy services company in Switzerland. Corporate executives decided to transform the company into a digital innovator and market leader. To do so, the company needed to connect data from across its silos and consolidate it into an IIoT platform that could support smarter applications leveraging artificial intelligence for improved grid management, and other internal processes. The executives chose a cloud-based platform from DigitalRoute. This platform mines data from disparate assets in real time, analyzes it, and provides actionable insights for operational efficiency gains. Specific results have not been made public, but the company expects to generate increased margins, deploy new services and business models, and lower total operational costs.



executives needed to solve was how to help customers streamline their supply chains and better control inventory. The solution was for UPS to expand into 3D printing itself, building customers' parts on demand. Working with partners SAP, for supply management software, and Fast Radius, a provider of on-demand manufacturing platforms, UPS set up a 3D printing facility near one of its hubs in Louisville, Kentucky. UPS can now replenish stock for a customer in as little as 24 hours. It delivers on an as-needed basis across the United States, which simplifies the supply chain and avoids inventory buildup. The result for UPS is an expanded business model and new revenue streams.

- **United Parcel Service (UPS)**, the global shipping and delivery giant, has transformed into a manufacturer in part by setting up a 3D printing plant for its customers. The problem that company

patients and increase staff efficiency. They chose a cloud-based mobile platform from HPE subsidiary Aruba Networks that enables improved tracking of patients through sensors. The system also quickly delivers critical patient information to nurses or staff using mobile devices and automates the loading or changing of hundreds of medication infusion pumps, which lessens the need to physically touch each one. The result has been a dramatic improvement in productivity and lower operational costs.

These three case studies might not be viewed as amazing technological breakthroughs, but they do show how processes can be transformed to drive business benefits by leveraging IIoT platform solutions to orchestrate devices, data, systems, and analytics. Admittedly, stubborn barriers exist to hinder adoption, namely security concerns, interoperability challenges, initial added costs, and unclear outcomes. But IIoT is the future for enterprises and innovative businesses are overcoming the barriers—as the case studies prove.

HOW TO GET MOVING

To move your business in the IIoT direction, Navigant Research recommends these sensible steps or best practices:

- Name an IIoT champion or be one yourself
- Start small; focus on one problem to solve and avoid scope creep
- Clarify specific business outcomes or achievable targets
- Choose a vendor, or several, if warranted
- Fast-track a trial
- Deploy

Stop wincing at the mention of anything with those three letters (IoT) and get moving. Start with a simple IIoT project and build from there. [OR](#)

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