

THOUGHT LEADERSHIP

Making the Business Case to Create a Successful IoT Initiative



Industry analysts are predicting great things for IoT, with research from Statista predicting that the market will increase to \$8.9T in 2020, achieving a Compound Annual Growth Rate (CAGR) of 19.92%. These statistics are impressive, and show the growth in expectations for scale and ROI that IoT will deliver to businesses. This is compounded by statistics from Vodafone, which find that the number of IoT adopters around the world has more than doubled since 2013, clearly demonstrating that the business case for IoT deployments is gaining momentum.

However, a bleaker picture of the market is provided in the statistics from Cisco's IoT deployment survey, stating that 60% of IoT initiatives stall at the Proof of Concept (PoC) stage. A PoC is a crucial component of an IoT deployment as it provides the foundations for the fundamental design of the project, as well as the business goals it will address and how soon that deployment will provide a return on investment. It's also a fundamental factor in ensuring that the project can be rolled out fully beyond the pilot stage, so it's imperative that businesses carefully consider multiple factors at the PoC stage, to ensure the project does not prematurely stall.

Business Objectives

Whilst it's true that IoT can address multiple core business objectives, including enhanced business insight and efficiency, it is not a miracle technology that will provide business benefit in isolation – in order to derive true business value the wider challenges must be considered across all departments. When you consider the multiple opportunities that IoT presents for an organisation, it's clear why some organisations would be tempted to throw all resources at an IoT initiative straight away. However, when you consider the amount of assets and financial resource that is required for a successful PoC, let alone a full roll out, a business could quickly become overwhelmed.

Instead, businesses should take a step back and consider what the primary objectives are, and ensure they are realistic and can be appropriately resourced. Collaboration is the key to creating a well rounded business case for a successful IoT deployment. By gaining consensus for the project across all departments, from planning the initial PoC all the way through to data analysis and achieving wider corporate objectives, stakeholders across the business can buy into the project from day one, alleviating any potential negative cultural elements such as internal competition, envy and distrust between departments. Inter-departmental collaboration across the organisation combined with an appropriately planned and executed PoC will maximise confidence in the project from the start, and also ensure that the business does not experience the negative 'silo' effect of a deployment.

IoT Ecosystem

The level of expertise within an organisation is also a crucial factor in addition to culture and collaboration within a business. Prior to undertaking an IoT initiative, businesses must ascertain whether their internal personnel have the skill set to confidently undertake such a demanding project, or whether seeking the advice and expertise from external partners is required. The Cisco research is clear in the fact that organisations that utilise ecosystem partnerships realise the most successful IoT initiatives, but again this is only true if the providers can also collaborate and work together in a coordinated approach.

Making the Business Case

One significant point to consider when making the business case for IoT is to look beyond the PoC phase and consider what happens thereafter. This is especially important when discussing the financial aspect of the project – for the project to stand a chance of success and kick-start positive change, all stakeholders must be on board from day one and must be prepared to fund the project beyond PoC, with a set budget and timescales in place, otherwise it will never move beyond the pilot stage.



Furthermore, businesses must pinpoint the market challenges, identify the objectives that are to be achieved from the project and measure against these at the end of the PoC and throughout the project. By working towards specific goals – whether that be to identify new revenue opportunities, visibility of customer usage or realigning business processes – an organisation can generate tangible data results and in turn achieve the highest return from the IoT deployment. With parameters in place that can be analysed, the business case can be expanded further as the primary objectives can be measured against quantifiable IoT data. By encouraging regular communication of this data across each business department, this will keep the focus towards common goals and ensure each stakeholder has continued visibility of how the solution is impacting the business.

Project Optimisation

It's fair to say that even with business-wide collaboration from the beginning and consideration of multiple core business objectives, ongoing adjustments will still be required in order to keep the project on track. By optimising the processes and fine-tuning the technology, especially during the pilot phase, the project outcomes can be enhanced and major disruption can be averted – tenacity is key.

Conclusion

Whilst IoT is not a simple one-step deployment technology, there are several tangible benefits that can be realised early on, positively impacting an organisation's bottom line and processes. It is essential however that businesses do not underestimate the resources required for a successful IoT deployment. By implementing the key formula of full business-wide collaboration, partnering with market experts and identifying multiple core business outcomes that stakeholders agree on from the start, organisations can lay the foundations for a strong commercial case and a successful deployment of IoT initiatives.

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