



IoT in Action

#IoTinActionMS



Business Transformation in Action

Oliver Niedung
IoT Principal

Microsoft

IoT in Action



Here's what we're covering



IoT Trends



**4 steps of
Digital Transformation**

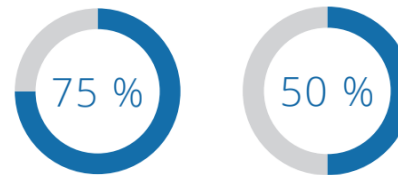
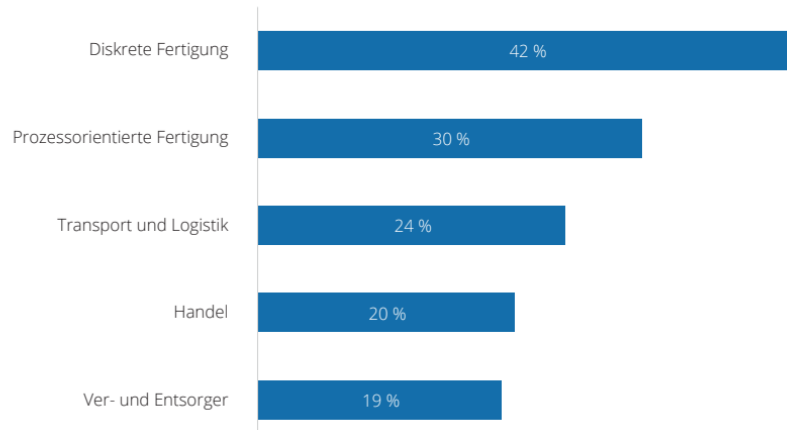


**Hear from
the expert**

Industrial IoT in Germany 2019

Das IoT bietet Unternehmen echten Businessnutzen, indem Daten, beispielsweise über Maschinen, Transportmittel oder Lagerbestände, erfasst und verarbeitet werden und dadurch Geschäftsprozesse verbessert und neue Geschäftsmodelle oder Produkt- und Serviceinnovationen ermöglicht werden.

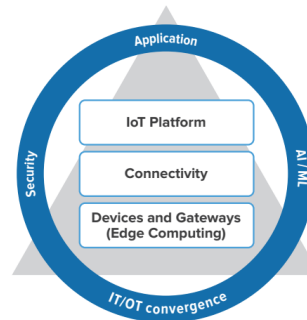
Abbildung 1: Anteil der Unternehmen mit umgesetzten IoT-Projekten in der deutschen Industrie nach Branchen



Fast 75 Prozent der befragten Unternehmen planen, ein (neues) IoT-Projekt in den kommenden 12 Monaten umzusetzen!

50 Prozent der befragten Unternehmen erkennen die Wichtigkeit von IoT an, wissen aber nicht, wie sie starten sollen.

Abbildung 2: Technologiebausteine für IoT-Umsetzungen



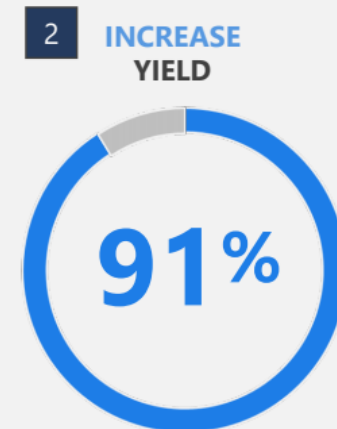
IoT Signals

SUMMARY OF RESEARCH LEARNINGS
2019

Top IoT Benefits



Improves overall efficiency	55%
Allows team to be more productive	42%
Saves time for team to focus efforts elsewhere	35%
Helps me be better informed and make better business decisions	33%
Enables new types of business models	26%

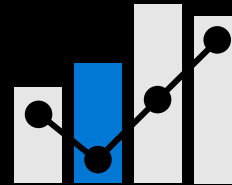
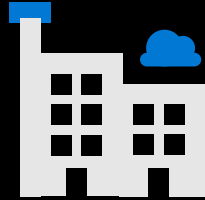
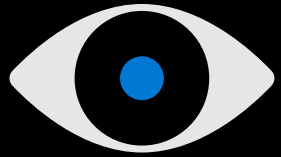


Increases production capacity	43%
Provides my business with cost savings	39%
Increases revenue	36%
Reduces business expenses	35%
Enables new types of customer offerings	27%
Enables new revenue streams	26%



Reduces chance for human error	45%
Increases customer satisfaction	44%
Increases company's competitive advantage	41%

4 steps of Digital Transformation



1. Business insights

Sensor proliferation

Data collection, transfer, storage and processing

New insights—
understanding product
and service more deeply

2. Operational efficiencies

Process engineering and
product engineering
improvements

Predict the future based on past
data patterns

Cost reduction

Predictive maintenance

3. New business models

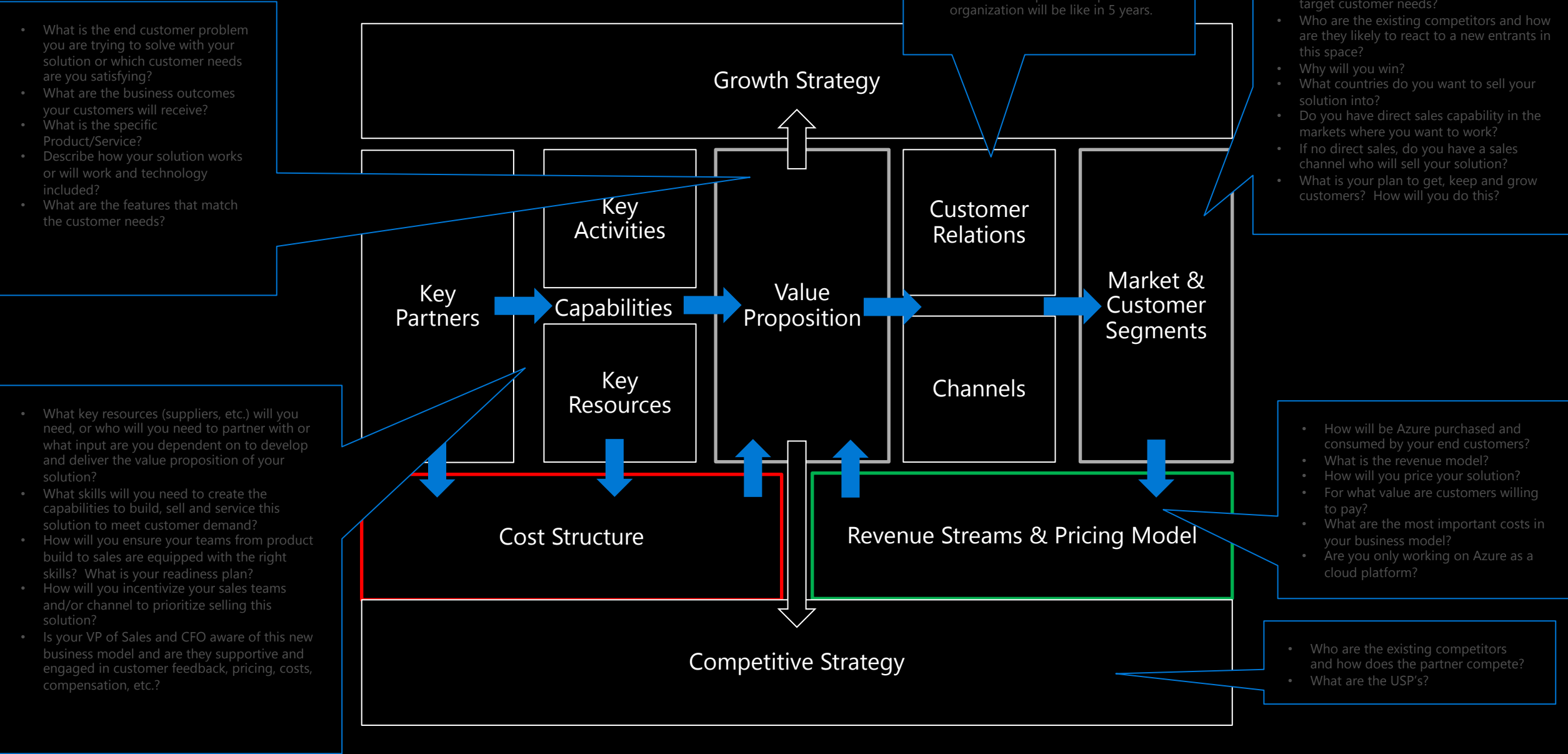
Provision of services
alongside devices
and hardware

Devices/hardware/machines
delivered "as a service"

4. Features and rev streams

Enablement of ancillary
businesses, new businesses and
transformed businesses

Creating a successful & co-sell ready solution



Please welcome



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Systematically building IoT business models and ecosystems



Dr. Tobias Adam

IoT in Action



LARGEST GLOBAL COMPANIES IN 2018 VS 2008:
SEVEN OUT OF TEN ARE NOW BASED ON PLATFORM
BUSINESS MODELS

2018

RANK	COMPANY	FOUNDED	US\$Bn
1.	 *	1976	890
2.	 *	1998	768
3.	 Microsoft *	1975	680
4.	 *	1994	592
5.	 *	2004	545
6.	 腾讯 *	1998	526
7.	BERKSHIRE HATHAWAY	1955	496
8.	 *	1999	488
9.		1886	380
10.	J.P.Morgan	1871	375

* Companies based on the platform model

2008

RANK	COMPANY	FOUNDED	US\$Bn
1.	 PetroChina	1999	728
2.	 EXXON	1870	492
3.		1892	358
4.	 中国移动 China Mobile	1997	344
5.	 ICBC	1984	336
6.	 GAZPROM	1989	332
7.	 Microsoft	1975	313
8.		1907	266
9.	 沙特阿美 S.A.R.A.M.	2000	257
10.	 AT&T	1885	238

Sources : Bloomberg, Google

IoT in numbers

- **\$1.7 trillion** – the forecast net worth of global IoT market in 2019. *(Statista)*
- **\$151 billion** – the projected global market worth of IoT in 2018 by IoT Analytics. This is 37% higher than the previous year. *(IoT Analytics)*
- **\$170 billion to \$560 billion** – The projected growth of the IoT market from 2017 to 2022. *(MarketsandMarkets Research)*
- **\$16.86 billion** – the worth of IoT management market in 2025. *(Grand View Research)*
- **\$15 trillion** – the total investment that companies would make in the IoT market by 2025. *(Gigabit Magazine)*
- **\$140 billion** – the expected global net worth of IoT Healthcare Market By 2024. *(Zion Market Research)*
- **\$4.8 billion** – the forecasted size of global IoT in Education Market in 2018. *(MarketsandMarkets Research)*

Source: <https://financesonline.com/iot-statistics/> (last accessed 18.09.2019)

“Digital transformation is not about technology: it is about strategy and new ways of thinking.”

David L. Rogers

Digital Transformation

Business Insights



Sensor proliferation

Data collection, transfer, storage and processing

New insights - understanding product and service more deeply



Operational Efficiencies



Process engineering and product engineering improvements

Cost reduction

Time to market reduction

Predictive maintenance



New Business Models



Provision of services alongside devices and hardware.

Devices / hardware / machines delivered "as a service".



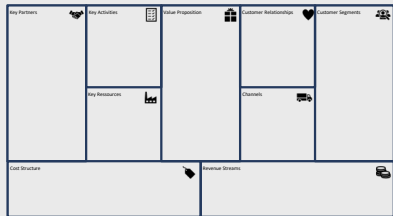
Features and Rev Streams



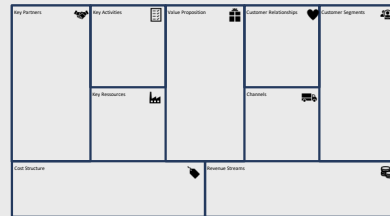
Enablement of ancillary businesses, new businesses and transformed businesses

Digital Transformation

Business Insights



Operational Efficiencies



New Business Models



Features and Rev Streams



Not every technological platform
is a platform business.

Digital Transformation

Business Insights



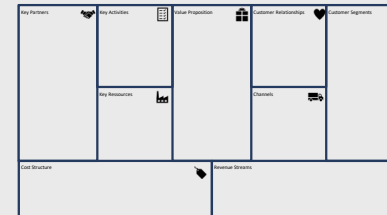
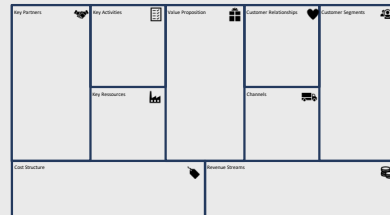
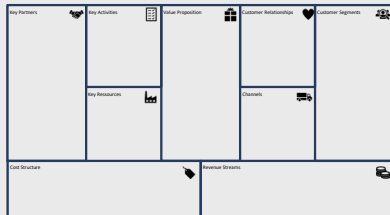
Operational Efficiencies



New Business Models



Features and Rev Streams



Digital Transformation

Business Insights



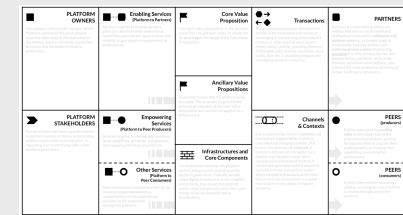
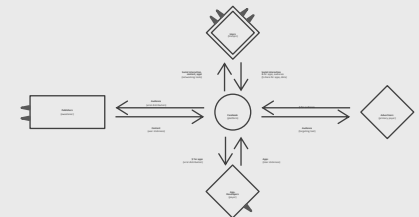
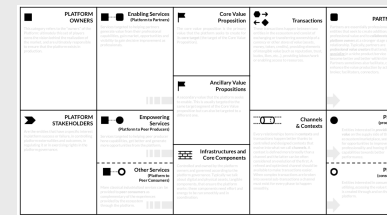
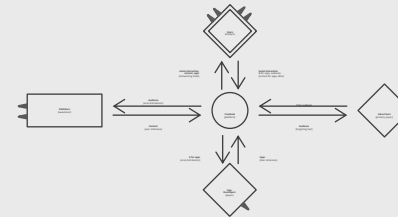
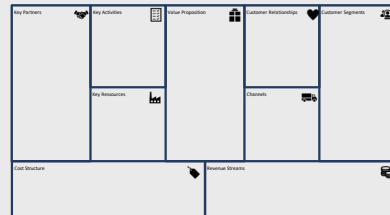
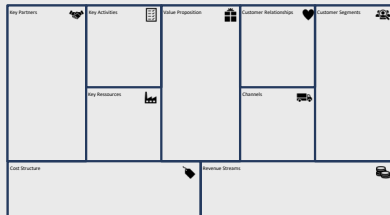
Operational Efficiencies



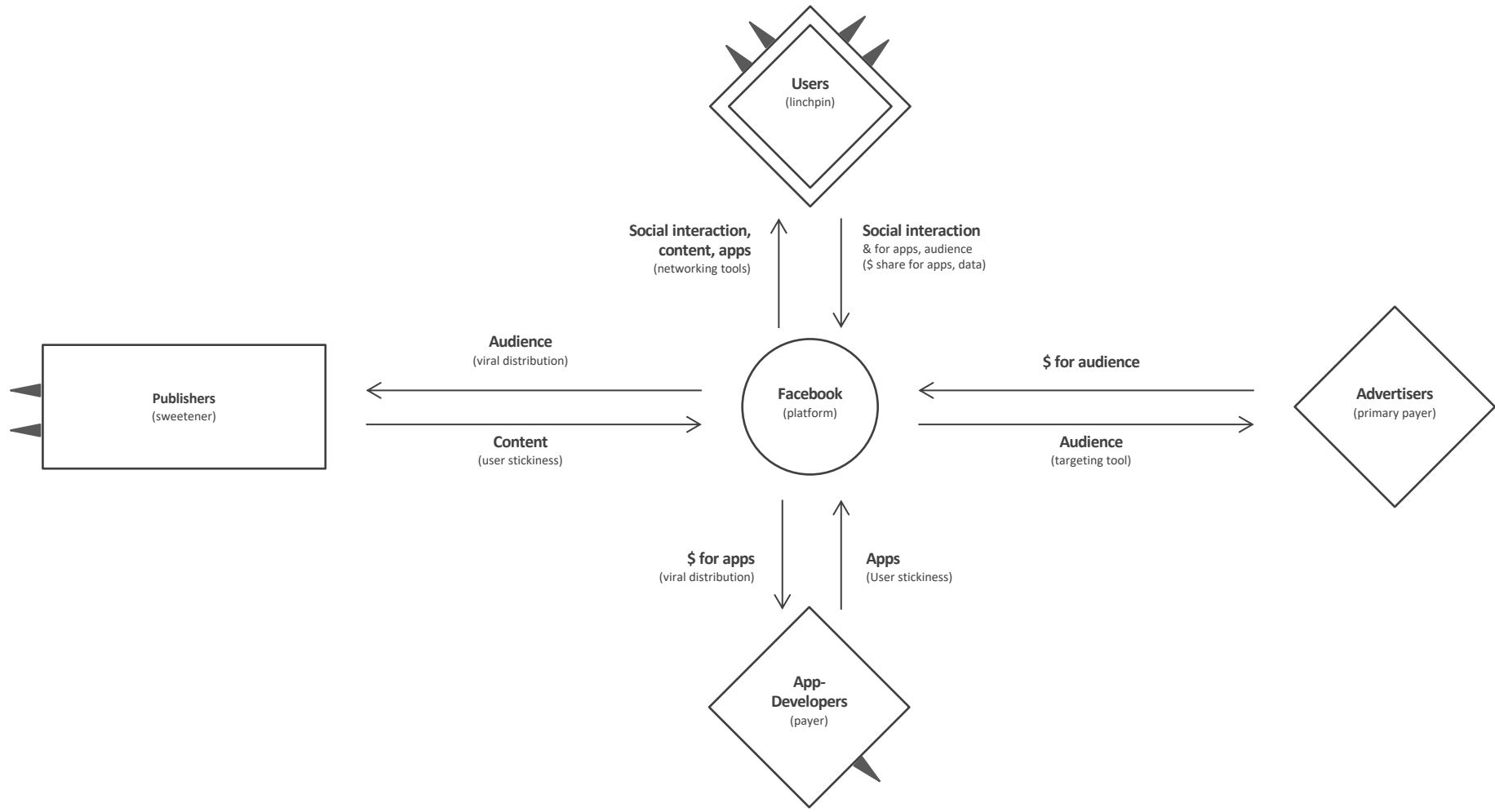
New Business Models



Features and Rev Streams

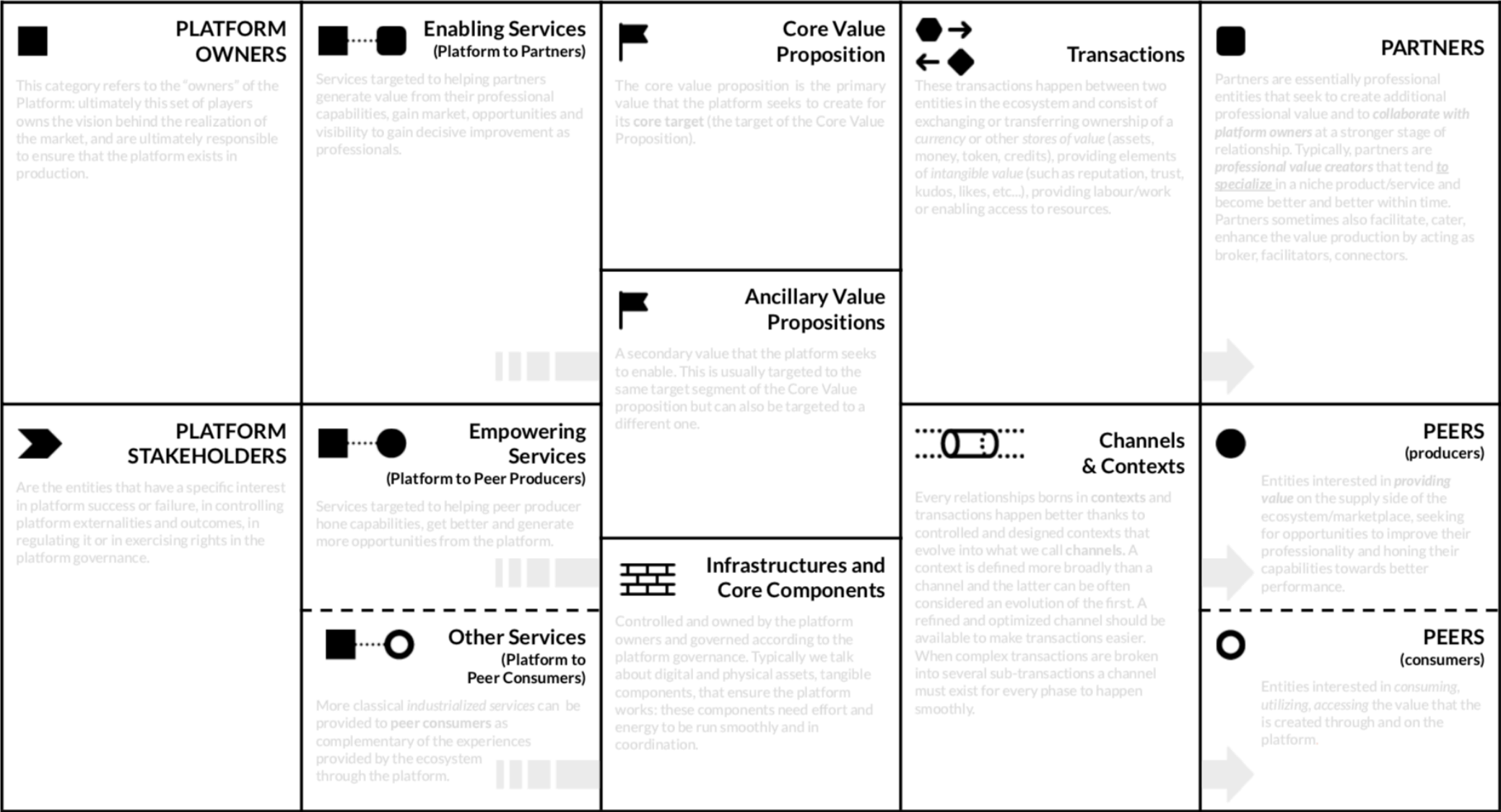


Platform Business Model Map – Facebook



Platform business: Generating value
primarily by enabling direct
interactions between different
entities and/or participant groups.

Platform Design Canvas



What you need

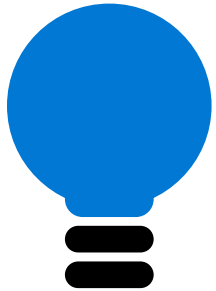


**Task and
content
specific tools**

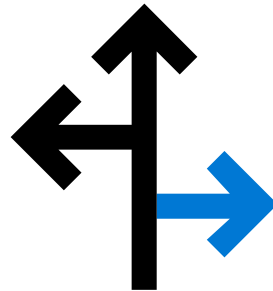


**A structured
process**

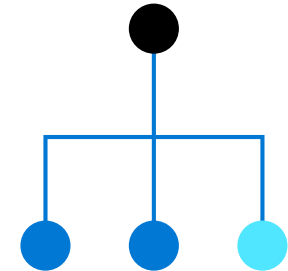
Recommended Toolboxes



Systematic Innovation

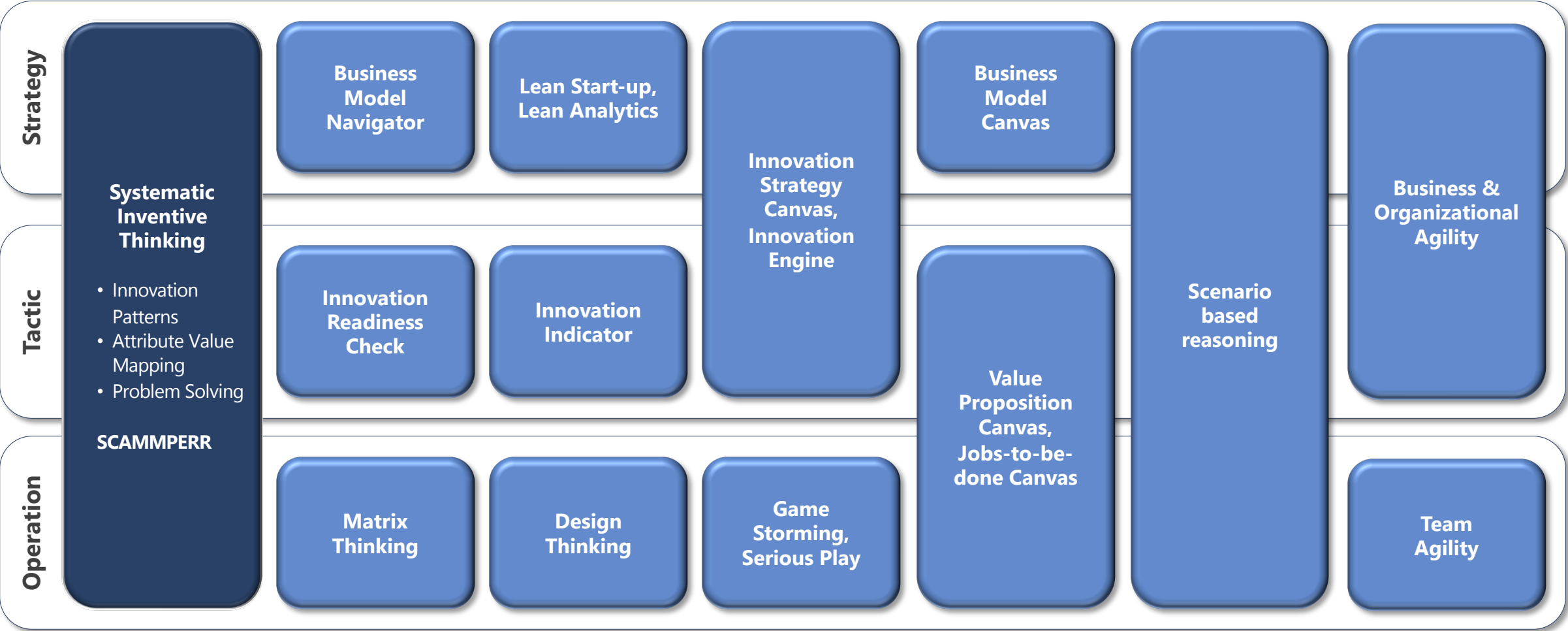


Playbook for Digital
Transformation

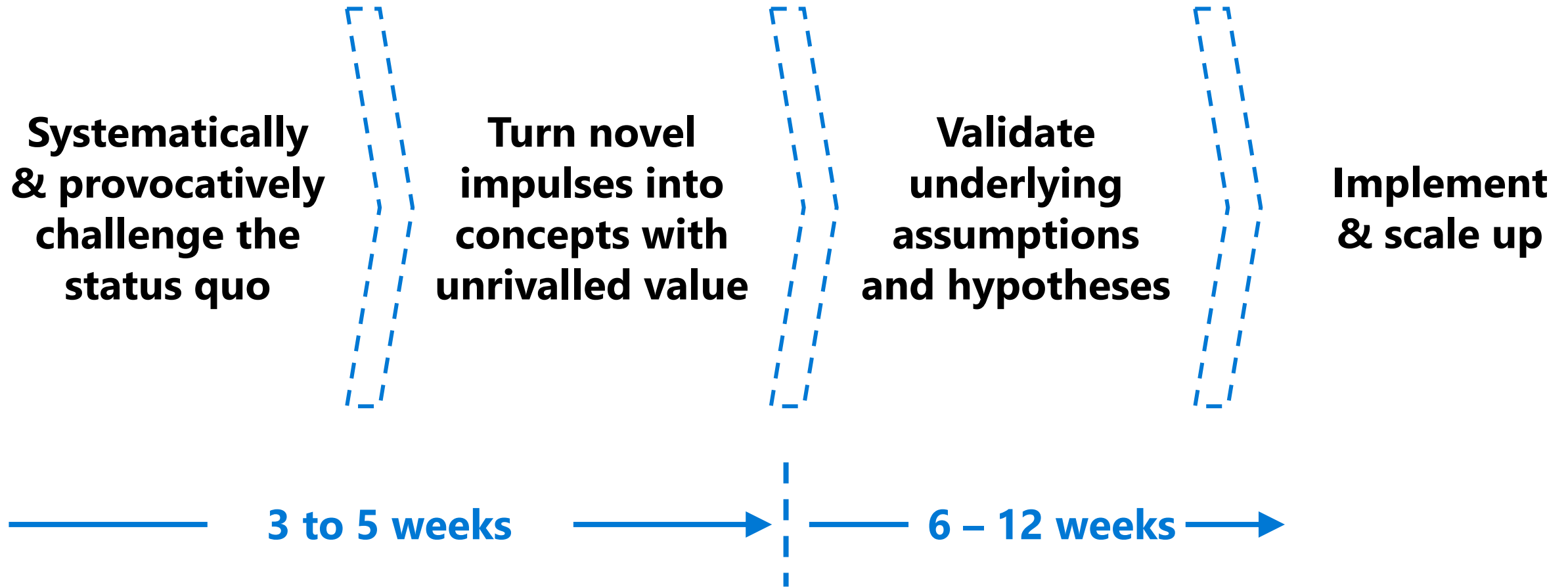


IoT Platforms,
Ecosystems and
Business Models

Magnify toolbox for systematic innovation

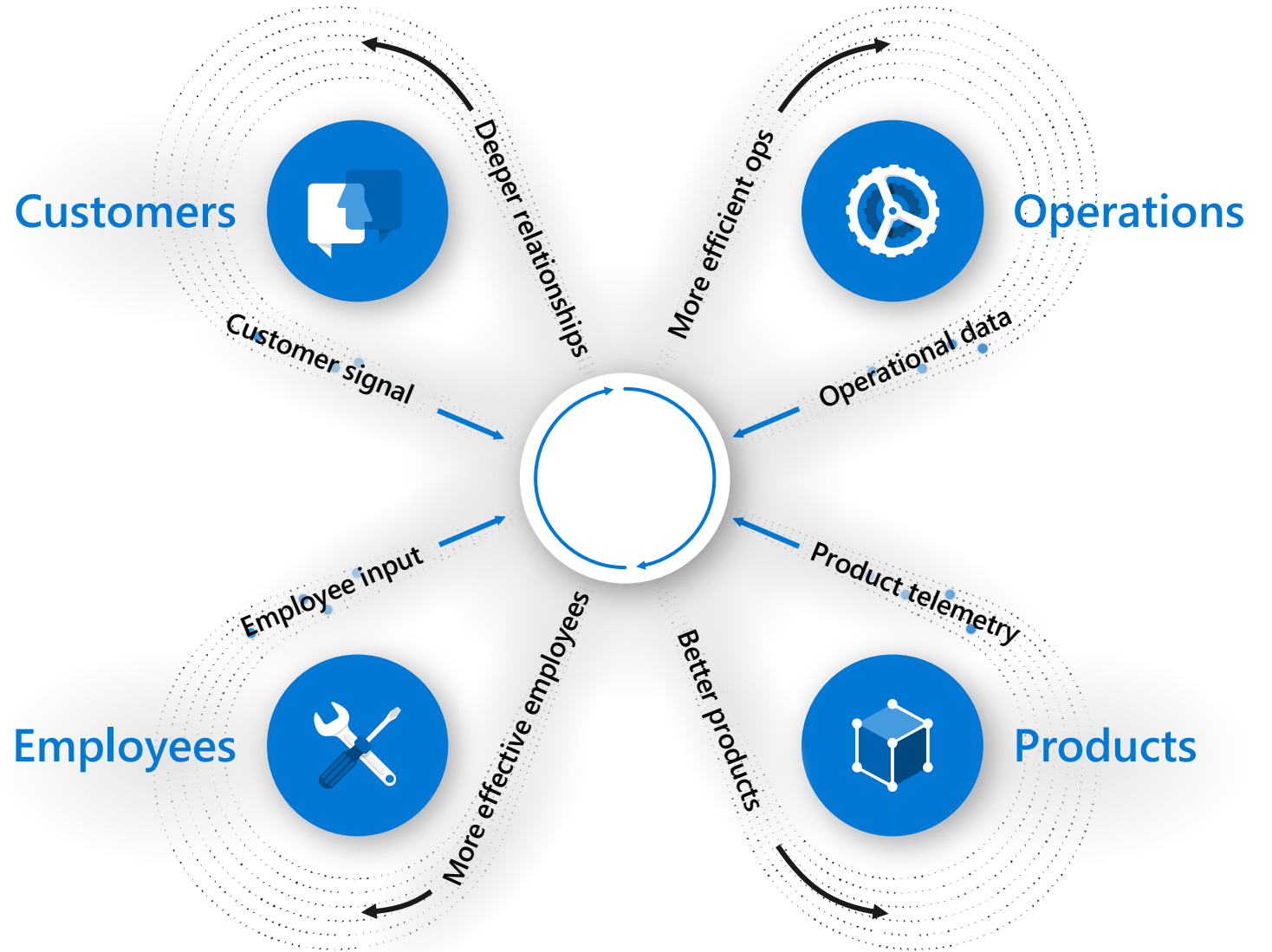


The process

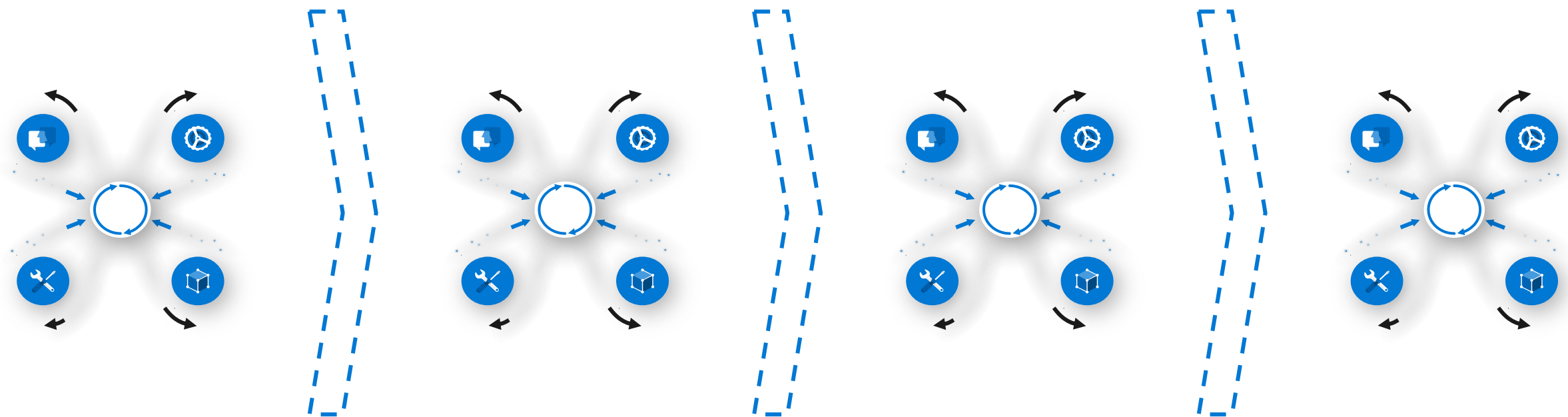


The Digital Feedback Loop

- 1 Data: Capture digital signal across business
- 2 Insight: Connect and synthesize data
- 3 Action: Improve business outcomes



Integrating the digital feedback loop



Start with challenging the status quo



DuPont Powder Mill, Hagley Museum, on Brandywine River.
Photo source: [loc.gov](https://www.loc.gov/) (Library of Congress)

Vgl.: <https://blogs.wsj.com/experts/2015/06/04/how-3-d-printing-will-change-everything-about-manufacturing/>

Systematic provocation - Examples

- We don't own the busses anymore
- We don't own cabs anymore.
- Imagine, you let apartments or rooms you don't own.
- Imagine, we distribute content but do not produce any content.
- Imagine, we give our products away for free.
-



Outcomes

**Novel IoT
based
business
models**

**Novel IoT
based value
chains**

**Novel IoT
based value
propositions**

**Concepts as
individual as
your
organization**

**Reduced risk
and
optimized
ROI**

Summary



- Platform beats product
- Not every technological platform is a platform business
- Platform business models follow a different business logic
- Choose the right combination of tools for concept development
- Systematically challenge the status quo



Discussion – State of the Union IoT empowering the Digital Transformation

Dr. Tobias Adam – Magnify Innovation
Oliver Niedung – Microsoft
Audience



Thank you!