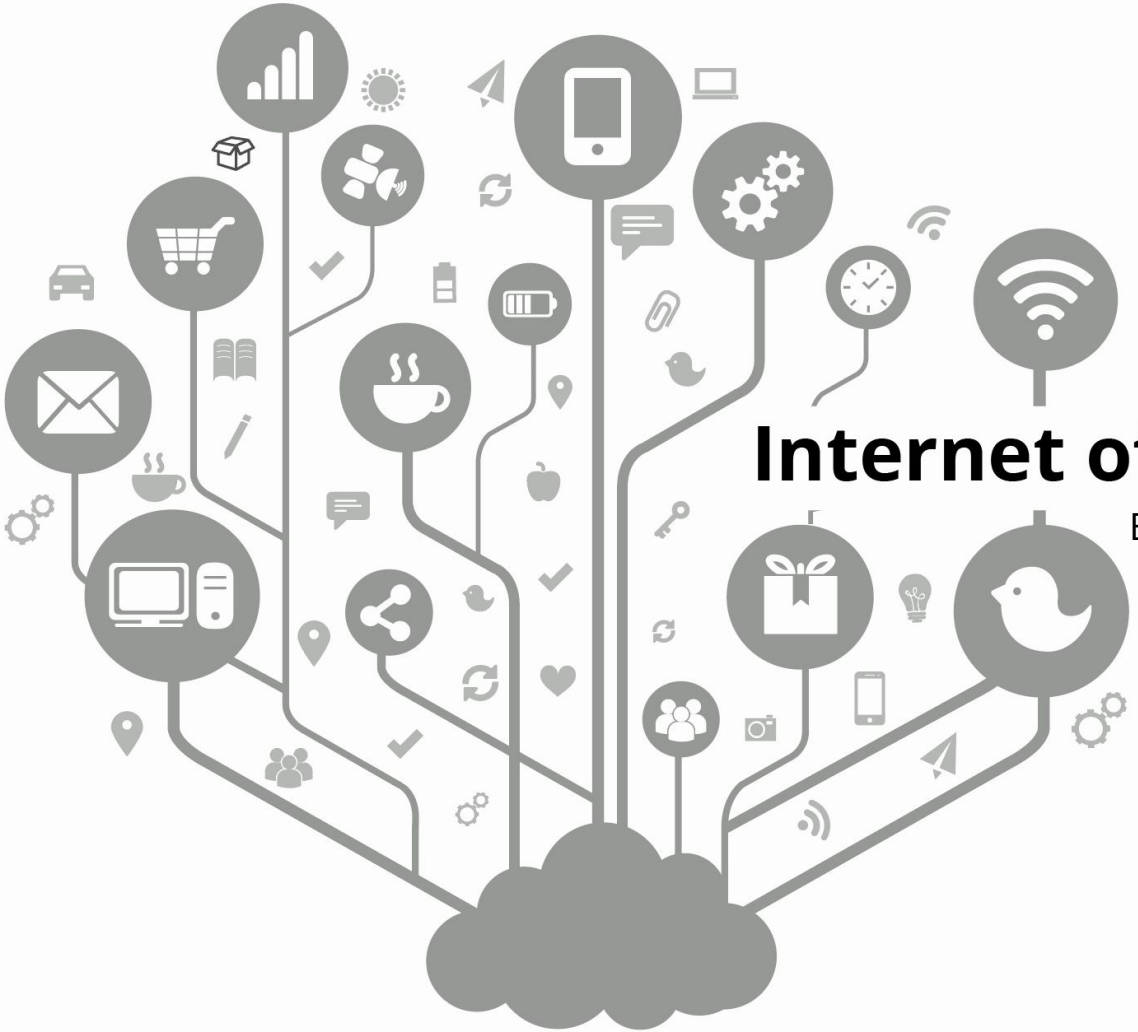


Internet of things

Business Models

JAYWAY
DIGITIZING IDEAS

Objective

Understand the impact **Internet of Things** has on **Business Models**

Innovation is Everywhere

Rolls Royce

John Deere

Philips

Husqvarna Viking Designer Epic

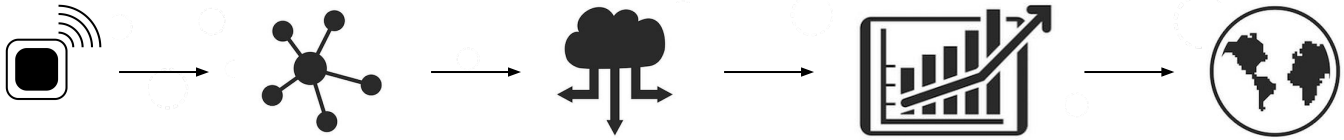
Nest

Husqvarna

The Weather Company

Streetline Parking Sensors

Generic Flow



SENSORS CONNECTIVITY CLOUD PREDICT FUTURE ACTION

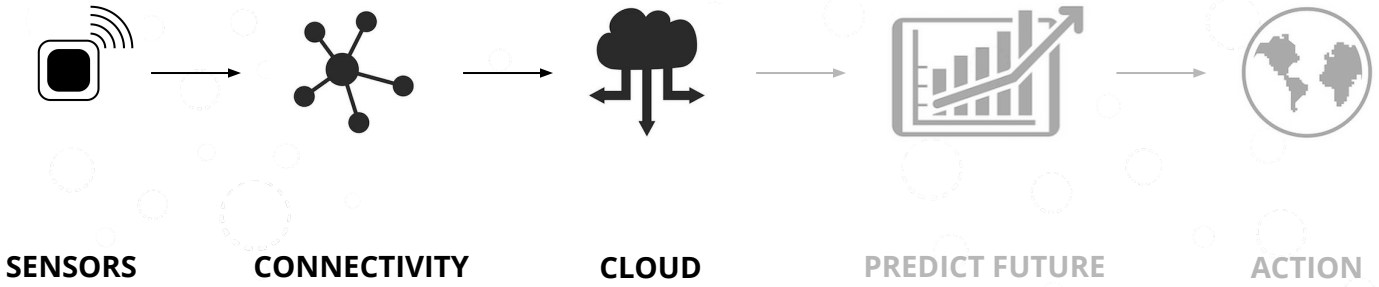
Sensors

SENSORS CONNECTIVITY CLOUD PREDICT FUTURE ACTION

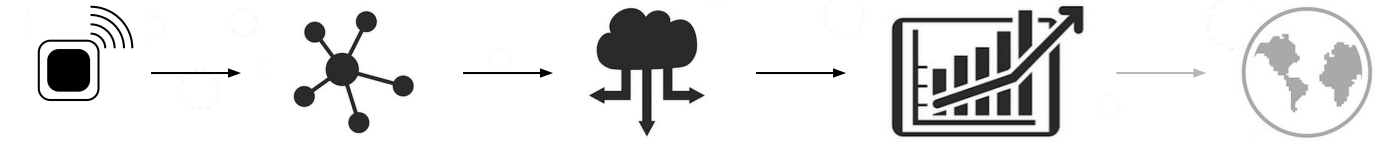
Connectivity

SENSORS **CONNECTIVITY** CLOUD PREDICT FUTURE ACTION

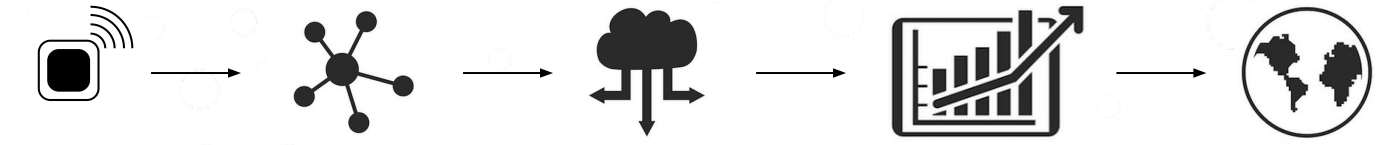
Cloud



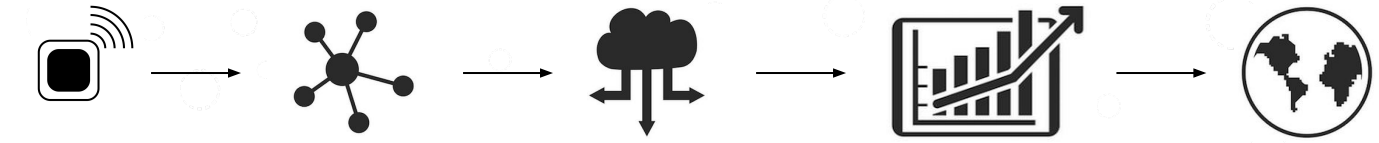
Predict Future



Actions

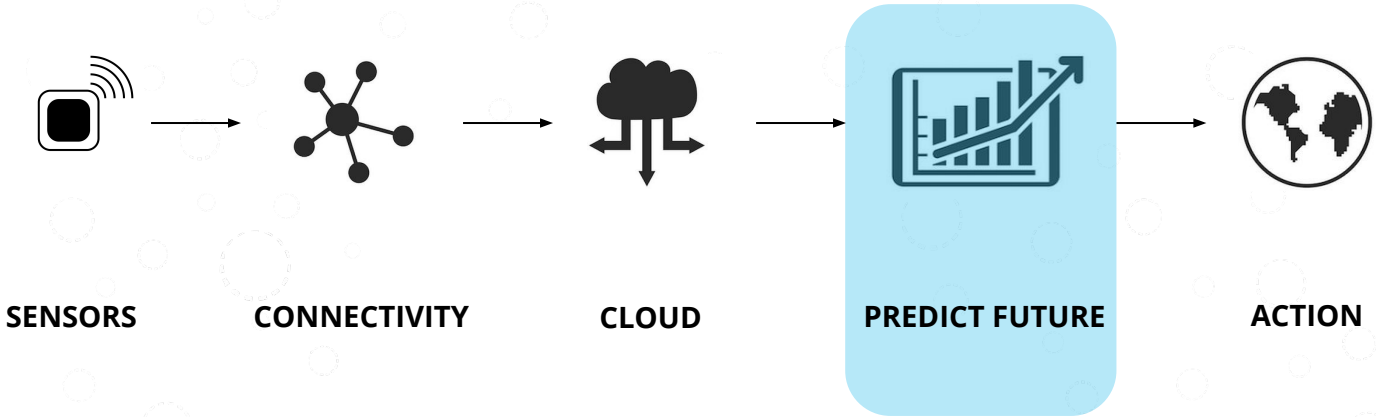


Where’s the Gain?

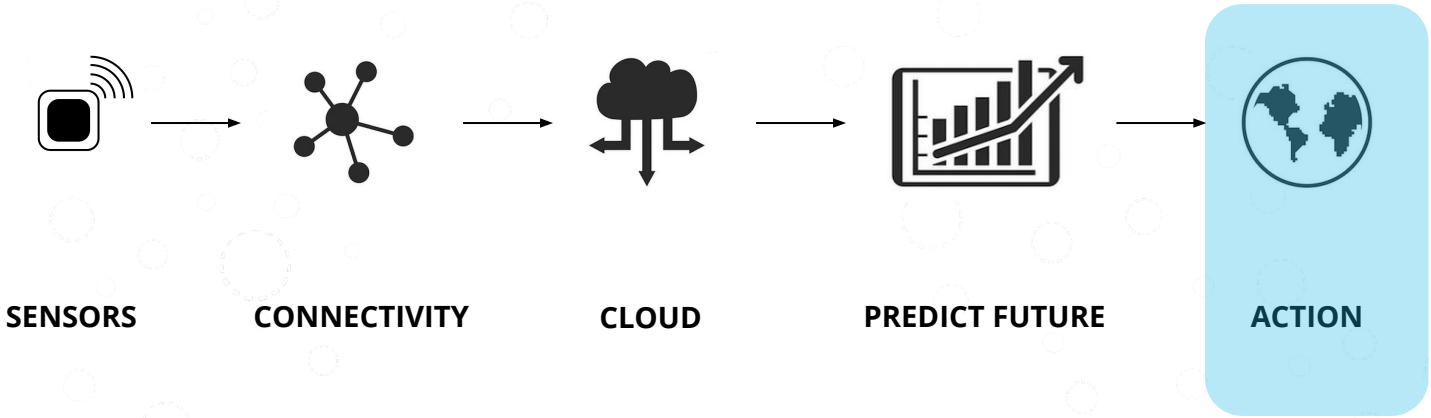


SENSORS CONNECTIVITY CLOUD PREDICT FUTURE ACTION

Value Creation



Value Capture



Focus on **Value Creation** and **Value Capture**

Business Model Patterns

Business Model Patterns

1. Digital Freemium
2. Hardware Analytics
3. Predictive Maintenance
4. Subscription model
5. Sell Data

Business Model Comparison

Classic Business Model

Features	Price
- Advanced - Count - IP - Customer Service - User Experience	- Price vs price - Discounts - Competitions

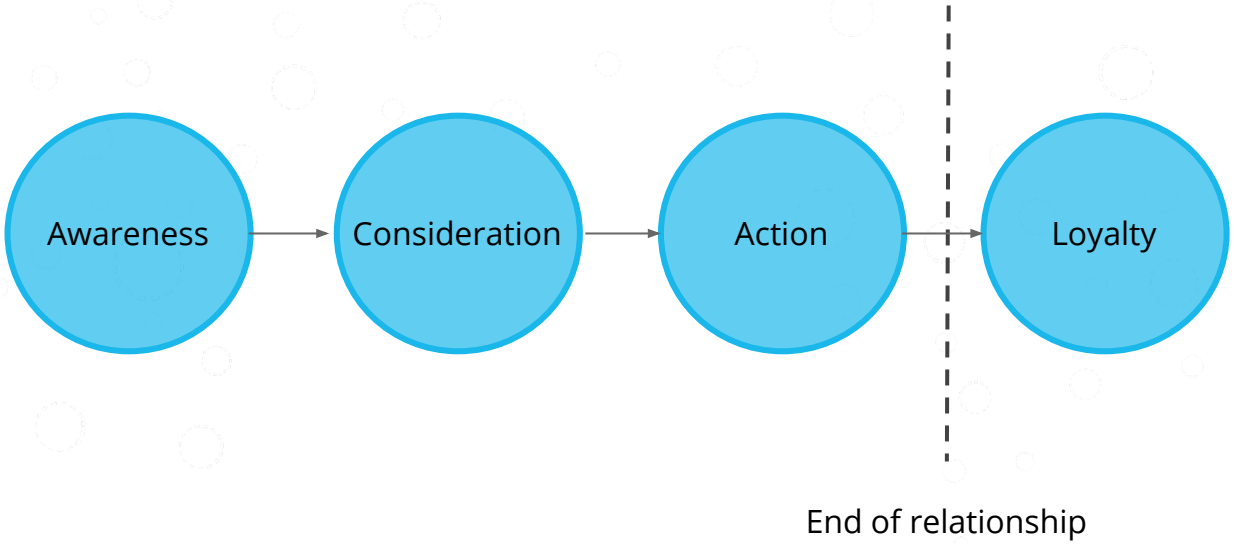
IoT Business Model

Features	Price	
- Advanced - Count - IP - Customer Service - User Experience	- Price vs price - Discounts - Competitions	

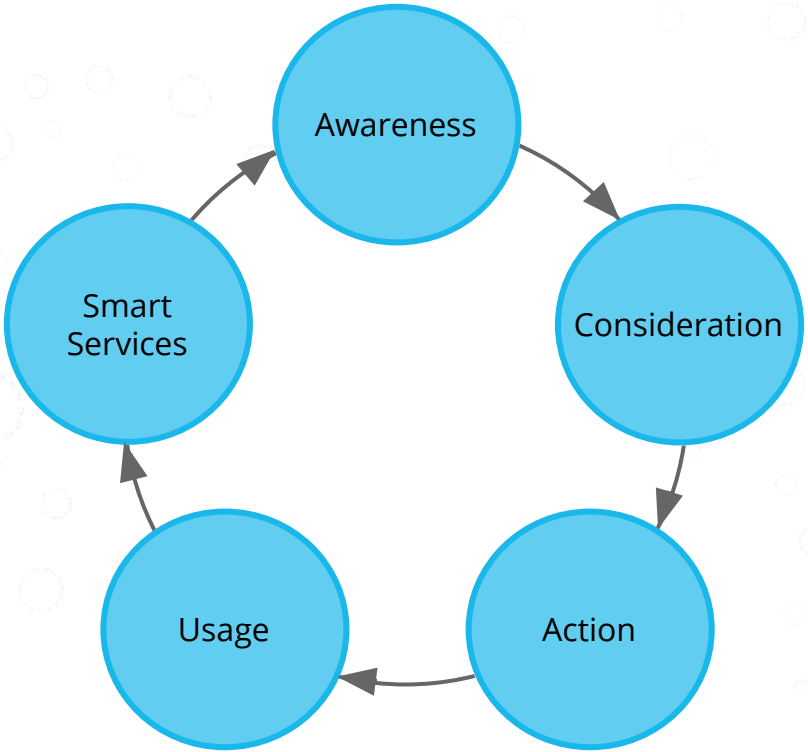
IoT Business Model

Features	Price	Smart Services
- Advanced - Count - IP - Customer Service - User Experience	- Price vs price - Discounts - Competitions	- Upgrades - Predictive Maintenance - New features - Notifications - Optimizations - Live Feedback - Recommendations

Classic Business Model



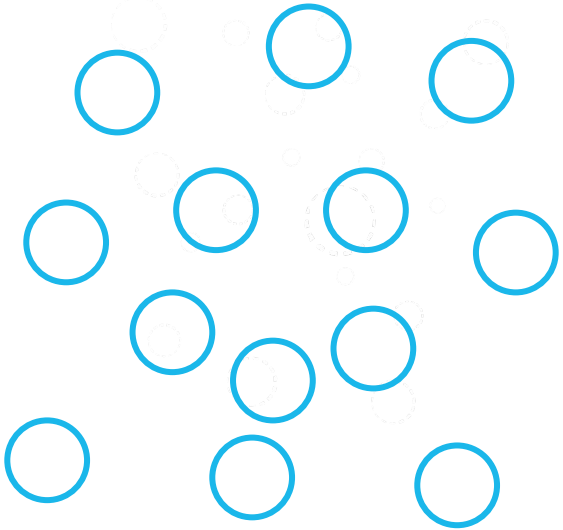
IoT Business Model



Ecosystem

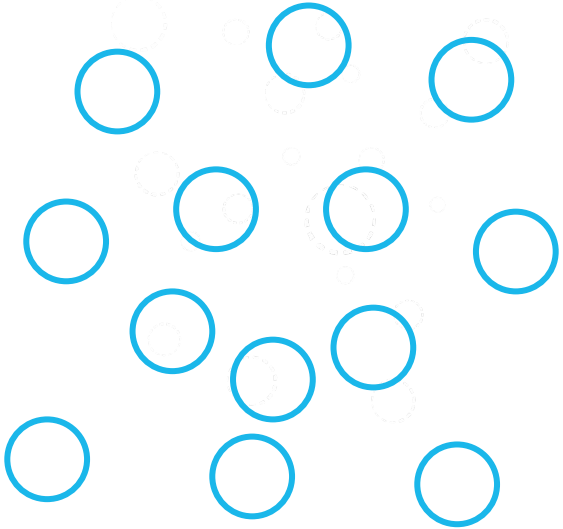
Ecosystem

Companies before IoT

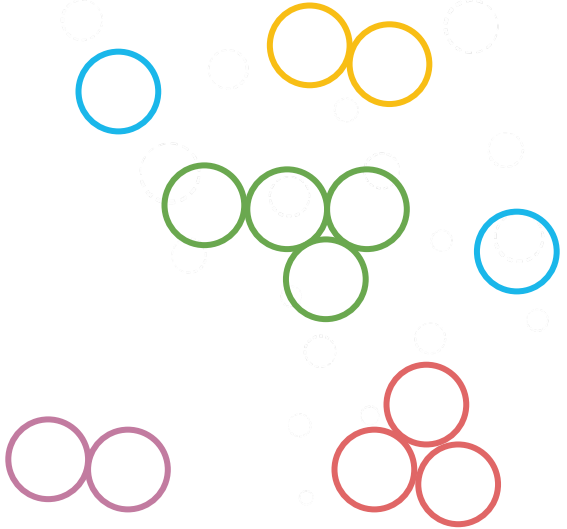


Ecosystem

Companies before IoT



IoT Companies



IoT Maturity Model

IoT Maturity Model

Connected	Service	Analyze	Integrate	Innovate
- Sends information	- Remote access - Software updates - Proactive monitoring	- Predictive maintenance - Identify process issues - Real-time reporting of status and usage	- Product lifecycle management - Configuration and warranty management	- Complimentary web and mobile apps - Pay per use - Track and locate/inventory management - New revenue generating capabilities

How do you start?

1. **Workshop** - to identify added value
2. **Proof of Concept** - validate your idea
3. **Minimum Viable Product** - to customers and internal stakeholders

Questions

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What we can do for You?

1 Day Workshop

on Internet of Things / Machine Learning (IKEA, Sony)

Evaluation

1 - 3 weeks of implementation

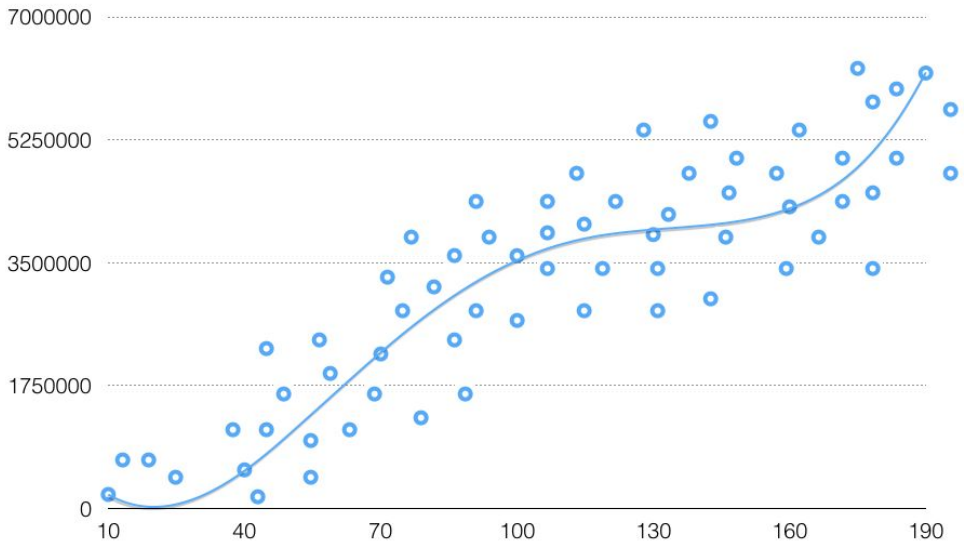
Trend-programme

In case IoT is not for you (Eon, Jabra, IKEA)

Machine Learning
Problems

1. Predict prices
2. Classify into two groups
3. Find anomalies
4. Translate handwritten text
5. Image recognition

Machine Learning
Predict prices



Roadblocks

Roadblocks

1. Perceived high cost of IoT
2. Hard to identify value capture
3. Class between IoT and traditional company
4. Companies are required to undergo significant changes
5. Knowledge gap

1. Diversity of objects
2. Immaturity of innovation
3. Unstructured ecosystems

Technical Roadblocks

1. Existing machine parks needs to be updated
2. The assembly line needs to add sensors when building
3. Customers must agree on passing on data
4. Connectivity
5.

How to get started

How to get started

1. Appoint an IoT leader
2. Identify Value Gain
3. Create an adoption plan
4. Look for partnership

Lotus flower

Conference Abstract

Title: Internet of Things and Business Models

Abstract: How can you use Internet of Things to reinvent your business model? To answer the question you need to know about and understand the active components of IoT. Consumer products, like wearables, is one part of the equation and perhaps one of the most discussed subjects of IoT but connectivity, cloud and machine learning is equally important.

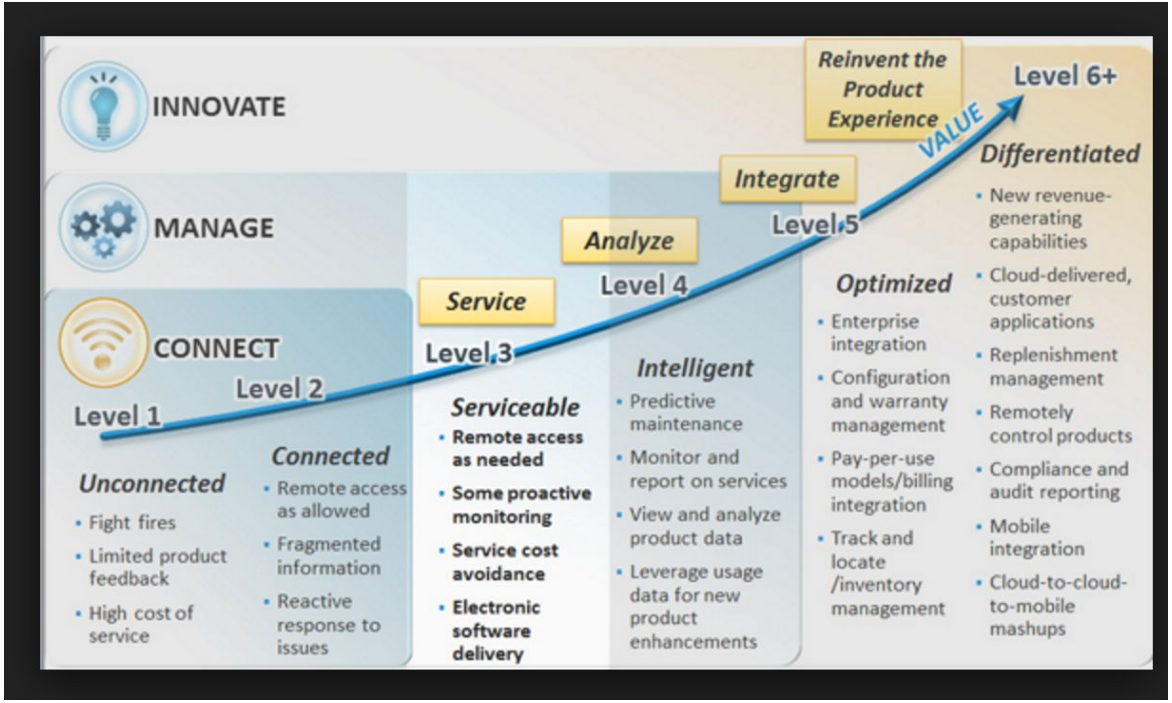
In this session we will present a template for a complete IoT business model and show a couple of existing business models

This session will:

- Set a baseline for IoT
- Go through the IoT work flow
- Look at each IoT component in depth
- Go through several successful IoT business models
- Map the aforementioned models to a maturity model
- Give some advice as to how to get started with a new IoT business model

SPECIFIC PRODUCT/VENDOR/ALLIANCE

Maturity Model



Security

Oral-B

Your turn

JAYWAY
DIGITIZING IDEAS

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Quotes

“As the Internet of Things (IoT) spreads, the implications for business model innovation are huge. Filling out well-known frameworks and streamlining established business models won’t be enough. To take advantage of new, cloud-based opportunities, today’s companies will need to fundamentally rethink their orthodoxies about value creation and value capture.”

Lookup

Spark

Where is it?

Smart Cities

- Smart Parking
- Traffic Congestion
- Waste Management

Smart Metering

- Smart Grid
- Water Flow
- Tank Level

Smart Environment

- Forest Fire Detection
- Air Pollution
- Earthquake Detection

Retail

- Supply Chain Control
- Intelligent Shopping
- Smart Product Management

Where is it?

Logistics

- Item Location
- Fleet Tracking
- Quality of Shipment Control

Smart Agriculture

- Meteorological Station
- Green Houses
- Farming

Industrial Control

- Indoor Air Quality
- Temperature Monitoring
- Indoor Location

eHealth

- Fall Detection
- Patients Surveillance
- Medical Fridges