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**Session Title:** Where's the Business in the Internet of Things?

**Session organiser(s):**

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**Purpose & Audience**

In this session we reported preliminary results from an ICT SME's survey for defining Internet-of-Things requirements towards year 2020, and also explored the IoT business models, business opportunities and its challenges for the industry.

We addressed common business issues, attacking the topic from a practical and non-academic slant. Active participation by the audience was facilitated in working on three example business cases to figure out the respective target group, value proposition and possible revenue streams. The results were documented on *business canvas sheets*. The audience also mapped the use cases of their projects and business, in market and technology dimensions.

The session targeted business owners, innovation facilitators, entrepreneurs, technologists interested in the commercialisation of IoT innovations, and also European policy makers.

**Key message(s):**

- The IoT community needs to reach out with clearer messages and examples of business benefits
- Look for Disruptive Innovation – apply a different set of values
- Business Development facilitation attracts interest from ICT experts – there are a lot of potential business cases!

The Internet-of-Things community needs to reach out to SMEs and other companies and explain the potential for Internet-of-Things solutions to facilitate disruptive innovation and other business benefits. Only then will the barriers of knowing too little and perceived risks stop impeding its uptake. Facilitating business development helps move IoT researchers towards commercialising. Continued mapping of IoT use cases to technology areas and market segments will identify gaps and synergies for Horizon 2020.

## Summary

The Internet-of-Things community firmly believes that its technology will transform the world, but exactly how will that come about? According to Gartner 2012, IoT will ride on the hype curve for the next ten years. The EU Digital Agenda and national Internet-of-Things initiatives in for example China, UK and Sweden keep pushing IoT forward. Big companies like Intel, Cisco and IBM launch ambitious long-term business development programmes. SMEs like for example COSM, ThingsSpeak, Ubidots and Intoino try to make inroads into this emerging trillion-dollar market.

The discussions during the workshop showed that the research area of the Internet of Things is still very much technology driven. Many fascinating developments are showing the technological potential, however the broad community does not see its imminent demand fulfilled. The session however showed convincingly that there is a keen interest among IoT researchers and developers for business development facilitation.

Sustainable new solutions necessarily need viable business models. While the IoT technical research results will slowly permeate the market, a much quicker uptake and stronger market penetration can be achieved by engaging existing SMEs and larger companies. The SME survey with 39 respondents performed by the OpenIoT project showed that there are strong perceived barriers against SME adoption of IoT technologies, which need to be identified and addressed. In particular the perceived complexity and risks of adopting IoT for product development needs to be addressed.

IoT projects and product development act in a fragmented landscape with relatively few existing products, and a largely uncoordinated set of use cases addressed by projects. In an on-going effort, the OpenIoT project has mapped 18 IoT projects and companies within the FInES and FIA communities.

Technology-driven IoT projects need external business development facilitation. Existing companies need more digestible information about IoT technologies and new solutions. It is time to Get To Work!

Presentations: [https://docs.google.com/file/d/0B0ehagZk\\_44PSlIjOXlxRVR1UDg/edit?usp=sharing](https://docs.google.com/file/d/0B0ehagZk_44PSlIjOXlxRVR1UDg/edit?usp=sharing)

Worksheets: <https://docs.google.com/file/d/0B5wUglb7oEI0Q2I3WkjiYVpBekU/edit?usp=sharing>

Use Case mapping: [https://docs.google.com/file/d/0B0ehagZk\\_44PVU1EdXQ3bmhVUWs/edit?usp=sharing](https://docs.google.com/file/d/0B0ehagZk_44PVU1EdXQ3bmhVUWs/edit?usp=sharing)

## Recommendations

The main recommendation from this workshop is to strengthen the business perspective as a driver in EU-funded Internet-of-Things projects. This could be done by encouraging the direct engagement of business developers in the requirement analysis phases also in technology oriented projects, and to apply user-centric development methods. True innovations do need the combination of enabling technologies and realistic business models.

A separate support action is recommended to inform companies about the business benefits of IoT, and to survey and map the use cases of IoT projects and products in terms of the market dimension and the technology dimension. Identified overlaps should be used to facilitate joint business modelling workshops with projects and existing product companies. Identified gaps should be reported for targeting in later calls for project proposals.