

# SWISSED 2015 «IoT Becomes Reality»

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**«IoT Becomes Reality»** 



# 50'000'000'000

IoT devices in 5 years (Cisco)

# \$1'700'000'000'000

Market value in 4 years (Business Insider)

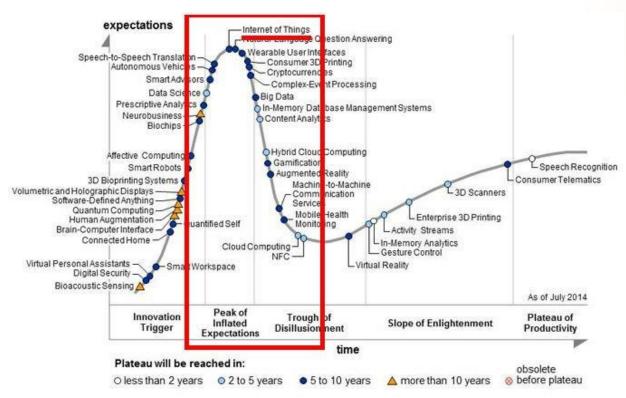
# «IoT will have a bigger impact on companies than all previous IT developments»

(Michael E. Porter, US-Ökonom/Harvard-Professor)

# **«IoT Becomes Reality»**

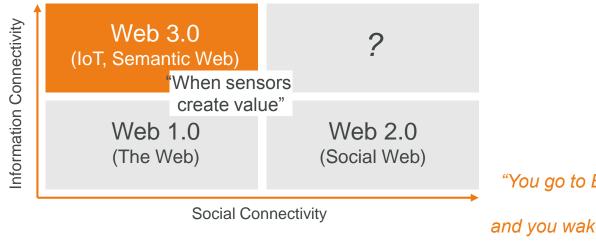
(Noser Engineering, 2015)

# Context of the Internet of Things (IoT)



Sources: http://www.gartner.com/, http://postscapes.com/internet-of-things-history

# History



"You go to Bed as an Industry Company

and you wake up as a Software Company"

(Jeffrey Immelt, CEO General Electric)

- IoT is an "evolution", not a "revolution"
- New Internet Wave → new business models
- The IoT age requires new organizational models

# Organizational Impacts



# What are the advantages of IoT?

- ✓ When Things are connected, added value is generated.
- ✓ Technologies and cost effective components for connectivity are a reality
- ✓ Secure chips and secure communication protocols exists
- ✓ Cloud solutions are available.



# Business Model Examples

How can additional business be generated with IoT solutions?

Insight: Many IT-influenced business models so far followed these trends:

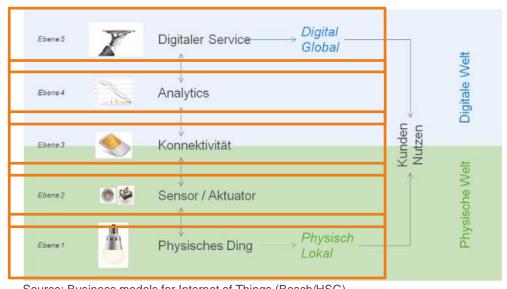
- Integration of users and customers (e-commerce, mass customization)
- Service orientation (subscription model)
- Data analysis (collect & analyze data)

#### Important are:

Customer insights and benefits

### IoT Value Chain

### Thing + IT = Physical Benefit + IT-based Service





Source: Business models for Internet of Things (Bosch/HSG)

# Examples

	Thing	Practical use "Thing"	Extended use through "loT"
	Watch	Display time	Automatic notification with position
	Lamp	Light	Security (e.g. activity simulation) Save money (automatic timer)
Welcome John	Your product	[current use]	User gets a higher level of comfort? Larger cost? User saves time??

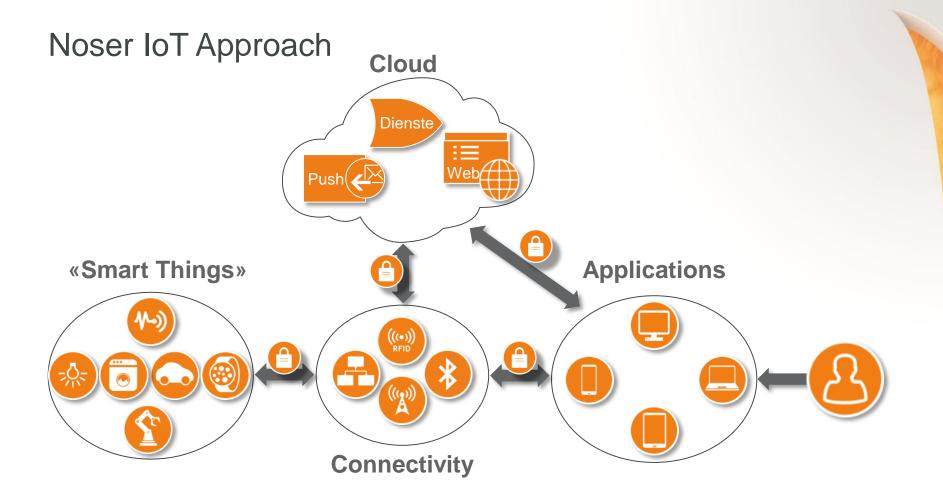
# Business Case Example

#### 1. Digitally Charged Products

- Physical Freemium: Physical thing + free digital service
- Digital Add-on: (Affordable) thing + high margin digital services
- Digital Lock-In: Digital "handshake" with physical products
- Condition Monitoring: Preventative error detection

#### 2. Sensor as a Service

Sensors collect data that can be commercialized



# Aspects of a IoT Solution



Connectivity: Wireless technologies as «critical link for IoT»

- NFC, BLE, LPN (LoRa), LAN
- Cost effective, standardized



**Security** as the prerequisite for IoT

- · Data is globally available, devices globally controllable
- Secure hardware chips, certifications (EAL, CC), cryptology

# Aspects of a IoT Solution



#### **Applications**

- UI and interactivity for the user
- Modern technology concepts and platforms (smartphones, tablets, browser)



#### Cloud

- Consolidation and analysis of data
- Performance, redundancy
- Modern architectures and turn-key solutions (e.g. Azure)

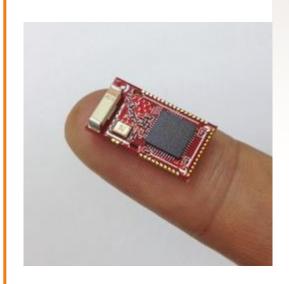
# **Enabler: Connectivity**

#### New Technologies for the Internet of Things:

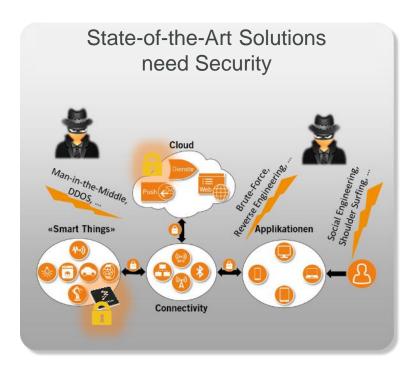
- IPv6 / 6LoWPAN
- Swisscom LPN / LoRa
- Prerequisites, IoT applications suitable for the masses

#### Connectivity characteristics:

- ✓ Cost effective, small form factor
- ✓ Low energy consumption
- ✓ Wireless, uniquely addressable
- ✓ High broadcast range



### **Enabler: Security**



#### **Security objectives**

- Confidentiality
- Integrity
- Availability

#### Possible actions

- Secure design (security development lifecycle)
- ✓ Data encryption / authentication
- ✓ Use of secure chips
- Remote access mechanismen (e.g. reverse proxy)



# Thank you!

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