# Delivering successful IoT projects – An Insider's View

IoT projects demand a new type of consulting approach, one that encourages an intense collaboration between domain experts and IT consultants. This approach needs to bring together the breadth of integration know-how as well as depth of domain and device specific knowledge.

One consulting company that handles this approach well is Vinnter in Gothenburg, Sweden. Vinnter's CEO, Eric Michélsen, has extensive experience of handling IoT from an industrial perspective. He joined the company after a long stint with the Swedish lock manufacturer ASSA ABLOY, where he headed development efforts to add connectivity to the company's products.

Michélsen had experience of partnering with Nagarro during his tenure at ASSA ABLOY. The relative complexity of IoT projects, the lack of standards and unresolved security problems call for new forms of partnerships and cooperation. This is the reason why Vinnter and Nagarro decided to collaborate to form a mutually enriching partnership.

"While we come from the hardware based technology development side, Nagarro brings in the expertise in software services," explains Michélsen.
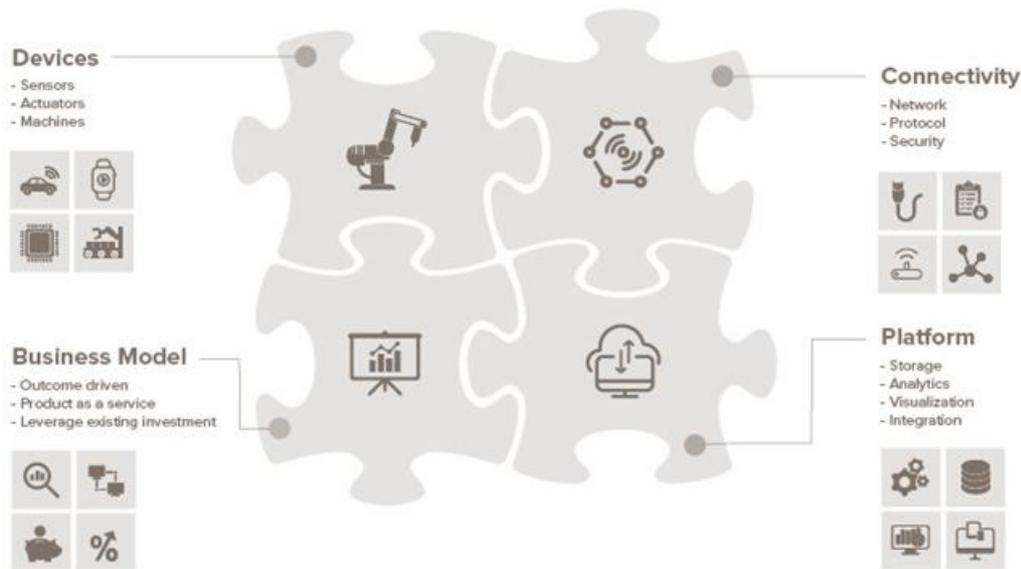


Eric Michélsen believes that the essential ingredients for a successful IoT project are understanding customer expectations, identifying a roadmap of business goals and adapting technology to meet the evolving future business goals.

He cites the example of an industrial organization that has been manufacturing a proprietary mechanical product for 40 years to illustrate his point. The organization now faces the need to add connectivity to the product. This calls for an app and once this is available, the company will then interface with its customers via the app. And in doing so, a new business model is created.

"The sales process will be totally different compared to marketing a mechanical product. It becomes a new relationship driven business model. The customer needs help to see the whole picture - from brand management, 24/7/365 operations, data analysis and pricing to building a call centre."

This is also how Nagarro perceives an IoT system – in four parts comprising of devices, connectivity, platform and a new business model that these three finally culminate in.

## 4 parts of an IoT system



**Devices**
- Sensors
- Actuators
- Machines

**Connectivity**
- Network
- Protocol
- Security

**Business Model**
- Outcome driven
- Product as a service
- Leverage existing investment

**Platform**
- Storage
- Analytics
- Visualization
- Integration

Nagarro is a premium global IT services provider with a strong value proposition in bringing next generation technolgy innovation to its clients through its Enterprise Agile model.

Kanchan Ray, Head of Innovation at Nagarro, believes that "Nagarro as a System Integrator, can connect millions of apps with billions of users with trillions of things". Kanchan says that we are currently in the third generation of IoT platforms (after mainframes and client-server computing) where machine learning and analytics are very important components.

Michélsen meanwhile estimates that 34 percent of companies have already implemented IoT projects, 22 percent are in the process of doing so and 34 percent are planning on some form of IoT based projects. More interestingly however, only four percent of companies have made a business out of IoT.

He also emphasises the importance of analysing data. This can be done with both - data that the customer already has and data that customer gathers. "Intelligence must be added and we are developing intelligent tools for analysis that enables the data to tell their story."

And this is one of the many reasons why Vinnter's cooperation with Nagarro is so essential. Vinnter can now leverage Nagarro's deep knowledge and practical experience in analytics and other domains to enhance their IoT capabilities.

"We (with Nagarro) now possess know-how in hardware, communications, cloud solutions and business models," says Michélsen.

Over the years, Eric has seen both successful and unsuccessful IoT projects. The fundamental reason why services or products do not succeed is because customers reject them. It is not always certain which services will survive the churn but in many cases, these have been the internal services, that are able to live up to the agreed level of service and support. In the early days, one reason for failure was also that the cost for sensors, connections and communication were far too high compared to what they are today.

He has also seen projects where the suppliers have decided how much they are going to take in revenues which means once they have decided what to earn, services prove to be far too expensive for customers.

From his experience of managing Industrial IoT projects, long before the IoT concept became popular, Eric Michélsen believes that every service within an IoT project must be separated from the one another to see how the service really "feels".

He also gives importance to separating services at the earliest possible stage, to enable you to do a ROI analysis on each service individually.

"When services are baked into each other, or concealed in the physical product's business, it's difficult to see how well each of these services is actually doing," says Michélsen.
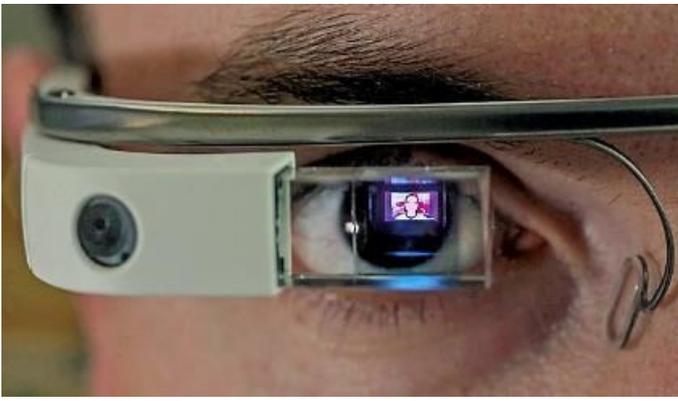
You can know a lot more about the advances in the IoT space in the IDC IoT 2017 Conferences on April 20th in Copenhagen and on May 4th in Stockholm, where Nagarro/Vinnter are their partners. Here you can meet IoT experts from across the globe and gain insight into the connection between people, processes, data and devices – while learning how to transform your business with a relevant, profitable IoT solution. For complimentary invitation, please connect at reachout@nagarro.com.