

HOW TO EMBRACE THE EXPLOSIVE GROWTH OF IOT

"The Internet of Things is not a concept; it is a network, the true technology-enabled Network of all networks."

- Edewede Oriwoh, University of Bedfordshire, Luton

The Internet of Things (what many are calling [the next Industrial Revolution](#)) has made its debut and the world is just starting to get a glimpse of its infinite potential. As IoT continues to penetrate the enterprise and consumer markets, the number of "connected things" grows, along with its massive implications.

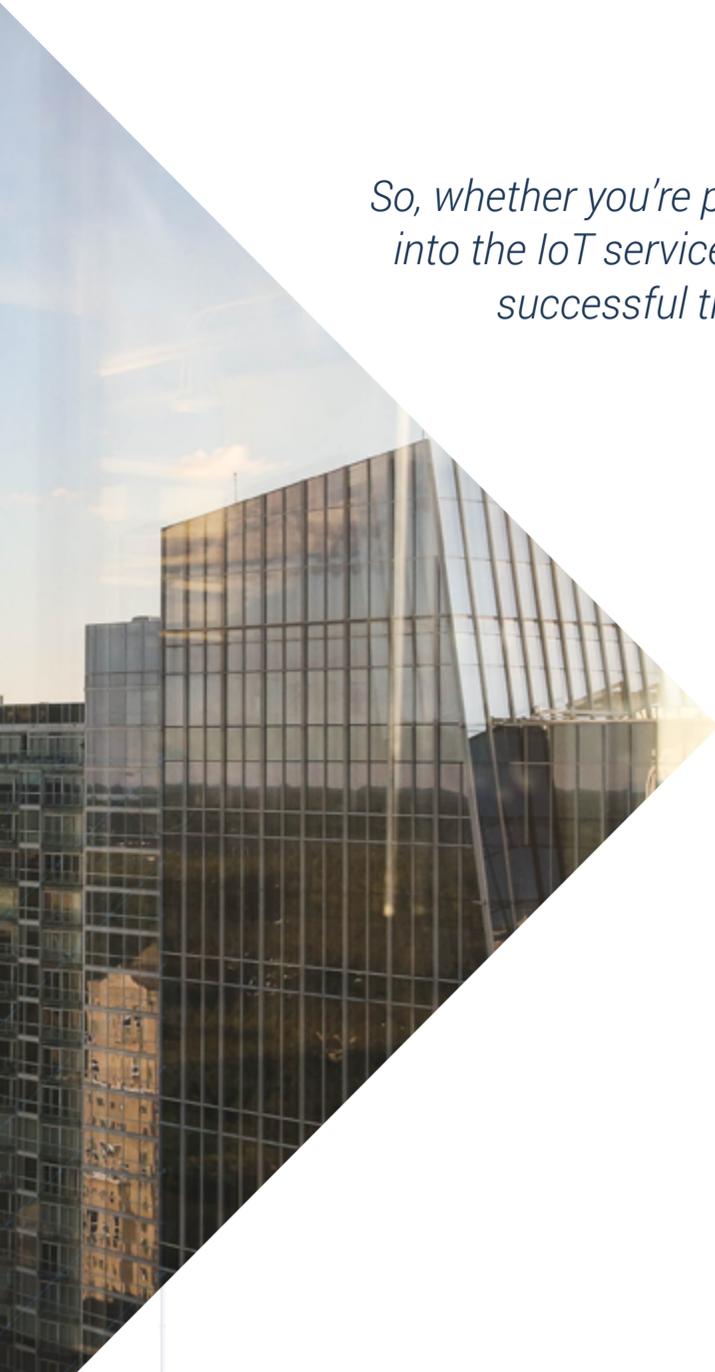
By now, you're probably familiar with IoT's impressive growth projections - experts forecast that there will be [34 billion devices](#) connected to the internet by 2020, up from the 10 billion in 2015. But did you know that the worldwide Internet of Things market spend will grow from \$591.7 billion in 2014 to \$1.3 trillion in 2019 with a compound annual growth rate of 17%? This exponential growth represents a huge opportunity for service providers.

Companies both big and small are entering the IoT ecosystem, eager to win a piece of the IoT pie. **In fact, a study commissioned by Oxford Economics shows that revenue growth is by far the biggest factor driving IoT adoption.** Organizations across industries are taking notice of IoT's revenue potential and building into their future strategies.

The race is officially on.

The explosion of IoT is eminent, and its impact on communication networks is inevitable.

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So, whether you're pursuing a new line of revenue or are looking to break into the IoT service market, what can you do to achieve a smooth and successful transition into IoT adoption and monetization?

Let's start by exploring the potential opportunities and pitfalls associated with a space facing phenomenal growth.

The Incredible Opportunity of IoT

Without doubt, the rise of IoT is giving business owners major opportunities like lower operating costs and the potential to expand into new markets. As interconnected devices become more commonplace, businesses of all kinds will enjoy higher levels of productivity and efficiency. For example, supply chain optimization company, [Elemica](#), is using IoT applications to report real-time data to their suppliers thousands of miles away, increasing productivity and lowering cost structure dramatically.

In the midst of a data revolution, IoT will provide a much-needed infrastructure to analyze and implement data in real time. This rise in connectivity and mobility means one thing for communication service providers - more data. This data explosion will open the doors to new pricing models - a major opportunity for CSPs.

These exciting opportunities don't come without hurdles. IoT also present new challenges that will require an overhaul of outdated and fragmented systems. CSPs will need to prepare for the fast approaching future of IoT while simultaneously keeping up with ever-increasing consumer demands.

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Potential Pitfalls of IoT

IoT presents a number of security risks - data security and cybersecurity have serious implications in this brave new IoT world. Imagine the implications of a cybercriminal getting unauthorized access to devices containing private and personal data. Or the impact of data thieves intercepting local wireless communications in order to capture sensitive data.

“The real value that the Internet of Things creates is at the intersection of gathering data and leveraging it.”
- Daniel Burruss



Regulatory compliance is another major driving factor hindering IoT adoption. The National Institute of Standards and Technology (NIST) forewarns, “these advances bring with them new and different regulatory and legal challenges.” For example, a lapse in data security did not fare well for Fiat Chrysler after a media report highlighting hacking vulnerabilities, leading to a [class-action lawsuit](#).

Security, data protection, and regulatory compliance are three major factors for IoT adopters to face. Organizations will need to carefully consider privacy and data security requirements when building out new services and offerings to consumers.

Best Practices

IoT can quickly become a nightmare without a reliable infrastructure to manage inventory.

Don't let your data sit stagnant.

It's not enough to simply connect devices in IoT. The need to manage and secure an extensive network of interconnected devices will only increase in scope and organizations will need to evolve to manage these endpoint devices while supporting this major explosion of data.

To succeed in the space, you'll need a way to manage, interpret, and apply the massive amounts of customer data. The fact that only 8% of businesses are using [more than 25% of their IoT data](#) shows that there's more work to be done. There are multiple solutions on the market to help organizations leverage these insights by providing higher visibility to drive down costs and increase revenues.

“The combination of telecom infrastructure and smart technologies, in my opinion, is one of the great catalysts and facilitators of sustainable growth. By making things smarter, increasing efficiency and clearing clutter, by bringing companies so much closer to their clients - it is almost without boundaries.”

- Pieter Puijpe, Head of Telecom Media and Technology at ING Commercial Bank

Monetize - the right way.

Facing significant revenue and margin pressures, the rise of IoT comes at the perfect time for CSPs, but they will need to change and adapt quickly to see real gains. Monetization will be key and charging for connectivity alone won't cut it.

IoT technology will encourage businesses to adopt usage-based pricing models for access to APIs and API calls. As consumers gain increased connectivity, on-demand, pay-as-you-go pricing will become the norm. Organizations will need to adapt to usage-based pricing and all the back-office implications that come with it. Legacy systems will reveal themselves as obsolete, lacking the capabilities necessary to support IoT offerings.



Align yourself with a powerful billing partner

The way an organization chooses to address IoT could prove instrumental in protecting their ability to thrive. Are you ready?

To effectively monetize, CSPs need a real-time, end-to-end billing solution that offers a cost-effective way to enter new markets. To manage the intricacies of customer acquisition, service delivery, and potential revenue sharing, CSPs need a way to innovate at IoT speed.

Your goal is not just to keep up with IoT, but to dominate it. But you cannot dominate the market if you are not getting paid to support it. **Your customers will expect you to have a handle on IoT, not be figuring it out as you go**, which is why aligning yourself with a powerful billing partner is so vital.

If you're wondering how you will manage this massive change or how you will even be able to monetize, know that our team of experts are here to chat. If you are considering an all-in-one solution with the power to tackle Billing, Customer Management, Tax Calculations, New Orders, and Services Tracking and more, get in touch with our team experts at info@rev.io or (866 470-5502). We would love to hear from you.

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