

Cisco Consulting Services

The Internet of Everything—A \$19 Trillion Opportunity

The Next Wave of Value

The fast pace of technology is changing the organization. Barriers to market entry are falling. Customers/citizens demand new ways to interact. Margins are shrinking. As network connections spread throughout the world, many private- and public-sector leaders are asking: “Where can I find the next wave of value?”

Enter the Internet of Everything (IoE). IoE connects the unconnected with ever-smarter technology. It brings people together with process, data, and things. New capabilities are created along with richer experiences. Forward-thinking organizations have unprecedented opportunities.

“Based on [Cisco’s] analysis, companies should have a sense of urgency about aligning their strategies and practices to leverage IoE.”

TechZone360
June 2013



Understanding Market Potential

\$19 trillion in IoE value is at stake in the private (\$14.4 trillion) and public (\$4.6 trillion) sectors over the next decade, according to two recent Cisco studies.* These findings allow leaders in both the private and public sectors to begin planning how they can benefit from IoE.

Five Key Areas of Value at Stake for the Private Sector

- \$2.5 trillion: Better use of assets will improve execution and capital efficiency, reducing expenses and cost of goods sold.
- \$2.5 trillion: Increased employee productivity will reduce person-hours and free your knowledge-workers to do more effective work.
- \$2.7 trillion: Process inefficiencies will be eliminated through supply-chain improvements.
- \$3.7 trillion: Improved customer experiences will build stronger relationships and bring more customers.
- \$3 trillion: Tech innovations will increase return on R&D, reduce time to market, and create revenue from new business models.

Five Key Areas of Value at Stake for the Public Sector

- Employee productivity (\$1.8 trillion): IoE improves labor effectiveness for new and existing services.
- Connected militarized defense (\$1.5 trillion): IoE generates a fourfold force-multiplier effect through improved situational awareness and connected command centers, vehicles, and supplies.
- Cost reductions (\$740 billion): IoE improves labor efficiency and capital-expense utilization, while also reducing operational costs.
- Citizen experience (\$412 billion): IoE shortens “search” times, improves the environment, and produces better health outcomes.
- Increased revenue (\$125 billion): IoE improves the ability to match supply with demand while also enhancing monitoring and compliance.

IoE Boosts Confidence Globally

For example, in the private sector, organizations in developed countries such as Germany, Japan, France, and the United States are currently realizing the most benefit from IoE. But Cisco’s IoE Value Index shows that leaders in emerging markets such as India, China, and Brazil are confident in their ability to capture IoE value. Emerging markets that take advantage of IoE are quickly gaining in the marketplace.

Sources: “Embracing the Internet of Everything to Capture Your Share of \$14.4 Trillion,” Cisco white paper, February 2013. http://www.cisco.com/web/about/ac79/docs/innov/IoE_Economy.pdf
“Internet of Everything: A \$4.6 Trillion Public-Sector Opportunity,” Cisco white paper, January 2014. <http://www.cisco.com/web/services/portfolio/consulting-services/documents/internet-of-everything-public-sector-white-paper.pdf>

TOMORROW starts here. 

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Private Industries with the Most to Gain

According to the IoE Value Index study, the high-tech, telecom, and financial services industries ranked highest in potential IoE value for 2013. Retail, energy, and manufacturing were near the bottom and have the highest potential upside for future growth.

Case Study. Retail Is One of the Top Industries to Benefit from IoE

Tesco Boosts Digital Presence and Visibility of Multichannel Offerings

Machine > Person



Transactional touchscreen kiosk lets shoppers browse and buy from extended online range.



Life-sized “magical mirror” allows kids to try on different outfits and interact with animations virtually.



Shoppers use touchscreen display to browse key trends and build personal wish lists.



Digital signage showcases best of the product range and multichannel offering.



Scan to view more information about the Tesco solution or visit <http://www.cisco.com/web/about/ac79/docs/retail/Tesco.pdf>

Visualize More About IoE

Dig deeper into the private-sector data with our IoE Value Index Visualizer. Access the Visualizer at:

<http://internetofeverything.cisco.com/explore/full#/country/usa>.



Retailers Get Customer-Specific

For retailers, machine-to-person (M2P) capabilities scored the highest for potential to create value in the IoE Value Index study. Retailers can:

- Enhance customer service and merchandising strategies by tracking in-store behavior.
- Customize offerings, marketing, and advertising by analyzing customer behavior data.
- Help shoppers explore products and increase sales with in-aisle interactive displays.

Factories Get Smarter

To improve profits with IoE, manufacturers should focus on two main areas:

- Machine-to-machine (M2M) connections – essential for “smart factories” and the largest source of IoE value for manufacturers.
- M2P connections – a future focus, one where the analytics and “big data” opportunity looms large.

Energy Firms Get Proactive

According to the IoE Value Index, all five of the best IoE enablers for energy firms were M2M technologies.

- Utility companies can use M2M connections to implement smart grid technologies that manage energy transmission with real-time data and predictive analytics; and to match energy supply with demand more accurately using smart meters installed in customer premises.
- Another promising source of IoE value for the energy industry is person-to-person (P2P) connections enabled by collaboration technologies, such as the ability to locate experts quickly and to access expertise where and when it is needed via video.

Your Competitive Advantage

Capturing IoE value hinges on applying technology to improve the “people” and “process” aspects of your organization. Cisco Consulting Services can help you capitalize on your best IoE opportunities.

Sources: “Embracing the Internet of Everything to Capture Your Share of \$14.4 Trillion,” Cisco white paper, February 2013. http://www.cisco.com/web/about/ac79/docs/innov/IoE_Economy.pdf
 “Internet of Everything: A \$4.6 Trillion Public-Sector Opportunity,” Cisco white paper, January 2014. <http://www.cisco.com/web/services/portfolio/consulting-services/documents/internet-of-everything-public-sector-white-paper.pdf>

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