

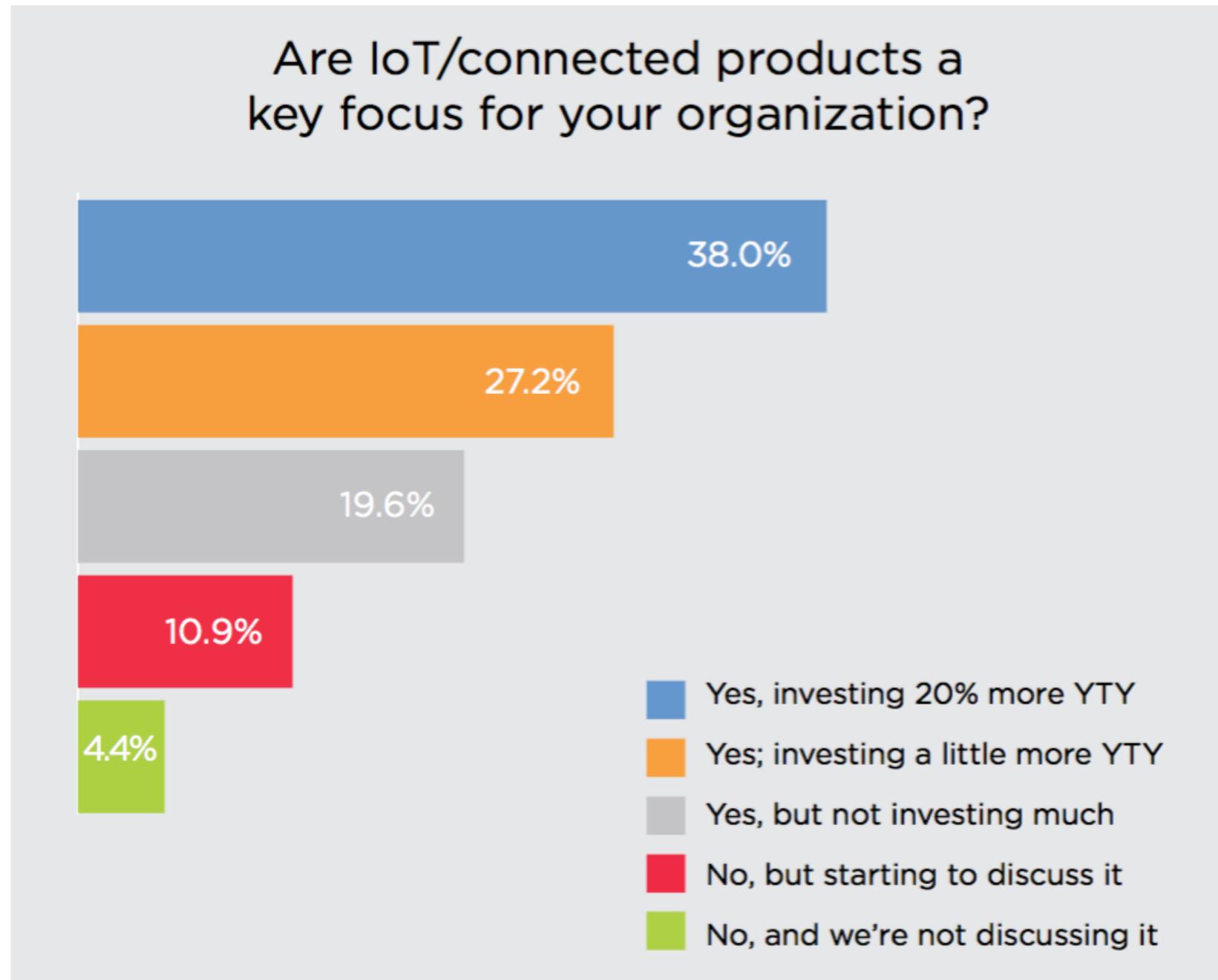
Getting Connected Products Right: Survey Highlights



About the survey

- Conducted in Q3 2016
- Focused on understanding how large companies perceive the challenges and success criteria for connected products and services; metrics they are using to gauge success; new capabilities they need to develop; ways the organization needs to evolve; and issues they need outside help with.
- 92 qualified responses from executives at large organizations (public and private, majority with \$1B+ revenues)
- Conducted by Innovation Leader in collaboration with Altitude, a design and innovation consulting firm

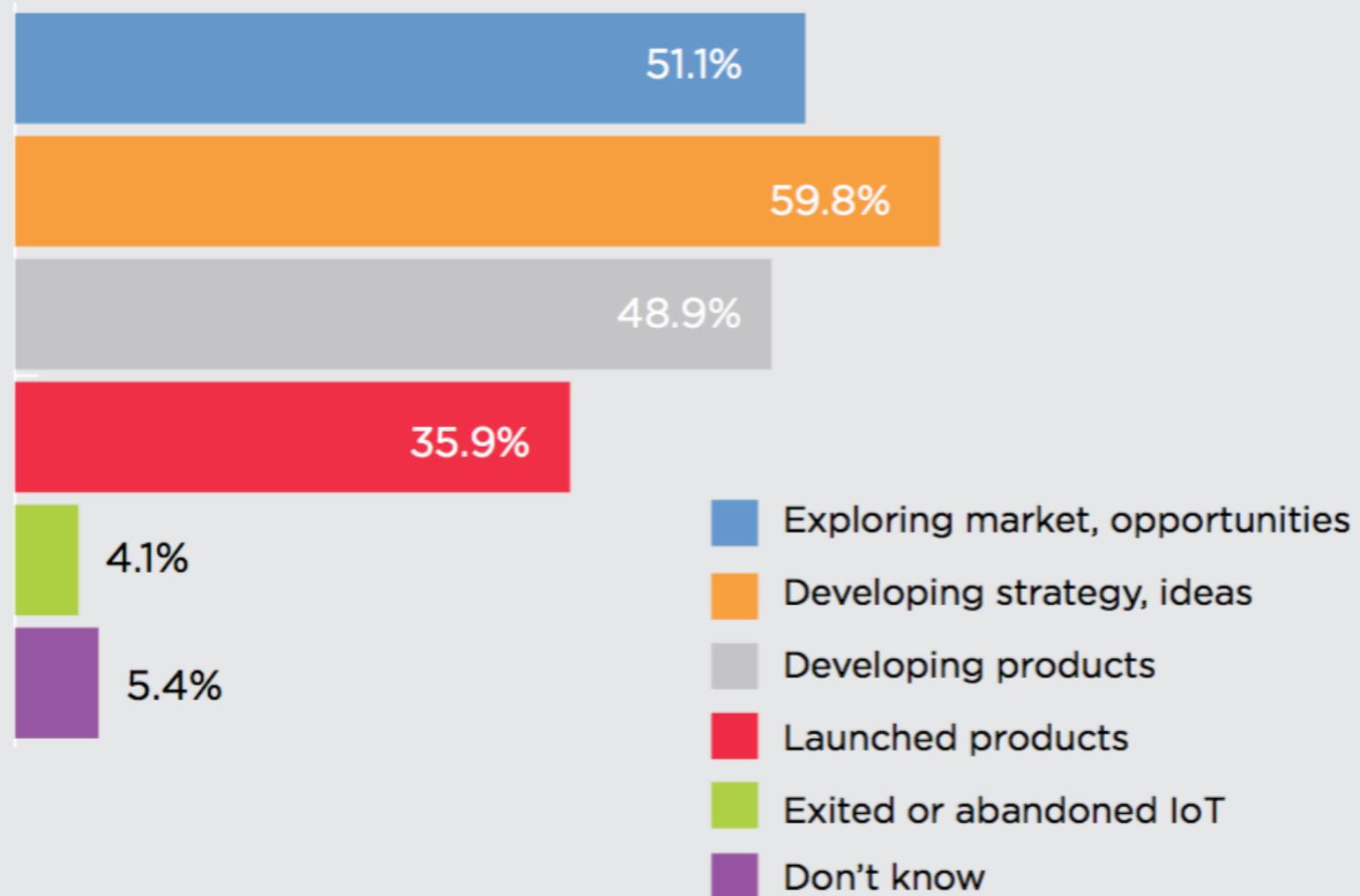
Investment levels



YTY = Year to year

Progress

In what stage of development are your connected products?



Biggest challenges

1. Making the business case
2. Developing the necessary technology capabilities
3. Getting sufficient resources / funding for projects
4. Identifying customers and persuading them to buy the solution
5. Ecosystem issues (which hub device or mobile OSes to integrate with); technology standards not yet set in stone; complexity of coordinating multiple business partners

Comments on challenges

- "Selling right now must occur on vision and potential rather than quantifiable outcomes."
- "[We're] doing stuff we've never done before with people that don't have quite the right experience/expertise."
- "We have to fix our current systems and make an operational investment to be at parity, before we can think about IoT and be a leader."
- "Technology is still expensive, so the cost-value equation doesn't always work for customers that are not early adopters."

Success factors

- Respondents said the top success factor for connected products will be the “job to be done that the product or service solves.”
- User experience / design was listed as the second most important success factor.
- Respondents said that they expect data privacy and security to be a factor that will grow in importance in the years ahead.

Perspectives

“It’s going to take a massive mind-shift for most companies, in terms of how they think about product development cycles, their teams, and hiring.”

– Dulcie Madden, CEO, Mimo Baby



“The way to find high-potential IoT opportunities is to discover and clearly articulate the functional, emotional, and social ‘jobs’ for which your customers use your products. Only then do you bring IoT into the equation by asking, ‘How can I use IoT to help them do these jobs even better, faster or more easily?’”

– Dan Ostrower, CEO, Altitude



“IoT has become a strategic imperative for companies to maintain market leadership.”

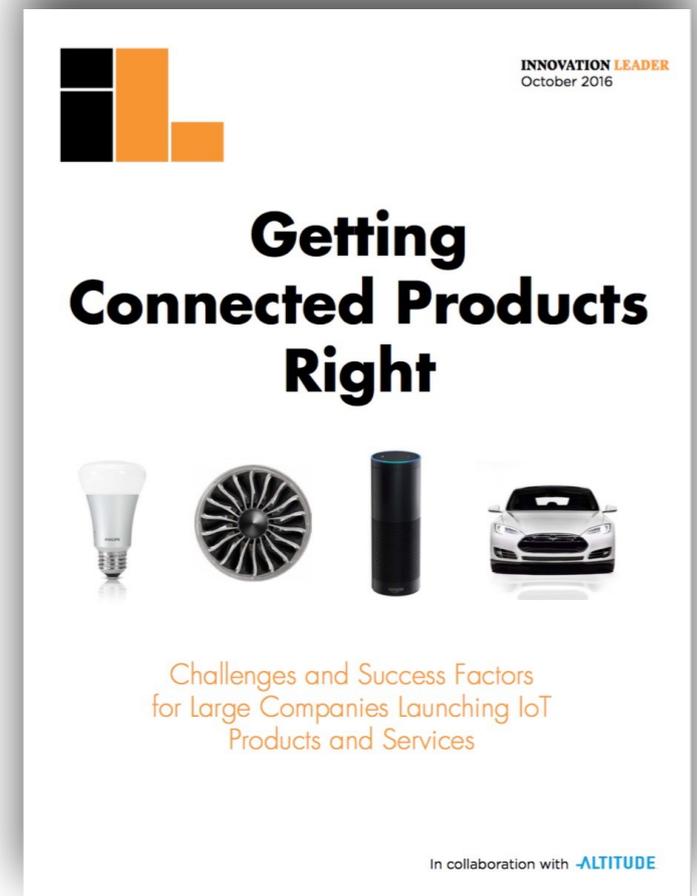
– Mark Pacelle, Senior Dir. of Open Innovation, Philips Lighting



More about the report

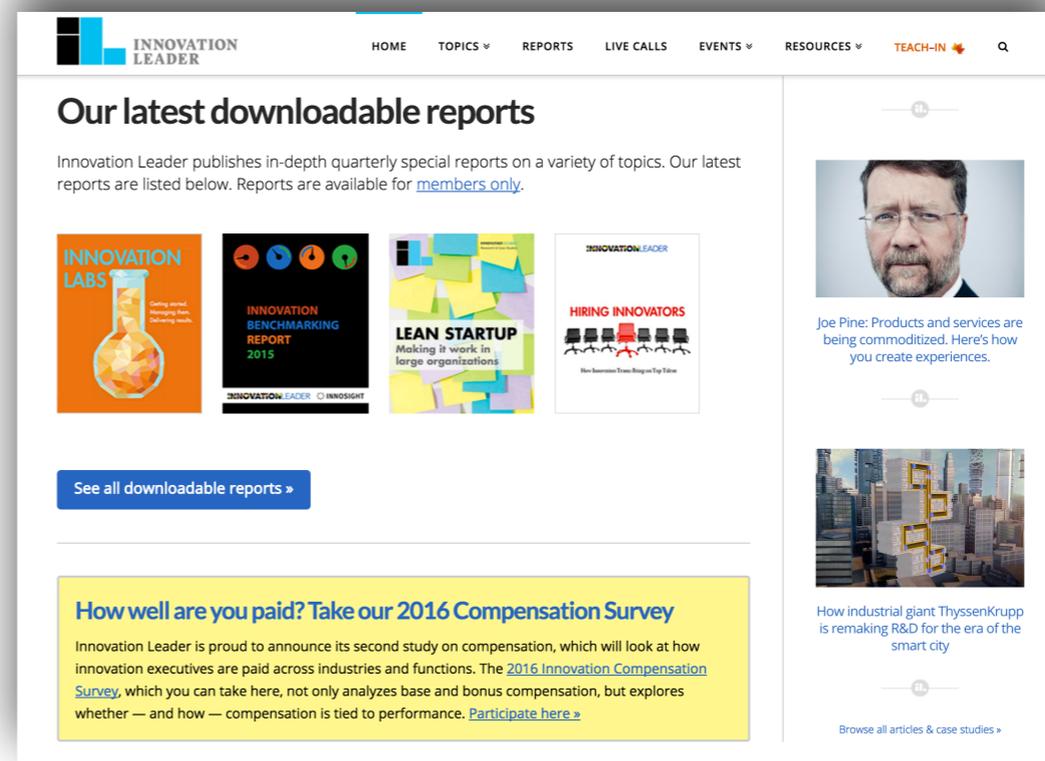
The complete report, “Getting Connected Products Right: Challenges and Success Factors for Large Companies Launching IoT Products and Services,” is available to Innovation Leader members at innovationleader.com/research.

It includes charts on how companies are measuring the success of connected products and services; results of their efforts so far; issues they need additional help with; and comments on new capabilities they need to build as well as organizational challenges that must be overcome.



About Innovation Leader

- Our sole mission is to spread best practices and help large corporations innovate faster/better/cheaper.
- On the web at innovationleader.com; on Twitter at [@innolead](https://twitter.com/innolead).
- Members get access to downloadable reports, case studies, print magazine, monthly conference calls, in-person events, and more.



About Altitude

Altitude, an award-winning design and innovation consulting firm, creates people-centered products and experiences that help companies grow. Our strategists, designers and engineers use a design thinking approach to uncover new opportunities, generate ideas, and develop new offerings to bring our clients success. Since 1992, Altitude has worked with companies worldwide, including Anheuser-Busch, Bose, Black & Decker, Briggs & Stratton, Colgate-Palmolive, DeWalt, Margaritaville, Nike, Thermo Scientific, and Under Armour.

More information at altitudeinc.com

