

## **Top 20 IOT Trailblazers: Startups Crossing the Chasm**

Digital Services (DS)  
Market Report – May 2017 – Preview Deck

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- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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# Everest Group's definition of scope of IOT services

NOT EXHAUSTIVE

## IOT services

### Consulting

Strategy formulation, use case development, roadmap development, technology assessment, and IOT architecture

### Design/implementation

Solution designing and implementation, system integration, and technology deployment

### Maintenance/management

Ongoing management, monitoring, support, and upgrades/updates

### Applications

Application development, API development & publishing, user interface design, customer experience management, application distribution, and interoperability

### Analytics and data management

Master data management, big data solution integration, data storage, cleaning & mining, event processing, predictive analytics, visualization, reporting, and dashboards

### Gateways and network

Device connectivity, device registration, cloud connectivity, device management, and performance management

### Infrastructure and security

Cloud platform development, device permissions, DR/back-up, authentication, data encryption, and vulnerability assurance

### Device and sensor engineering

Firmware development/upgrade, chip design/selection, sensor/device design, CAD/CAM, prototyping and deployment, configuration, provisioning, and asset management

### Platform integration

Platform development/customization, API integration / runtime management, system performance management, connectors design & build, and system upgrade

# Background of the research

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## Background of the research

- Internet of things (IOT) is among the top three IT investment priorities for enterprises across industries. They aim to achieve efficiency in operations, improve customer engagement, streamline internal process, and even transform their business model with IOT adoption
- Service providers, technology majors, and hardware & software suppliers are gearing up for the rising market demand and making large scale investments in resources, partners, solutions, and products. However, this convergence of IT and OT results in ecosystem complexities leading to gaps in the envisaged value and realized returns
- Over the past few years, multiple startups have thrived filling these innovation gaps. They are addressing key adoption challenges such as data privacy and security, network and bandwidth availability, standardization of communication protocols, platform standardization, analysis of data collected and so on
- Startups are rapidly taking the center stage of innovation in IOT and demanding attention to their role across the ecosystem. With enormous investments from venture capitalists, partnerships with large established IOT players, and acquisitions by technology majors, they are fast becoming a part of the mainstream service providers' landscape
- In this research we present an assessment of IOT startups primarily focusing on the Enterprise IOT players, their growth story, and the impact they have created in the market. We present an assessment and detailed profiles of 20 IOT startups across data analytics, platforms, security, and network provisioning. Each startup profile provides a comprehensive picture of its technology capabilities, achieved market growth, and the perceived investors' confidence
- The assessment is based on secondary research & analysis, interaction with IOT service providers, and IOT PEAK Matrix Assessment research published in 2016

## Scope of this report

- **Services:** Internet of Things startups
- **Geography:** Global
- **Companies:** 20 leading IOT startups

# Research methodology

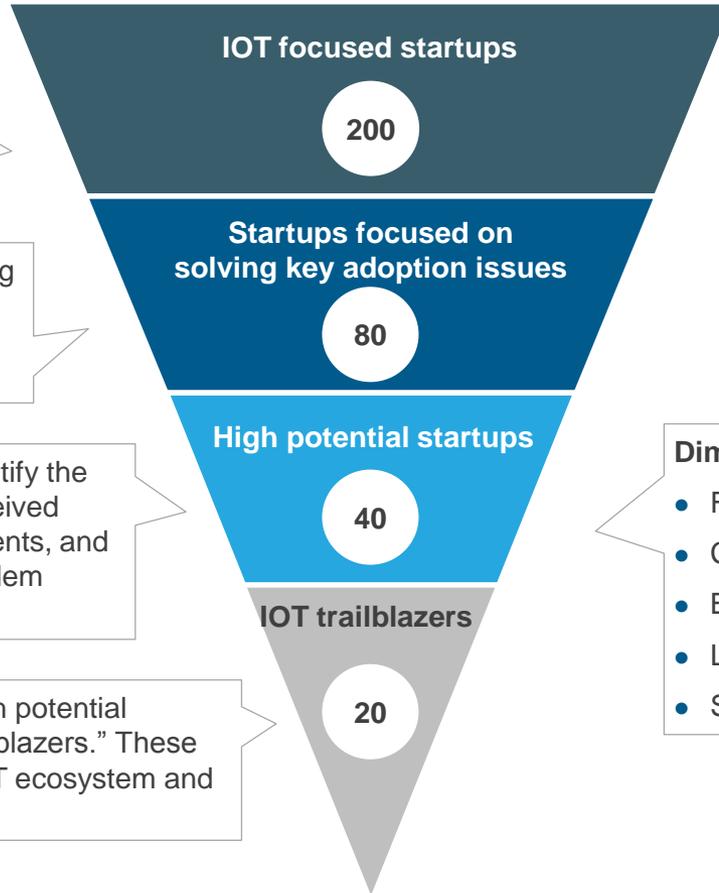
We analyzed 200 startups functioning across IOT ecosystem on five key dimensions to shortlist the “top 20 IOT trailblazers.”

Initial data of more than 200 startups functioning across IOT stack was collected. This included both enterprise and consumer IOT startups.

First stage filtering of startups addressing key IOT adoption issues (platform, network, security, and data analytics solutions) was conducted.

Comprehensive evaluation done to identify the high potential startups. These have received strong market traction, funding/investments, and leverage innovative technology for problem solving.

Further comparative assessment of high potential startups led to identification of “IOT trailblazers.” These startups play a significant role in the IOT ecosystem and have high probability of success.

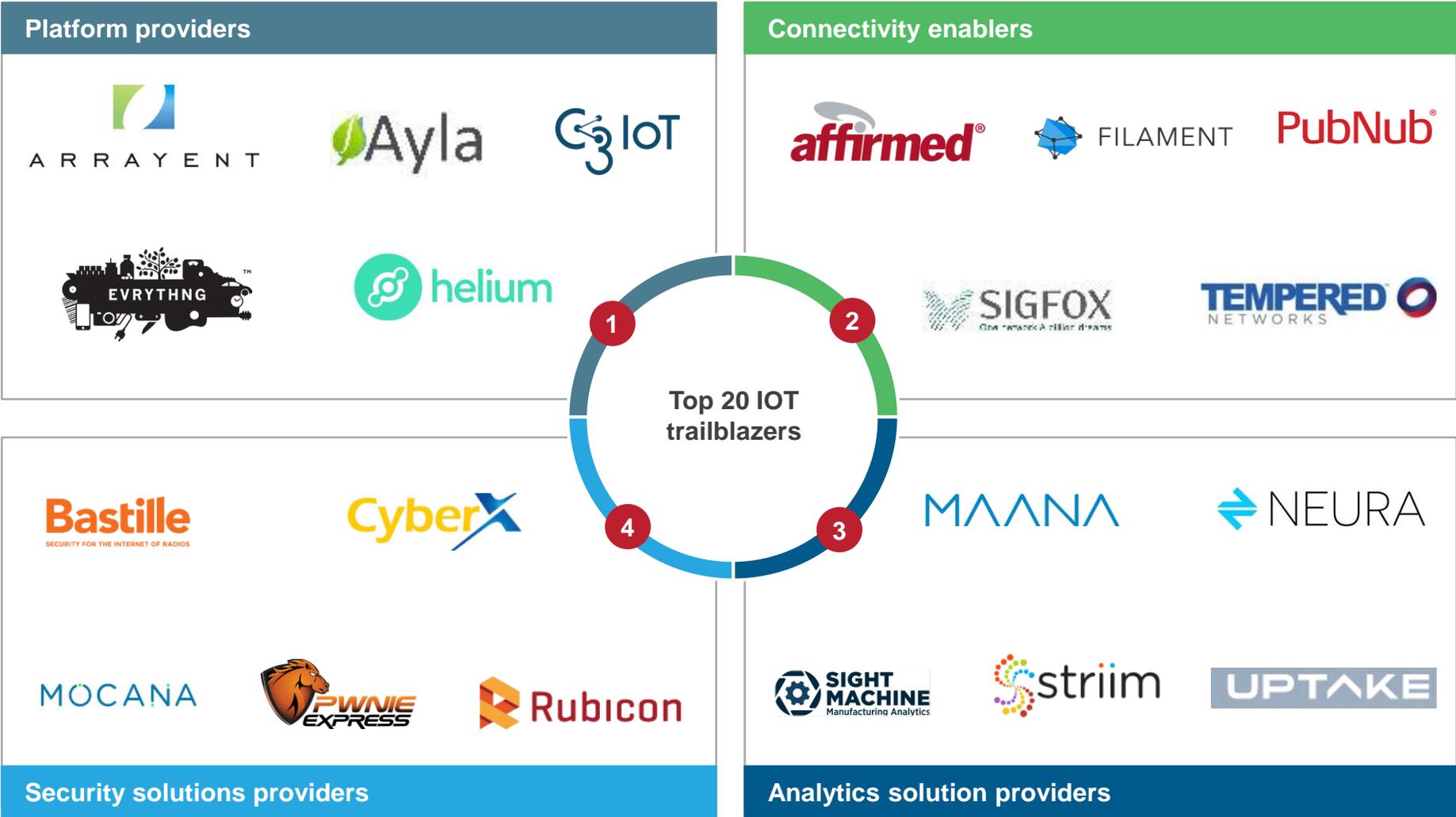


## Dimensions used for prioritizing startups

- Focused on solving key IOT adoption issues
- Clientele and market traction
- Backing from marquee investors
- Level of funding
- Strength of management team

Source: Everest Group (2017)

# After a detailed assessment, the following 20 startups emerged as “hot” startups addressing the primary challenges of IOT adoption across the IOT stack



# Summary of key messages

Industry stakeholders recognize that startups are quickly crossing the “Moore Chasm” and therefore, must be leveraged to drive value.



## Startups – on a high growth trajectory

- Year 2016 witnessed an uptick in funding and investments (Total investment of >US\$7 billion with ~30% in the past four years)
- With the increasing market significance, they are poised to be competitors to larger established IOT providers



## Addressing key IOT adoption issues

- Offering innovative solutions that enable value realization from IOT investments, startups are solving the gaps in IOT adoption
- Primary adoption challenges targeted by startups are:
  - Network enablement
  - Platform provisioning
  - Big data analysis
  - Security and privacy concerns



## Establishing their significance across the ecosystem

- Funding for IOT startups is flowing in not only from VC, but technology players, solution providers, system integrators, and even enterprises
- Access to innovative technology is the primary motivation apart from quick time-to-market and talent pool



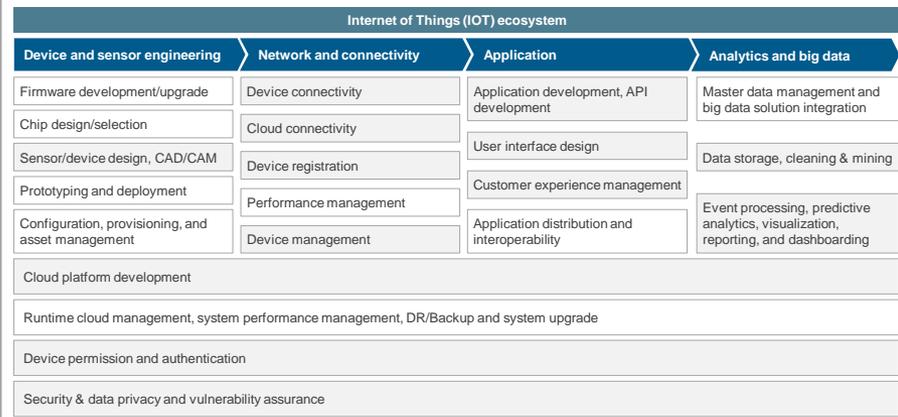
## Investment is not the only way to access innovation by startups

- IOT players across the stack are engaging with startups by means of acquisition, partnership, funding, and/or mentoring and one cannot afford to ignore them anymore
- Majority of the IOT players are leveraging startups primarily to expand their capabilities across the IOT stack

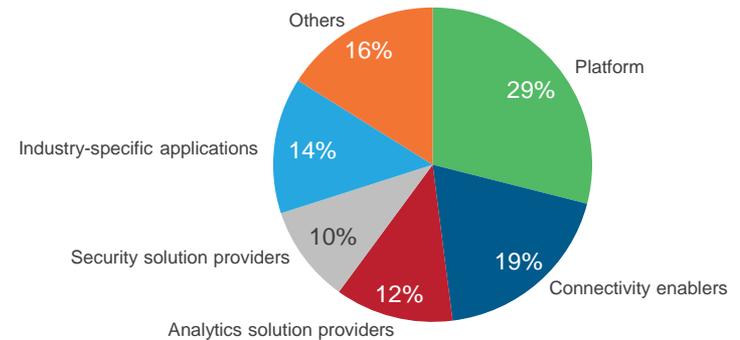
Source: Everest Group (2017)

# Detailed assessment and profiles of 20 IOT startups functioning across platforms, networks, data analytics, and security for IOT are included in the report

## Focus of IOT startups



## Relative funding of IOT startups by focus area



## Shortlisted 20 IOT startups

Platform providers | Evaluation of shortlisted startups

Shortlisted startups Low High

Shortlisted startups	Technology disruption	Market growth	Investor confidence
Startup 1	■■■■□□	■■■■□□	■■■■□□
Startup 2	■■■■□□	■■■■□□	■■■■□□
Startup 3	■■■■□□	■■■■□□	■■■■□□
Startup 4	■■■■□□	■■■■□□	■■■■□□
Startup 5	■■■■□□	■■■■□□	■■■■□□
Startup 6	■■■■□□	■■■■□□	■■■■□□
Startup 7	■■■■□□	■■■■□□	■■■■□□
Startup 8	■■■■□□	■■■■□□	■■■■□□
Startup 9	■■■■□□	■■■■□□	■■■■□□
Startup 10	■■■■□□	■■■■□□	■■■■□□

## Sample profile of IOT startups

Company overview		Capability assessment	
Successfully implemented its solution for reducing scrap for a leading industrial manufacturer and improving quality for an automotive client		Technology innovation	★★★★★
		Market growth	★★★★☆
		Investor confidence	★★★★☆
Fact sheet		Technology innovation	
Year of incorporation	Successfully implemented	<ul style="list-style-type: none"> <li>Successfully implemented its solution for reducing scrap for a leading industrial manufacturer and improving quality for an automotive client</li> <li>Successfully implemented its solution for reducing scrap for a leading industrial manufacturer and improving quality for an automotive client</li> </ul>	
Key executives	Successfully implemented		
Headquarters	Successfully implemented		
Number of employees	Successfully implemented		
Key investors	Successfully implemented		
Investor confidence – Estimated total funding of US\$XXX million		Market growth	
Year-1	Year-2	<ul style="list-style-type: none"> <li>Successfully implemented its solution for reducing scrap for a leading industrial manufacturer and improving quality for an automotive client</li> <li>Successfully implemented its solution for reducing scrap for a leading industrial manufacturer and improving quality for an automotive client</li> </ul>	
Series A US\$X million	Series B US\$X million		
	Series C US\$X million		

Source: Everest Group (2017)

# Digital services research calendar

■ Published ■ Current

Topic	Release date
Creating Enterprise Wealth with IOT .....	August 2016
Digital Services – PEAK Matrix™ Assessment and Market Trends: “Is Digital the New Normal?” .....	September 2016
Internet of Things Services – PEAK Matrix™ Assessment and Market Trends – IOT: Bigger than the Hype .....	December 2016
Customer (Dis)satisfaction – Why are Enterprises Unhappy with their Service Providers .....	January 2017
Internet of Things (IOT) in Medical Devices .....	April 2017
Top 20 IOT Trailblazers: Startups Crossing the Chasm .....	May 2017
Digital Innovation Index .....	Q2 2017
Design in Digital .....	Q2 2017
Digital Services – Annual Report 2017 .....	Q3 2017
Digital Marketing Services – PEAK Matrix™ Assessment and Profile compendium .....	Q3 2017
Digital Services – PEAK Matrix™ Assessment and Profile compendium .....	Q3 2017
Role of AI and Cognitive in Digital .....	Q4 2017
Internet of Things Services – PEAK Matrix™ Assessment and Profile compendium .....	Q4 2017

# Additional research references

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The following documents are recommended for additional insight into the topic covered in this research. These documents either provide additional details on the topic, or complementary content that may be of interest

1. **Internet of Things Services – PEAK Matrix™ Assessment and Market Trends – IOT: Bigger than the Hype:** ([EGR-2016-4-R-2025](#)); 2016. Internet of Things (IOT) is being rapidly adopted by enterprises across industries to achieve higher efficiency, enable data-driven decision making and explore new revenue opportunities. Technology vendors and service providers play a significant role in helping enterprises explore and invest in IOT technology. In this research, we discuss the latest IOT market trends and present the assessment and detailed profiles of 16 IT service providers featured on the IOT services PEAK Matrix.
2. **Internet of Things (IOT) in Medical Devices** ([EGR-2017-12-V-2112](#)); 2014. The presence of advanced sensors in connected medical devices enables generation of large amounts of data and information making them ripe for disruption by suite of technologies popularly known as the Internet-of-Things (IOT). The report analyses the disruptive potential of IOT in the medical devices space and the wider healthcare industry

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