Monetization management trust

Craig Bachmann, Senior Director, Internet of Everything (IoE)/Open Digital Program, TM Forum, talks about the big issues ahead of the Forum's Monetizing IoE InFocus event (October 17-18, Amsterdam, Netherlands)

Q: Why is monetizing IoE such a hot topic?
A: There are many predictions about how IoE is going to change the world, but if no one makes money from it, it won't go far. It's business, after all.

Q: Why is it so hard to scale IoE transactions using successful, reusable models?
A: IoE is such a vast and complex new area that holds so many possibilities and with these come risks and uncertainty. There is no correct, foolproof model for success and no company has a specific, clear-cut role to play in the new environment IoE is creating, it's up to each to carve out its own place in the multi-trillion dollar market. This means lines are being blurred between industry sectors, rules are being broken and we're seeing limitless potential to revolutionize everything we've known for the past couple of decades at least.

As well as uncertainty and lack of defined grounds to play in, creating a successful IoE business is hugely challenging. This is because of the speed of innovation, the need for investment and the capacity [or lack of it]for internal change and agility. But the rewards are definitely there for those who brave the storm.

Q: What are the best examples of how companies can monetize IoE?
A: Monetization may take the form of cost savings, enhancing efficiencies, using data to improve operations and processes (for example in smart manufacturing). It can take place at different levels – the device or service level, the platform level, the connectivity level.

A positive step for a company to successfully enter the IoE economy would be to take advantage of its existing assets and capabilities, then adapt them and open them up to partners in the digital marketplace. In the case of a telco for example, the obvious way to do this offering simple connectivity, but there are other areas it can monetize by building platforms and exposing assets and capabilities to third parties through open APIs.

TM Forum has developed a suite of standardized open APIs to enable this interoperability. They have been adopted by hundreds of companies worldwide because APIs facilitate partnerships across digital platforms and enable faster partnering, a large number of partnerships, and speed up product creation and commercialization.

Q: What are the key considerations for businesses in terms of monetizing IoE?
A: It depends on the company's starting position and ambitions. The Forum and our members have identified what we call the IoE Roadmap of Challenges, which goes beyond monetization to address overall IoE business success.

Challenges related to monetization in the roadmap include creating and managing multiple partnerships, and sharing the risk and reward across them. The Forum has also done a lot of work about this aspect – see our B2B2X partnering guide.

It is free to all members and has been adopted and adapted around the world to help build and maintain successful, fruitful partnerships to deliver cross-industry digital services.

Data integrity, privacy and trust

A large part of making money from IoE will be from the data created and collected through devices. The subject of data integrity, privacy and trust comes in to play heavily here. The EU's General Data Protection Regulation comes into effect in May 2018, so data privacy and compliance with this regulation are top of mind for all. This is challenging, of course, but it's also an opportunity to build trust across the entire IoE value chain or fabric, right to the end-user. This is vital for the growth fo the sector, including monetization.

Revenue assurance and fraud management

Finally, I'd say that the challenges around revenue assurance and fraud management are increased in the digital context. We need these disciplines to be rolled out and recognized across businesses and senior leadership teams. This broader role of revenue assurance and fraud management is referred to as 'business assurance', which really highlights its importance in running profitable new services and generating revenue.

While OSS isn't really implicated in all this – although aspects of it will be affected as we talk about 'service assurance' and ecosystem service level agreements – the IoE challenges for BSS are pricing, billing and charging, sharing risk and revenue, fraud management and identity management.

Again, at the Forum we've produced a lot of material in this field and are now pursuing a new open collaboration initiative, the 'Innovate' working group on business assurance, which I'd like to invite people to join. We also have a dedicated team working on IoE monetization, and there'll be a white paper coming out in the next couple of months. Do get in touch if you'd like to get involved with any or all of them.

Q: Why is trust a major consideration when it comes to monetizing IoE?
A: Without trust, uptake of IoE-enabled services will be marginal and monetization will dwindle. In an increasingly connected and digitized world, data has become the new currency and a highly sought-after, valuable commodity. This means all connected devices will collect and/or store data and they need to be secure. People are sharing more and more data about themselves, whether they want to or not. They need to be made aware of the risks as well as the means of protecting themselves against potential breaches and mususe of that data.

Q: What are the risks and challenges of monetizing and managing IoE?
A: The challenge of managing risks and providing secure, reliable, respectful connected services is a complex one, hence the tight regulations around data privacy and transparency. These will go a long way to establishing trust throughout the IoE value fabric and in the eyes of the end-user. Nevertheless, with the constant threat of cyber attacks and data breaches (intended or not), trust is not something that is acquired and is a done deal; it's always under threat and needs constant investment and dedication, and therefore it is an ever present risk.

Greater risk also comes with complex system of partnerships. When you're carrying out business with a complex network of partners, sharing the risk and reward is what it's all about. Smart contracts will have a key role to play in managing the risks associated with this and facilitate managing entire digital ecosystems. Smart contracts are in their infancy, though, so the risk of partnering is still significant.

Q: What do you see in CSPs and enterprises that are making progress monetizing digital services?
A: The companies are taking advantage of their assets and capabilities and adapting them to generate value in the digital economy. No doubt leadership, culture and having the right skill sets on your team are crucial – never underestimate the power of the human element when it comes to successful business transformation.

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