



THE INTERNET OF THINGS FOR SMALL TO MIDSIZE BUSINESSES
How SMBs Can Be Surprise Beneficiaries by Harnessing the IoT Phenomenon

By Michael Elliott, Cloud Evangelist, Distributed Computing Industry Association (DCIA)

The DCIA is an international trade organization focused on the commercial advancement of cloud computing and related technologies.

Business Process Monitoring

The Economist Intelligence Unit (EIU) says that mobile and cloud computing advances are driving growth of the Internet of Things (IoT).

For small-to-midsize businesses (SMBs), first and foremost, IoT applications bring a new range of process monitoring capabilities, which will benefit productivity and efficiency of their operations in many ways.

Distribution Chain Integrations

Beyond that, IoT will also enable linkages between the supply and demand sides of small businesses in unprecedented ways.

Product and part inventories can be more precisely matched to data aggregated from customer relationship management (CRM) systems.

Real-time product usage and service experience data can be more robust than ever before thanks to IoT.

How much better? A recent Boston Consulting Group study revealed that SMBs adopting IoT increased annual revenue 15 percent faster than those not doing so.

Data Handling Requirement

Because each of these areas of potential improvement is predicated upon handling massively larger amounts of new information, adopting IoT to obtain these benefits requires SMBs to add capabilities in Big Data and analytics, either through internal development or by acquiring services from third-parties.

As it turns out, processing large amounts of data is an excellent use of cloud computing, which provides a fast and affordable way for SMBs to become IoT proficient.

A common attribute of the many advantages IoT promises SMBs is faster and better decision-making.

Don't Forget Data Security

By capturing and learning to understand more business-critical data sooner and with greater accuracy means that business decisions will be better than before, when that information was unavailable.

Securing IoT for SMBs is an important consideration, given the number of such devices that use Linux, requiring that encryption and authentication be added to protect the data.

New CRM Channels from IoT

During the next two years, it is expected that the plug-and-playness of IoT and related Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS) offerings will improve for SMBs, making them better integrated and even more accessible.

Already, third-party platforms are leveling the playing field for SMBs to monetize data streams just as expertly as much larger enterprises.

The IoT in essence enables businesses to reach people in new ways, leveraging the IoT data analytical systems for newly identified market microsegments.

Special Advantages for SMB B2Cs

For business-to-consumer (B2C) SMBs, IoT-based micro-location proximity-awareness enables retailers to more precisely understand, segment, and target their customers with personalized contextual advertising, special offers, and promotions.

The ability to reach customers in-and-out of stores in turn leads to deeper and stronger customer relationships and retention.

Stay Focused on Business Goals

But before considering IoT, it's essential to clearly understand an SMB's business objectives. From there, it's a matter of designing a better customer experience around those goals, determining which IoT devices (e.g., beacons for retail) will deliver that experience, and finally developing the solution and apps to make it happen.

Essentially, SMBs should make sure IoT will work to improve their bottom-lines – just like cloud computing and other IT innovations being used today.

Michael Elliott is an accomplished business development executive with over 20 years of enterprise technology experience. In his capacity as Cloud Evangelist for the DCIA, he consults with companies globally on their marketing strategies with a focus on cloud solutions deployment and sales growth. Michael is also an accomplished presenter and writer, and authors a blog at <http://elliottmichael.com>. Michael most recently served as Dell's Cloud Evangelist, working as a thought leader in formulating cross-business cloud marketing strategies. He represented Dell's cloud portfolio and vision at client meetings, media briefings, and industry conferences.