POINT OF VIEW

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Delivering Cross-Functional Transformation for Internet of Things (IoT) Connected Device and Consumer Electronics companies

The accelerating pace of innovation related to the Internet of Things (IoT) is unleashing a wave of connected smart products that are becoming increasingly mainstream and are integral to everyday life. Smart watches, activity trackers, wearable devices, connected cars, homes, and more are now a reality. Tasks that previously required human presence, such as home cleaning, cooking, and driving can now be controlled remotely through IoT sensors embedded in smart products. According to an Ericsson estimate, there will be 16 billion active IoT devices by 2021.[1] McKinsey predicts IoT's potential economic impact to touch USD 11 trillion annually in 2025–this means IoT will account for a staggering 11% share of the global economy in less than 10 years.[2]

While IoT adoption is unleashing end-to-end transformation of the manufacturing value chain across industries, the consumer electronics industry stands to gain significantly. At the Consumer Electronics Show 2015, Samsung Electronics CEO Boo-Keun Yoon declared that by 2020, every single Samsung product will be a connected IoT device.[3] Smart electronics such as wearables, mobile devices, and related accessories are fast emerging as key products in the consumer electronics market, thanks to consumers' willingness to pay premium prices for smart features. For consumer electronics manufacturers, this means two things. First, they must transform their operations and development processes to roll out smarter products at an accelerated pace. And second, they must tap into the huge revenue potential of these IoT-enabled smart electronics by enhancing the customer experience and exploring new service models such as subscription or usage-based offerings. It is no longer a question of whether to make a product smart or not, but when and how.

This Point of View paper looks at how consumer electronics companies can harness the power of IoT to enable holistic transformation of business processes, service delivery models, and relationships with business partners to realize superior outcomes.

Drive transformation across four key areas: tap into the potential of IoT

Manufacturers of smart electronics must look at tapping into a connected ecosystem of new technologies such as advanced analytics, machine learning, Artificial Intelligence (AI), and Robotic Process Automation (RPA). This will help them transform business processes, improve decision-making with real-time data

16 billion

active IoT devices expected by 2021

[1] Ericsson Mobility Report, Internet of Things to Overtake Mobile Phones by 2018 (June 2016), accessed Mar 2017, https://www.ericsson.com news/2016987

[2] McKinsey, Unlocking the Potential of the Internet of Things (June 2015), accessed Mar 2017, http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/the-internet-of-things-the-value-of-digitizing-the-physical-world

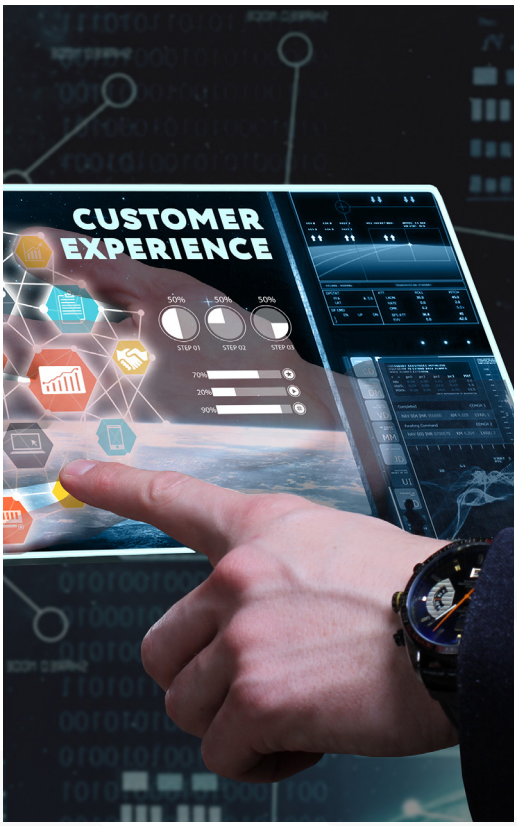
[3] Venture Beat, Samsung Says Every Single One of Its Products will Connect to the Internet in Five Years (Jan 2015), accessed Mar 2017, http://venturebeat.com/2015/01/05/samsung-says-every-single-one-of-its-products-will-be-an-iot-device-in-5-years/

insights, and optimize supply chain and costs. Specifically, here are four ways that manufacturers can harness the power of IoT to differentiate themselves in an increasingly competitive marketplace.

1. Rethink the approach to customer experience

More than service, customer experience matters in today's hyper-connected world. End-user expectations continue to grow as devices become smarter, requiring lower levels of physical intervention. Connected devices capture petabytes worth of data annually–the challenge lies in making sense of all the data to deliver the desired impact. Mining, aggregating and analyzing data collected from an ecosystem of connected devices can help businesses uncover valuable customer insights regarding purchase behavior, history, preferences, intent, trends and patterns. This information, in turn, can help personalize customer experiences in live, web or social media interfaces to deepen engagement, bolster loyalty and retention, and generate a long-lasting bottom line impact.

Tesla's over-the-air fix of wall chargers in its 29,222 cars that were at risk of overheating is a great example of how IoT can help automobile manufacturers redefine customer service.[4] Not only did the company save customers the hassle of recall but also put them in control of the situation. Tesla allowed its customers to install a software upgrade and rectify the defective feature, at the customer's convenience.



[4] Thinque, Tesla- An Example of Internet of Things Enabled Service (Aug 2016), accessed Mar 2017, http://blog.thinque.com.au/tesla-an-example-internet-of-things-enabled-service

Drive transformation across four key areas: Tap into the potential of IoT

SUCCESS STORY

A leading global gaming console provider enhanced the user experience by leveraging Sutherland's Customer Experience Transformation Services

Challenges:

- Slow adoption, higher costs for customer experience
- Lack of scalable solutions for global expansion

Results with Sutherland:

- Integration with client systems to provide video chatbots for assisted-service
- Improved user experience and convenience with introduction of a mobile interface for self-service

Sutherland's expertise reimagines Customer Experience

Sutherland's services help dramatically improve the customer experience, increase retention, reduce cost of service, and enhance profitability. Our Customer Experience Transformation solution suite includes:

- Technical support, sales and retention in 19 different languages
- Self-service solutions including avatars, bots, and dynamic IVRs
- Customer 360-degree solutions with system integration, analytics, platforms and next best actions for end customers

2. Create smarter products with a closed-loop feedback mechanism

Development of consumer electronics is a typically long-drawn and expensive process fraught with technical risks. With IoT, the complexity is further heightened due to multiple technology layers, the IoT cloud platform, embedded software, network communication protocols, and security concerns. Other unique challenges in developing IoT-enabled devices include system testing, security, maintenance, support, warranty, regulatory compliance, data governance, and user privacy controls. More than individual functionality, the success of IoT-enabled smart electronics depends on how well they can integrate with other devices and work within a connected digital ecosystem.

A connected enterprise should be able to aggregate data from various sources, analyze and combine it with real-time feedback from markets/customers, and feed the insights back into the manufacturing process to create a closed loop that optimizes processes, products, and costs. Real-time product usage and performance data is critical for consumer electronics manufacturers to optimize product design, control inventory, minimize failures, enable predictive maintenance, and reduce supply chain costs.

SUCCESS STORY

A leading search engine services company transformed customer experience through Journey Mapping at Sutherland's Experience Labs

Challenges:

- Discover customer types across all products and services
- Identify gaps in Customer Experience (CX) journey to provide a transformed and differentiated user experience (UX)

Results with Sutherland:

- New Customer Personas developed and mapped to the Customer Journeys
- Process gaps revealed many areas requiring improvement and enhancement, improving UX

Sutherland's expertise helps launch products Quickly and Cost-effectively

Sutherland's superior and comprehensive IT services spanning product engineering, testing, system integration, analytics, and business intelligence help organizations optimize product development processes and develop the products that customers want, to maximize ROI.

3. Transform financial processes to create superior value

The financial services sector is slowly waking up to the IoT revolution that threatens to upturn traditional business models even for this highly regulated industry. IoT is the chief enabler of Robotic Process Automation (RPA), a technology that is ushering unprecedented levels of financial process automation. RPA can help manufacturing firms enable e-invoicing, streamline order-to-cash (O2C), procure-to-pay (P2P), record-to-report (R2R), accounts payable (AP), and other industry-specific accounting functions. By providing real-time visibility into logistics status, RPA can also help manufacturers efficiently manage connections with multiple suppliers and vendors across geographies. The global electronics manufacturing giant Siemens makes great use of RPA in its manufacturing plant at Amberg, Germany, where 75 percent of the value chain is controlled autonomously by more than 1,000 automation controllers installed from one end of the production line to the other.[5]

[5] IndustryWeek, The Internet of Things Will Make Manufacturing Smarter (Aug 2015), accessed Mar 2017, http://www.industryweek.com/manufacturing-smarter?page=1

Sutherland's solutions revamp finance processes for the IoT Era

Sutherland's Finance Transformation Practice services include order processing with trained consultants and proprietary RPA that leverage advanced analytics to enable better collections, provide real time visibility of products for forward/return logistics, automated reporting by product, geography, and more. Data-driven insights help C-suite executives make better informed decisions and provide low cost services to customers with value-added features.

4. Redefine the way organizations 'market' to amplify customer acquisition and retention

IoT has the potential to turn traditional marketing and advertising on its head. Insights from connected devices pave the way for unprecedented levels of personalization in targeting consumers. It can help get to the right mix of the 4Ps of marketing—product, pricing, placement, and promotion.

In addition to superior knowledge of customers' needs, analyzing data from connected devices can help marketers segment their audience more precisely, run targeted advertising campaigns to optimize acquisition and retention costs, strengthen engagement on social media, and constantly monitor campaigns to fine-tune as required. GoPro, Inc., a portable camera company whose audience predominantly comprises adventurers and daredevils, encourages their customers to share the videos they take on the brand's YouTube channel. These videos are highlighted and promoted by GoPro and utilizing the power of this incredible user-generated content, the brand has garnered over 3 million subscribers on YouTube and more than 850 million views.[6]

[6]Content Marketing Institute, Get Your Fans to Share Their Love: What Every Brand Can learn from GoPro (Sep 2015), accessed Mar 2017, http://contentmarketinginstitute.com/2015/09/brand-learn-from-gopro/

Sutherland's capabilities fine-tune marketing for Superior Outcomes

Sutherland's comprehensive marketing services span marketing analytics, customer acquisition on web channels, social media monitoring and response management, and customer retention services powered by our proprietary retention platform. These solutions significantly improve the customer experience, enhancing lifetime value and boosting long-term brand loyalty.

Capitalize on exponentially growing opportunities to create value

Strategically, IoT is poised to impact both the brand as well as the business of consumer electronics manufacturers. As IoT applications in consumer electronics mature, manufacturers need to devise new ways of adding value for end users. How can they do this? First, they need to begin integrating data available from smart devices to connect the dots, identify the gaps, and eliminate the bottlenecks in supply chain operations.

The enhanced end-to-end visibility can help organizations connect multiple factories across regions to significantly accelerate time-to-market at a time when consumer preferences in electronic devices change at lightning speed. Second, industry players must design specifically for their target segments, and devise strategies to offer meaningfully differentiated products, services and experiences. Organizations that generate meaningful insights by applying intelligence, reimagine development of intuitive products and services, and enhance customer experience, will be able to drive sustainable competitive advantage.

For more information on how we can help you transform your processes, visit us at www.sutherlandglobal.com, email us at sales@sutherlandglobal.com or call 1-800-388-4557 ext. 6123.

Connect with us

As a process transformation company, Sutherland rethinks and rebuilds processes for the digital age by combining the speed and insight of design thinking with the scale and accuracy of data analytics. We have been helping customers across industries from financial services to healthcare, achieve greater agility through transformed and automated customer experiences for over 30 years. Headquartered in Rochester, N.Y., Sutherland employs thousands of professionals spanning 19 countries around the world.

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