

Diverse Forces Impact Smart Systems Adoption

Even with all the recent attention surrounding Smart Systems, we are still in the earlier stages of adoption. There are several supply-side and adopter-side hurdles that will need to be overcome in order for the opportunity to really gain its footing in the mainstream of business. Key challenges to be addressed include:

- Designing and validating new business models;
- A diverse range of public and private policy questions;
- Multiple, parallel and often competing standards activities and bodies;
- Complex services and solution delivery and fulfillment systems that require people and businesses to relate in new and different ways.
- Anticipation of new product, service and systems innovation modes that are not widely adopted today.

The electronic linking of users, channels and producers will continue its inevitable march forward as it becomes easier and easier to design and develop networked solutions. Smart Systems has great promise for a diverse range of businesses. However, relatively few traditional product companies (particularly B2B players) have succeeded in pursuing both product and services activities on a balanced, closely coupled basis. They are missing the opportunity to create a new model of success. Smart

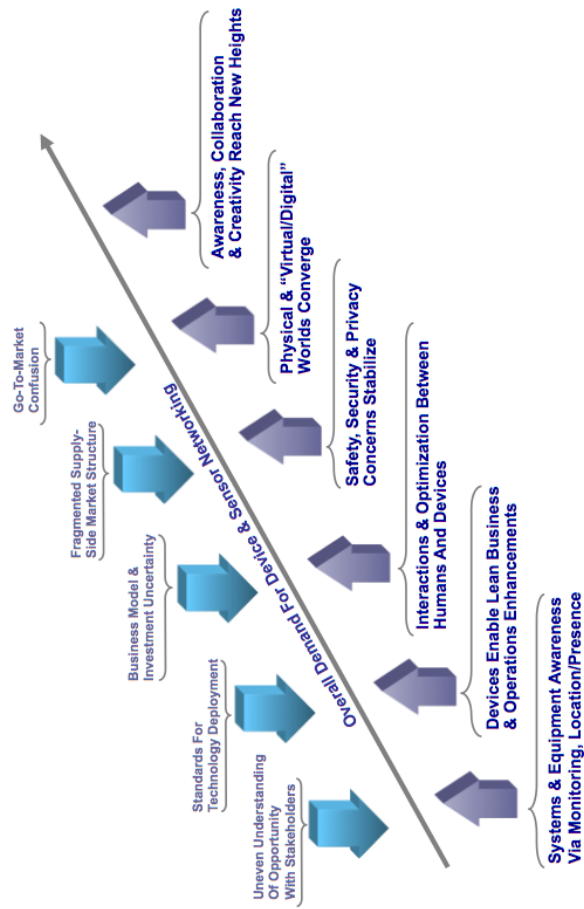
We believe competitive differentiation will shift away from unique, vertically focused

product features or autonomous services functions and move towards user experience and how the system fosters interactions between and among users in a networked context. The business models that will inform Smart System opportunities will extend beyond ideas about new products and services to the very manner in which business is conducted.

The opportunities that connected solutions open up to forward thinking product and service organizations are nearly infinite. Businesses can begin to explore many new possibilities for system solutions unthinkable just a few years ago.

Forces Impacting Smart System Adoption

Several supply-side and adopter-side hurdles will need to be addressed in order for Smart machine-to-machine (M2M) Systems to become widespread



Drivers, Impacts & Levers Impacting Adoption

