Become digitally disruptive:
The challenge to unlearn

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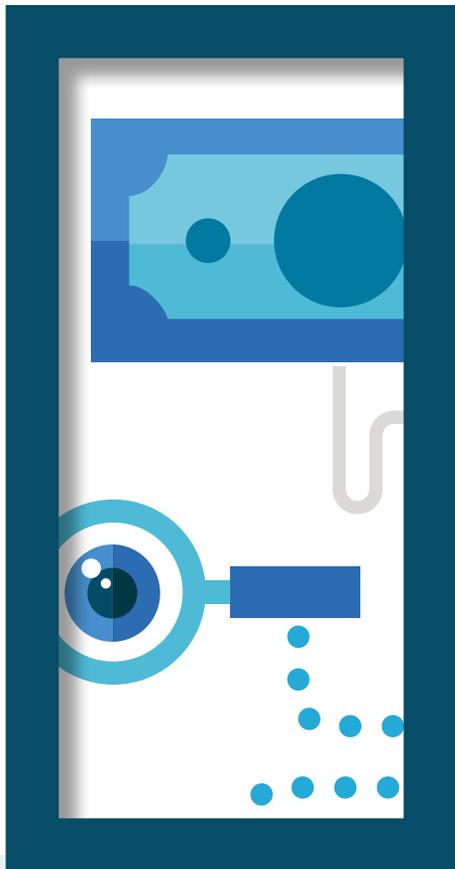
DATA CURRENCY:

Digital disruptors deliver meaningful outcomes

In 1849, over 300 000 people came to California from all over the world in the hope of finding gold. One hundred and sixty-six years later it feels like a gold rush all over again, only this time we're after data.

Borderless cloud platforms pump the stuff out, along with tens of billions of devices and sensors feeding the Internet of Things (IoT) with information. Ongoing advances in processing, storage capacity and affordability fuel the rush for data, and enterprise vaults are stacked to the ceilings.

Doing something with all that data?
Rather than blindly hoarding data and go to the trouble of ingesting, correlating and transforming it to suit their systems, companies need to take the next step and start basing decisions on it. But the reality is that most enterprises today struggle to fully exploit the data they capture.

These decisions must be guided by the outcomes customers demand from the products and services that companies offer. And they need to be aided by self-learning intelligent software platforms that can reveal hidden opportunities in feedback data.

To achieve this, organizations must invest in data that can inform new outcome-based business models. And they must use borderless cloud platforms to extend their enterprise ecosystems wide enough to gather the insights that drive decisions.

DATA
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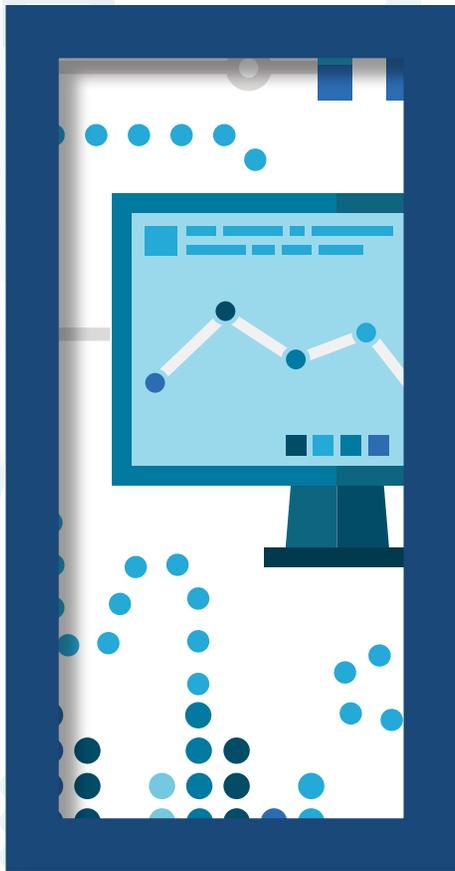
Successful companies are making an early transition from a data economy to one prizing outcomes. Microsoft made its fortune selling software licenses, but is now investing heavily in cloud infrastructure and embracing a service revenue model. At the same time, the company is experimenting with outcome-based models (tying revenue to efficiencies delivered by an enterprise application[1]). It is even giving Windows 10 away for free.

For Microsoft, data—or its usage—is fast becoming the new "currency." And this currency is accepted across industries, by all customer segments and in many workplaces.

Data from the edge drives better decisions
How do we get from capturing data to seeing outcomes?

By deploying or engaging existing sensors at the point of interaction with the world (the edge of the enterprise), companies can capture data and learn how customers and employees use their products and services.

By way of example, retail stores are installing motion sensors in mannequins to better understand shopping behaviors.[2] And Avanade worked with supermarket chains to implement Kinect sensors in store aisles also to understand customer behaviors, thereby enabling outcome-based decisions such as changing product placement.

But that's not all. Product placement data is gold to consumer packaged goods companies. By selling it to them, retailers are creating further disruption in the market—creating new revenues as well as perfecting product placement.

1 "Digital Ubiquity: How Connections, Sensors, and Data Are Revolutionizing Business," Harvard Business Review, November 2014
2 "Somebody's watching me: Camera sensors to be placed in retail mannequins," RT.com, Dec. 14, 2013," RT, December 14, 2013.

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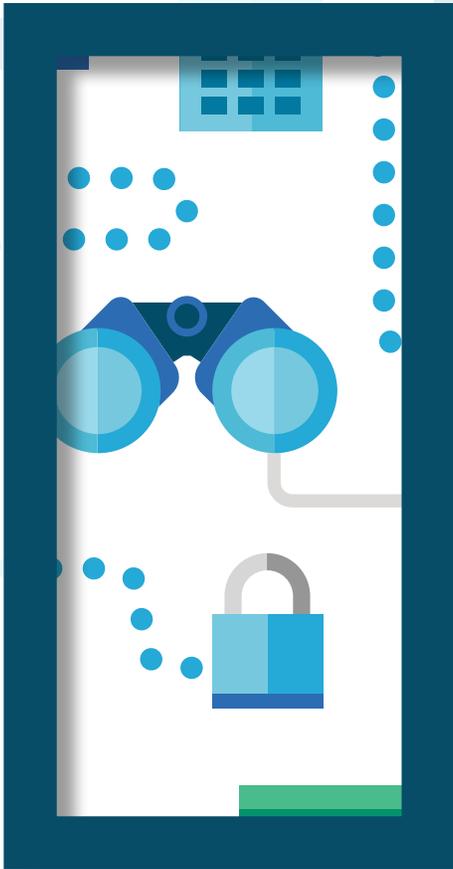
Power generation automation enables efficiencies

Another Avanade client, a manufacturer of power generation equipment, is transforming its business model by embedding sensor-enabled automation into its generators. The sensors are online and publish data at regular intervals to Microsoft Azure, the company's cloud platform.

Intelligence in the platform allows equipment to switch on and off based on data about grid load and power output, coupled with external weather data. The manufacturer's services department further uses the real-time information to proactively schedule maintenance, rather than risk finding out something isn't working when it is needed the most.

Finding new and improved revenue opportunities

The new monetization opportunities can be revolutionary or an improvement on existing ones, for example enabling a better ROI through a higher sales increase, based on optimized costs.

A government agency that Avanade works with is looking into developing a smart parking solution that collects parking lot usage patterns of its monthly pass holders to predict and sell likely vacant spots at predetermined times to other parkers. This will create new revenue through better space utilization without impacting existing revenues and may actually build brand loyalty. The data is collected through sensors, geo-presence and license plate recognition, and overlaid with the city map.

In the future, pairing such deep-learning software with rapidly evolving natural speech services like Cortana and Siri will enable customers to "order" their choice of available parking spots and pay for it in the same way we order take-out at a drive-through.

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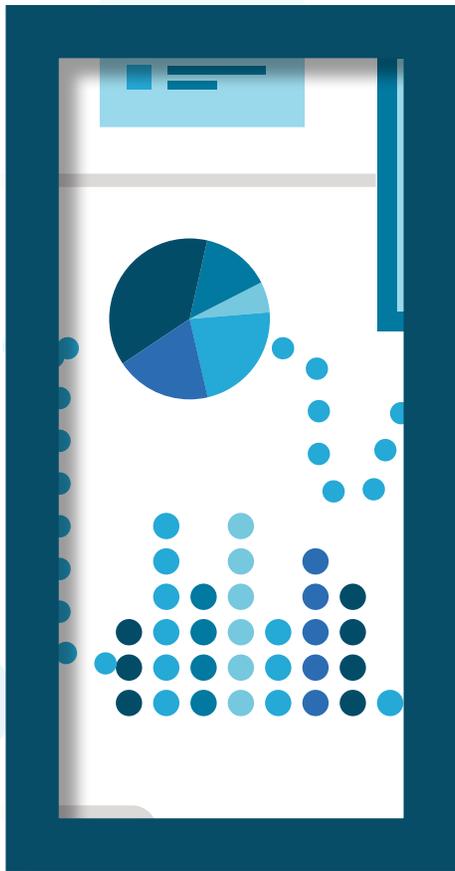
Workplace sensors identify productivity improvements

A lot of the attention around IoT has been on wearables and sensors in the consumer space. However, sensor technologies are finding their way into the workplace too. Some companies, like Bank of America, are experimenting with sensors to understand the collaboration needs of their workforces, evaluating which spaces lead to more productive discussions and amplify the natural ways their people connect across teams and business functions.[3]

To address concerns about data being collected in this way, organizations need to be open about what data is being collected and how it will be used and shared. In addition, people must have control over their data. Companies should also factor in the privacy, ethical and—where applicable—legal ramifications.

It's about more than just collecting more data

The success of using data to drive outcomes will depend on how quickly companies can put the feedback loop from the edges of the enterprise to work.

The journey from capturing data to delivering outcomes is complex and requires a variety of tools, methods and skill sets. Enterprises that take this journey will be rewarded with new revenue streams and better customer value.

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3   "Tracking sensors invade the workplace," The Wall Street Journal, March 7, 2013.

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About Avanade

Avanade helps customers realize results in a digital world through business technology solutions, cloud and managed services that combine insight, innovation and expertise focused on Microsoft technologies. Our people have helped thousands of organizations in all industries improve business agility, employee productivity and customer loyalty. Avanade combines the collective business, technical and industry expertise of its worldwide network of experts with the rigor of an industrialized delivery model to provide high-quality solutions using proven and emerging technologies with flexible deployment models — on premises, cloud-based or outsourced. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture LLP and Microsoft Corporation and has 23,000 professionals in more than 20 countries. Additional information can be found at www.avanade.com.

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