

IoT: Is this a New Beginning for Industry-Specific BPO?

extract from presentation 'Outsourcing Game Changers & the New Digital Economy'
April 2016 by NelsonHall CEO, John Willmott

Where is the Internet of Things Currently Being Deployed?

Industries	Est. Market Size 2015 (\$m)	Est. Market Size 2020 (\$m)	Est. CAAGR 2015-2020 (%)
Connected Car	250	1,500	43%
Smart Manufacturing	220	1,450	46%
Smart Energy	200	900	35%
Smart Cities	100	2,150	85%
Smart Agriculture	90	520	42%
E-Healthcare	50	1,500	97%
Smart Logistics	50	480	57%
Smart Retail	40	1,000	90%
Total	1,000	9,500	57%

This slide shows some of the major areas where IoT is being applied, taken from a major study launched by NelsonHall in April 2016.

The IoT is still in the early stages of deployment, often around proofs of concept. Accordingly, the figures shown here cover the full range of third-party services from consulting and systems integration through to outsourcing, with outsourcing currently a small element of the totals shown here.

Nonetheless, IoT has the potential to transform industry models and to lead to the creation of major opportunities in industry-specific BPO. Four of the major areas where IoT is being applied are:

- *Smart Cities*, where there are considerable applications in environmental management
- *Connected Car*. It's already increasingly challenging for young drivers to get access to affordable insurance without agreeing to having their driving habits monitored, and the use of IoT in the automotive industry is set to increase radically with the advent of self-driving cars
- *Smart Manufacturing*
- *E-Healthcare*. Post-op heart patients are already having their heart rhythms monitored by doctors remotely from offshore locations and the scope for health monitoring and health advice is expanding rapidly with the rise in health-related wearables.

Analytics and the ability to deliver predictive insight will be absolutely critical in conjunction with IoT-related services where IoT and sensor-based information will be used to anticipate need for actions and resources, including healthcare and wellness interventions, predictive maintenance, and traffic management.