



NEWS RELEASE

Cisco Survey Reveals Close to Three-Fourths of IoT Projects Are Failing

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Released at marquee industry event IoT World Forum, the survey data also reveals keys to IoT success LONDON, UNITED KINGDOM -- (Marketwired) -- 05/23/17 -- ***The Internet of Things World Forum (IoTWF)*** -- Cisco (NASDAQ: CSCO)

IDC predicts that the worldwide installed base of Internet of Things (IoT) endpoints will grow from 14.9 billion at the end of 2016 to more than 82 billion in 2025¹. At this rate, the Internet of Things may soon be as indispensable as the Internet itself.

Despite the forward momentum, a new study conducted by Cisco shows that 60 percent of IoT initiatives stall at the Proof of Concept (PoC) stage and only 26 percent of companies have had an IoT initiative that they considered a complete success. Even worse: a third of all completed projects were not considered a success.

"It's not for lack of trying," said Rowan Trollope, Senior Vice President and General Manager, IoT and Applications, Cisco. "But there are plenty of things we can do to get more projects out of pilot and to complete success, and that's what we're here in London to do."

Cisco released the findings at IoT World Forum (IoTWF), an event where Cisco convenes the industry's best, brightest and most passionate leaders with the goal of accelerating IoT. We surveyed 1,845 IT and business decision-makers in the United States, UK, and India across a range of industries -- manufacturing, local government, retail/hospitality/sports, energy (utilities/oil & gas/mining), transportation, and health care. All respondents worked for organizations that are implementing and/or have completed IoT initiatives. All were involved in the overall strategy or direction of at least one of their organization's IoT initiatives. The goal was to gain insight into both the successes as well as the challenges that are impacting progress.

Key Findings:

1. The "human factor" matters. IoT may sound like it is all about technology, but human factors like culture, organization, and leadership are critical. In fact, three of the four top factors behind successful IoT projects had to do with people and relationships:

- **Collaboration between IT and the business side** was the #1 factor, cited by 54 percent.
- A **technology-focused culture**, stemming from top-down leadership and executive sponsorship, was called key by 49 percent.
- **IoT expertise**, whether internal or through external partnership, was selected by 48 percent.

In addition, organizations with the most successful IoT initiatives leveraged **ecosystem partnerships** most widely. They used partners at every phase, from strategic planning to data analytics after rollout.

Despite the strong agreement on the importance of collaboration among IT and business decision-makers, some interesting differences emerged:

- IT decision-makers place more importance on technologies, organizational culture, expertise, and vendors.
- Business decision-makers place greatest emphasis on strategy, business cases, processes, and milestones.
- IT decision-makers are more likely to think of IoT initiatives as successful. While 35 percent of IT decision-makers called their IoT initiatives a complete success, only 15 percent of business decision-makers did.

2. Don't Go It Alone. Sixty percent of respondents stressed that IoT initiatives often look good on paper but prove much more difficult than anyone expected. Top five challenges across all stages of implementation: time to completion, limited internal expertise, quality of data, integration across teams, and budget overruns. Our study found that the most successful organizations **engage the IoT partner ecosystem at every stage, implying that strong partnerships throughout the process can smooth out the learning curve.**

"We are seeing new IoT innovations almost every day," said Inbar Lasser-Raab, VP of Cisco Enterprise Solutions Marketing. "We are connecting things that we never thought would be connected, creating incredible new value to industries. But where we see most of the opportunity, is where we partner with other vendors and create solutions that are not only connected but also share data. That shared data is the basis of a network of industries -- sharing of insights to make tremendous gains for business and society, because no one company can solve this alone."

3. Reap the Benefits. When critical success factors come together, organizations are in position to reap a windfall in smart-data insights.

Seventy-three percent of all participants are using data from IoT completed projects to improve their business. Globally the top 3 benefits of IoT include improved customer satisfaction (70%), operational efficiencies (67%) and improved product / service quality (66%). In addition, improved profitability was the top unexpected benefit (39%).

4. Learn from the failures. Taking on these IoT projects has led to another unexpected benefit: 64 percent agreed that learnings from stalled or failed IoT initiatives have helped accelerate their organization's investment in IoT.

Despite the challenges, many in our survey are optimistic for the future of IoT -- a trend that, for all its

forward momentum, is still in its nascent stages of evolution. ***Sixty-one percent believe that we have barely begun to scratch the surface*** of what IoT technologies can do for their businesses.

To learn more about the survey, [go here](#).

For more information on IoTWF, [go here](#).

To read about Cisco's IoT Threat Defense, announced today at IoTWF, [go here](#).

About IoTWF

The Internet of Things World Forum (IoTWF) is an exclusive industry event, hosted by Cisco. The IoTWF is widely recognized as the premier thought leadership forum designed to Evangelize and Energize IoT. Known as a must-attend event for key stakeholders and innovators in business, government, and academia, IoTWF brings industry leaders together to collaborate, network, partner, and solve the challenges facing IoT.

Previously held in Barcelona, Chicago, and Dubai, in 2017, IoTWF moves to London, Europe's fastest growing technology capital. The 2017 IoTWF will explore the impact of IoT on business, technology and society and define a clear sense of the major priorities and challenges facing business as the world migrates towards IoT.

The IoTWF provides a unique thought leadership event, opening discussions and sharing the best practices on every front -- flexibility, scalability, security, availability, and connectivity -- as individuals, companies, and governments accelerate and optimize their IoT deployments, driving dramatic gains in efficiency, economic value, and quality of life.

About Cisco

Cisco (NASDAQ: CSCO) powers the world's Internet experiences. We securely connect people, processes, data and things to enable innovation that benefits business and society. For more information, visit: <http://thenetwork.cisco.com>.

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¹ Source: IDC Worldwide Internet of Things Installed Base by Connectivity Forecast, 2017-2021, March 2017

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