

Episode 03:
Data Monetization in
Manufacturing, Industrial & B2B
Markets



INSTITUTE
Building Extraordinary IP Assets

Data Monetization Webinar Series

6–Episode Webinar Series

Episode 01 – Introduction: Why Data is so Valuable and how Data Monetization has Become Big Business
Thursday, October 8, 2020 at 12:00 PM CT

Episode 02 – Data Monetization in Medical Devices, Healthcare and Insurance
Thursday, October 22, 2020 at 12:00 PM CT

Episode 03 – Data Monetization in Manufacturing, Industrial & B2B Markets
Thursday, November 5, 2020 at 12:00 PM CT

Episode 04 – Data Monetization in Retail and Consumer
Thursday, November 19, 2020 at 12:00 PM CT

Episode 05 – Data Monetization in Autonomous Vehicles, Security & Surveillance
Thursday, December 3, 2020 at 12:00 PM CT

Episode 06 – Data Monetization in Financial Services
Thursday, December 17, 2020 at 12:00 PM CT

Before We Get Started...



Recording

A link to the recording and slides will be emailed to all registrants.



Questions

Type in the question box and we will answer in real time or during the Q&A.



Social

Follow us on LinkedIn or go to slwip.com to see upcoming and on demand webinars.

Today's Presenters...



Steve Lundberg

Principal & Chief Innovation Officer
Schwegman Lundberg & Woessner



Liz Fortier

Privacy Officer, LivaNova
General Counsel, Corporate
Secretary & Data Privacy Officer,
Lucid, LLC
Secretary & Data Privacy Officer,
code 42



Manjeet Rege, PhD.

Director of Center of Applied
Artificial Intelligence, Professor,
University of St. Thomas
Graduate Programs in Software
Engineering, Data Science



Scott Branum

Digital Solutions, Evoqua Water
Technologies



Scott Nelson, PhD.

Chief Digital Officer, Tamarack
Consulting
Former CTO, Digi International
Board Member, Several Startups

What you will learn today

- Growth of Industrial and Manufacturing Data
- Examples of Industrial Data Monetization
- Why Companies Monetize their Data
- Industrial Data Sources
- Direct Monetization in Industrial and Manufacturing
- Indirect Monetization in Industrial and Manufacturing
- Considerations for Protecting your Data
- Rules for Data Monetization
- Ethical Considerations for Data Monetization
- Q&A

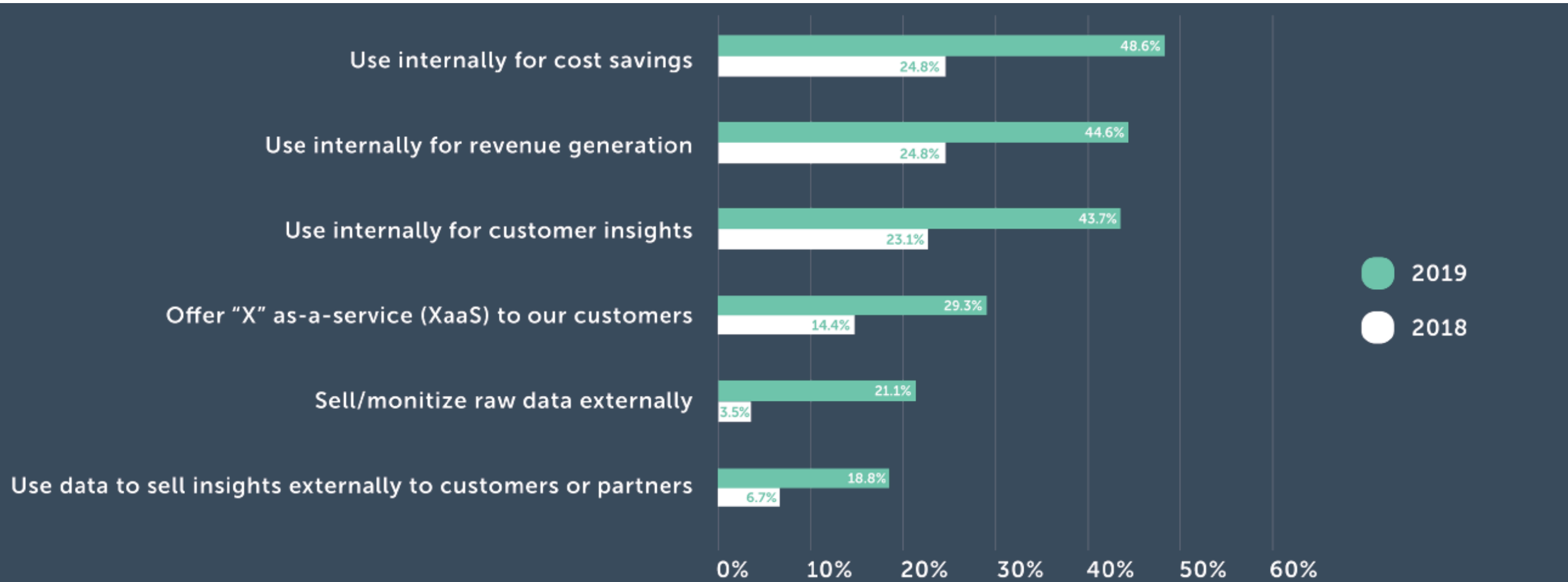
Why Do Companies Want to Monetize Data?

- To transform the business model (for example, from medical devices to health services and solutions)
- Create a new or supplemental revenue stream
- Introduce a new line of business
- Enable competitive differentiation
- Strengthen partner, supplier and customer relationships (payers, providers...etc.)
- Improve corporate valuation
- Increase shareholder value
- Drive better consumer experience and engagement by gaining insights into their behavior, preferences and needs
- Driving revenue growth by increasing lifetime value of healthcare consumers, cross-sell...etc.

Data as a Key Enabler for Industrial Digital Transformation

- Manufacturing has historically focused on building and selling a product. But over time, manufacturing began facing margin pressure from cheaper competitors in a globalized marketplace.
- More than ever, industrial manufacturing companies face the challenge of remaining globally competitive.
- Data is a key building block of digital transformation. The world of connected products delivers data that can be used to create a whole new portfolio of services that can be delivered to customers.

Survey Results: Monetization of IoT Projects



Data Monetization in Industrial Value Chains

R&D and Engineering

- A data-centric approach which integrates all relevant data silos of an enterprise will allow a holistic view on data, thus optimizing decision-making around product optimizations and innovations.
- A holistic view on data can shorten product development or product improvement cycles, thereby reducing development costs.
- Data from connected and smart products in use enrich simulations with real-life data and allow product engineers to realize product improvements faster.

Data Monetization in Industrial Value Chains Operations

- Existing data from the shop floor can help to improve efficiency by increasing throughput and the utilization of machines and assets. This also allows product engineers to realize product improvements faster.
- IT/OT integration can help to increase efficiency and asset utilization on the shop floor by analyzing data from the OT world with the help of IT.



Data Monetization in Industrial Value Chains

Service and Support

- Mobile access to relevant data as well as new technologies to access data such as AR increase the efficiency of on-site service engineers and also help to overcome the lack of experienced service engineers.
- Predictive maintenance concepts, which leverage IoT to analyze machine data with predictive data analytics, help OEMs to reduce costly service calls in case of unplanned downtime.



Monetizing Data – Industrial Service Company



Evoqua Water Technologies is a leading provider of water and wastewater treatment solutions, offering a broad portfolio of products, services and expertise to support industrial, municipal and recreational customers.



Our Purpose

Transforming Water. Enriching Life.®

Our Vision

To be the world's first choice for water solutions.

Monetizing Data – Four Primary Considerations



Monetizing Data – Customer Intimacy

Some of these products and services are digitally enabled

PRODUCTS SOLD INTO A WWT FACILITY

Municipal Services

- Odor Control
- Disinfection

APT

- Lift Stations
- Screens

PES

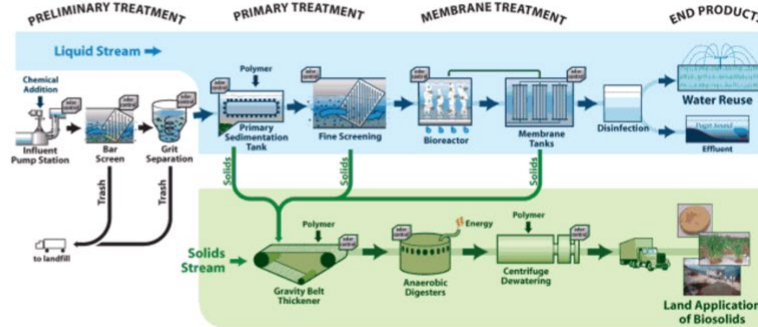
- Carbon

Memcor

- MBR

WWT

- Clarifiers
- Filter Press
- DAFs
- Aftermarket
- Bioreactors



OFTEN THE SAME DECISION MAKER IS INVOLVED BUT REQUIRES TALKING TO MULTIPLE PEOPLE WITHIN EVOQUA.

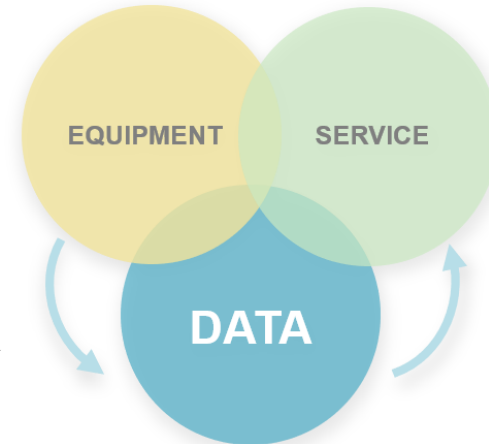
Business Plans, Transformation Strategies, Centralized Services, Machine Learning

LEVERAGING DATA

- The most valuable of the three.
- Unique in that it can't be duplicated.
- Can transform a commodity into a specialty service.
- Increases in value over time.

EQUIPMENT & SERVICE

- **COMMODITIES** without a data enabled strategy.



KEY STRATEGIC EFFORT

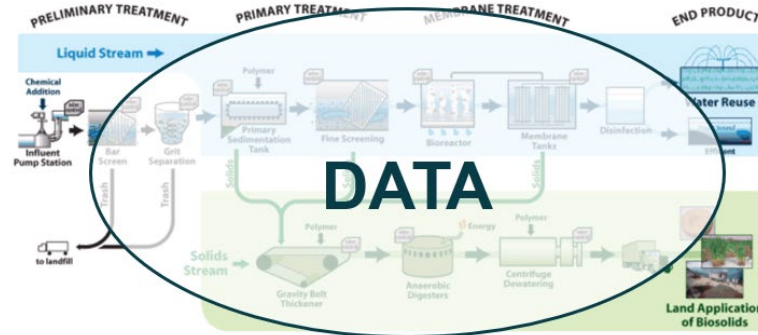
Data Collection and Analysis
Leader for the Water Industry

Should be building towards

DATA SERVICES

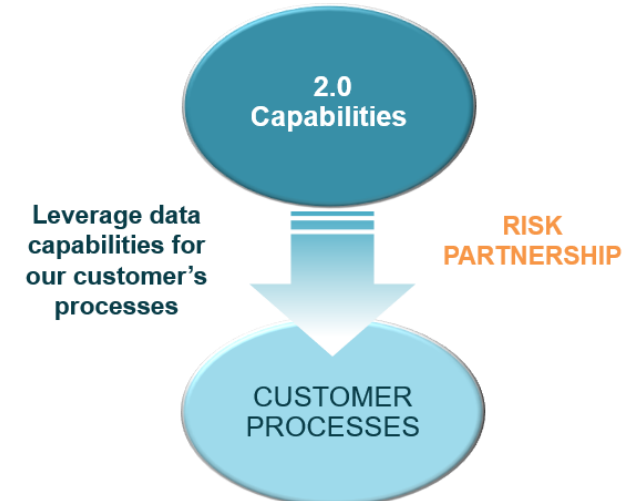
Help customers leverage data:

- ✓ Optimization
- ✓ Predictive maintenance
- ✓ Cost savings
- ✓ Asset management
- ✓ Life cycle management



DATA SUPPORTED RECOMMENDATIONS FOR PRODUCTS AND SERVICES WITH ASSOCIATED ROI OR BENEFIT.

- Lead with data analytical services for a customer's processes
- Data agnostic
- **Leverage what has been learned to do well with data**
- Internal organizational structure, skill sets and processes provide foundation as a revenue generating data analytics service



Monetizing Data – Risk Sharing & Lower Cost



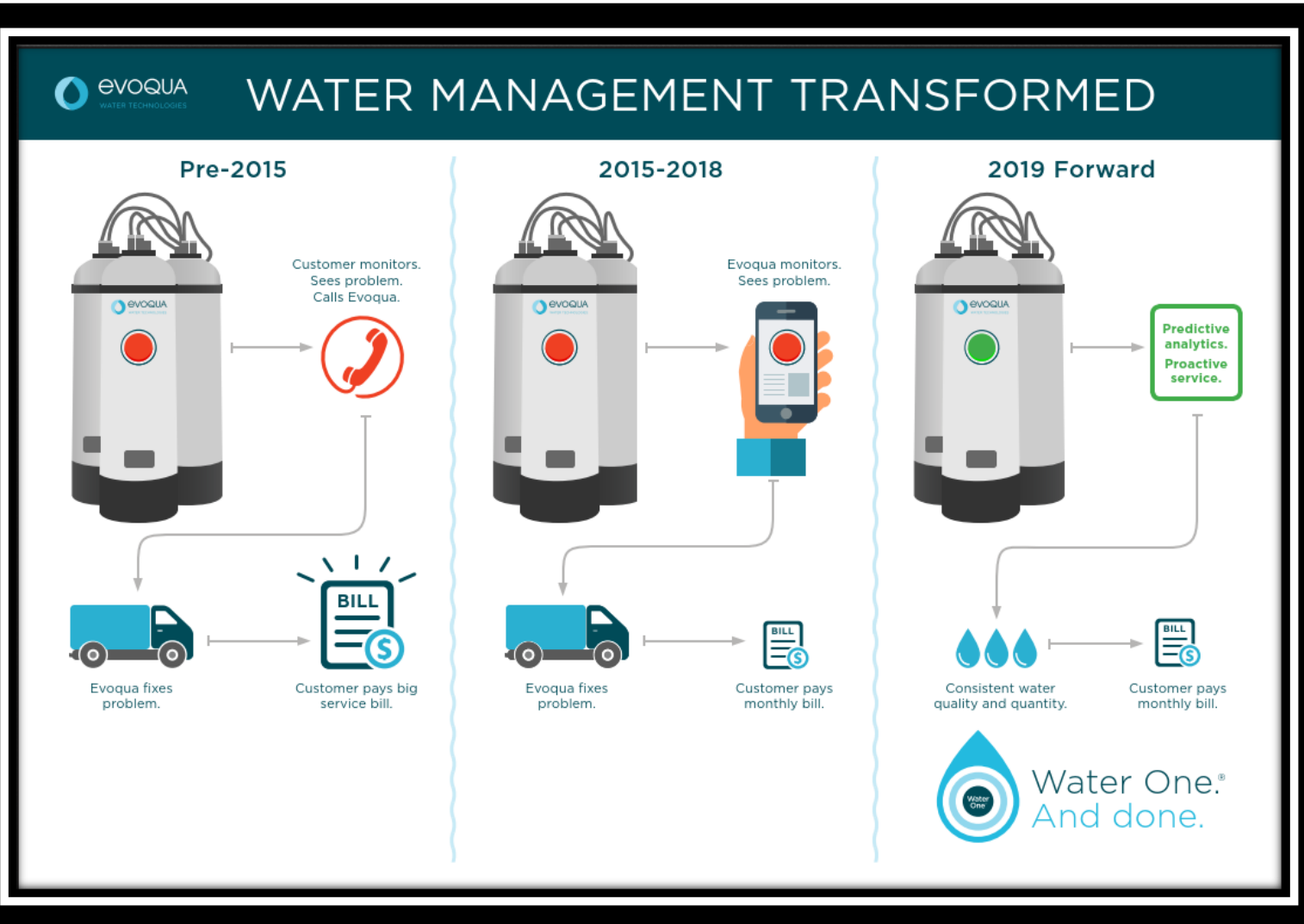
VENDOR → BUSINESS CONSULTANT

- Data and insights allow the model to transition from a service contract to service level agreements (SLA)
 - ✓ Tied to business outcomes
 - ✓ Shared risk model
 - ✓ Uptime and availability
 - ✓ Compliance and regulatory considerations
 - ✓ Reliability
- On-site service becomes less important (reduce cost).
- Increase the number of touch points with the customer (more intimate relationship)

A service-level agreement (SLA) is a commitment between a service provider and a client. Particular aspects of the service – quality, availability, responsibilities – are agreed between the service provider and the service user. The most common component of an SLA is that the services should be provided to the customer as agreed upon in the contract.

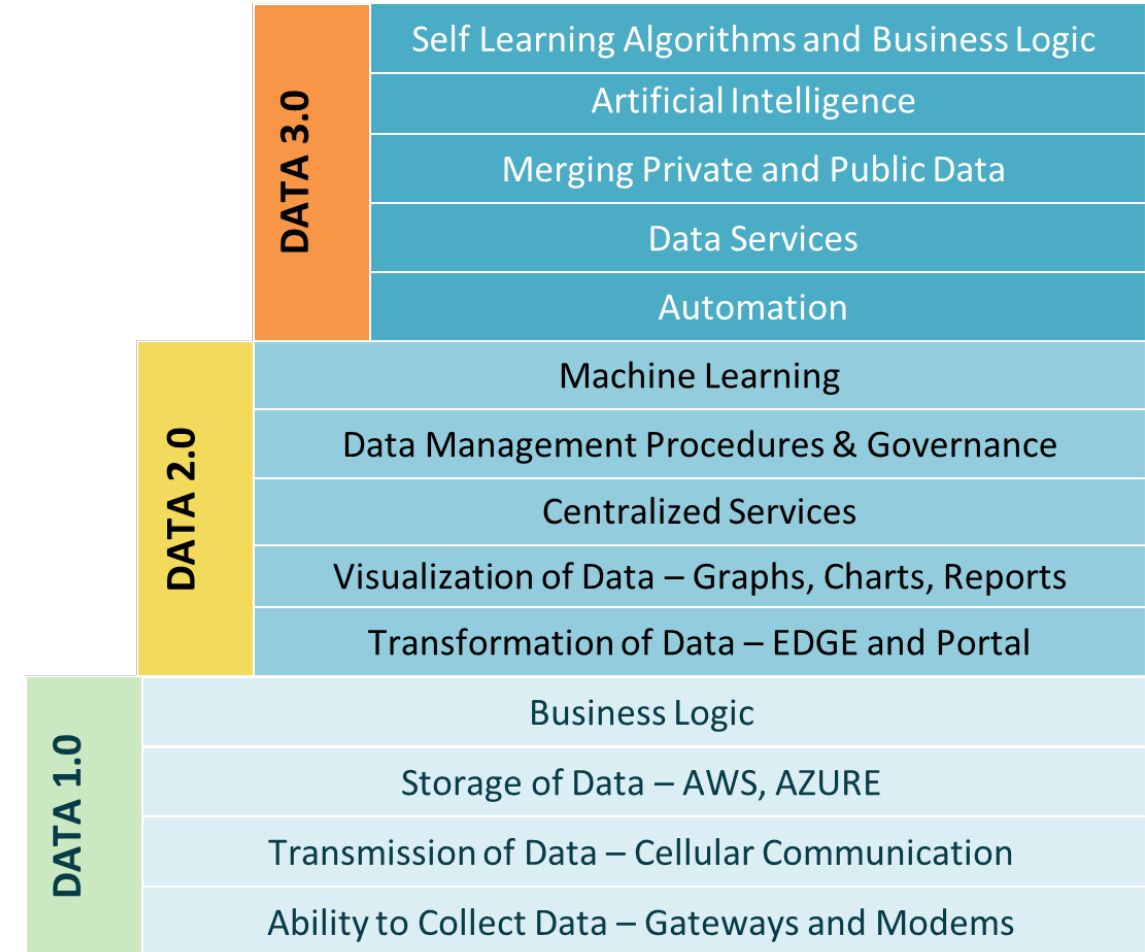
https://en.wikipedia.org/wiki/Service-level_agreement

Monetizing Data – Break Expense to Revenue & Improve Business Efficiencies



- Water One[®] – Generate revenue without generating a service expense
- Just in time service – Eliminate break/fix model
- Complete resource maximization
 - ✓ Life cycle management
- COVID-19 support
 - ✓ Minimize onsite service
 - ✓ Customer financial health
 - ✓ Industry trends

Monetizing Data – Foundational Transition



- Each level is directly linked.
- Each level's ability to scale is dependent on the lower building block(s) degree of implementation.

A person wearing a dark jacket and a backpack is walking away from the camera on a rocky, moss-covered forest path. The path is surrounded by large trees and dense foliage. The scene is misty and has a soft, golden light filtering through the trees.

Data Monetization Industrial and B2B
Don't forget the users.

amarack™



***Access to capital provides access to data.
Data protects capital.***

- Tamarack is a technology company that understands equipment finance.
- We differentiate ourselves with **top talent from both the Equipment Finance and Operational solutions industries** creating value through integration of two unconnected value streams
- We are building solutions to fill gaps and **partnering** to bring valued solutions

Collaboration + Contribution = Shared Success



TamarackTM
Guiding financial innovation

What is monetization?

Revenue – Cost = Profit?



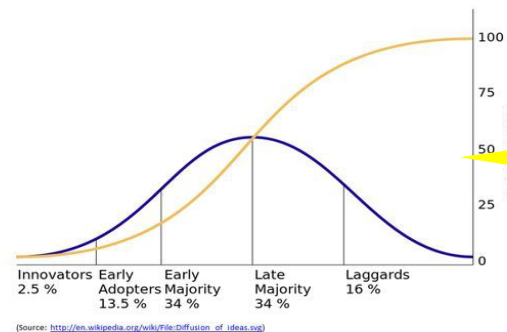
~~Transaction~~

Serving a sustained need?



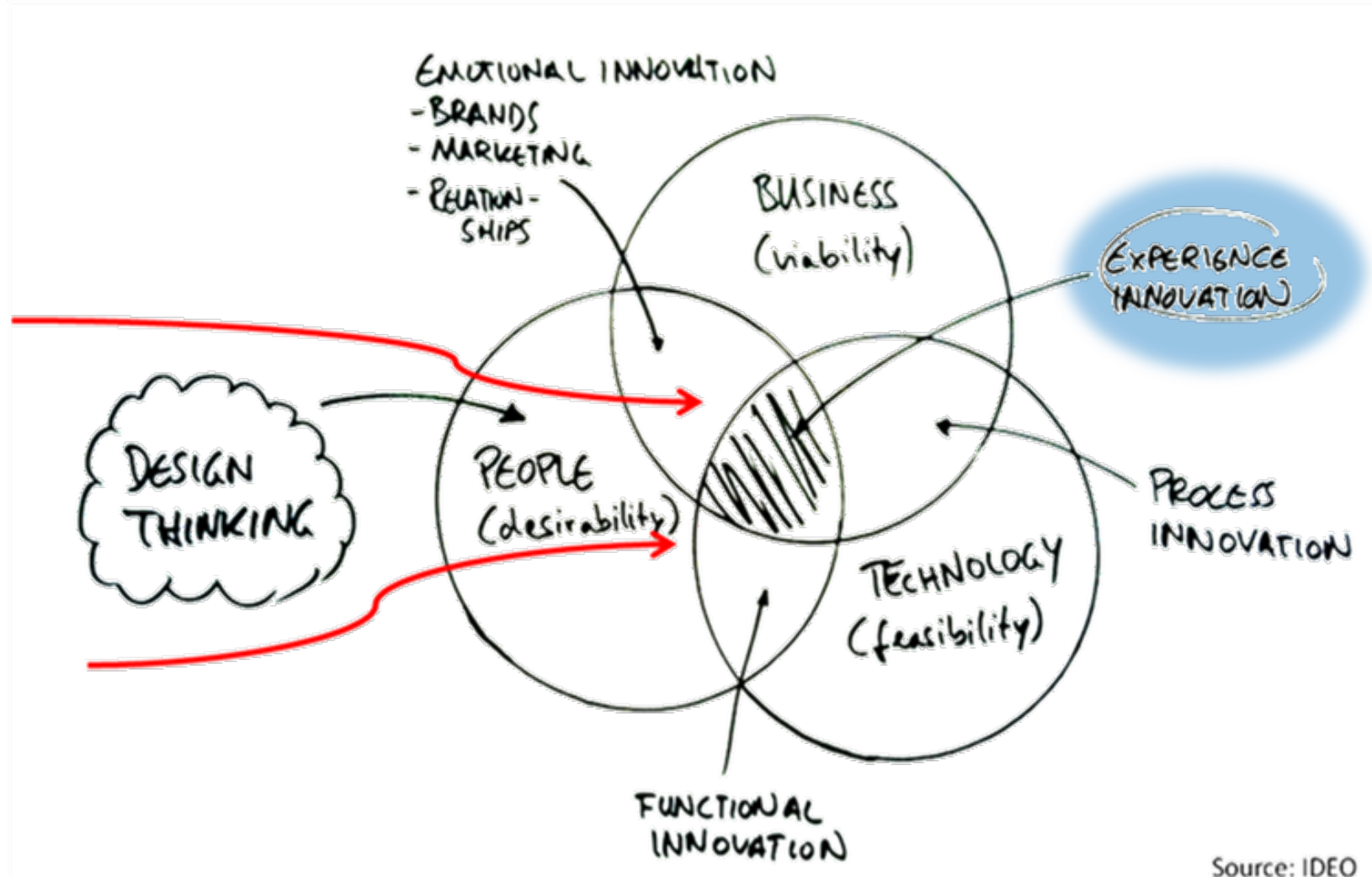
~~Commodity~~

Adoption



Innovation leadership

So we start with innovation...



Source: IDEO

11/10/2020

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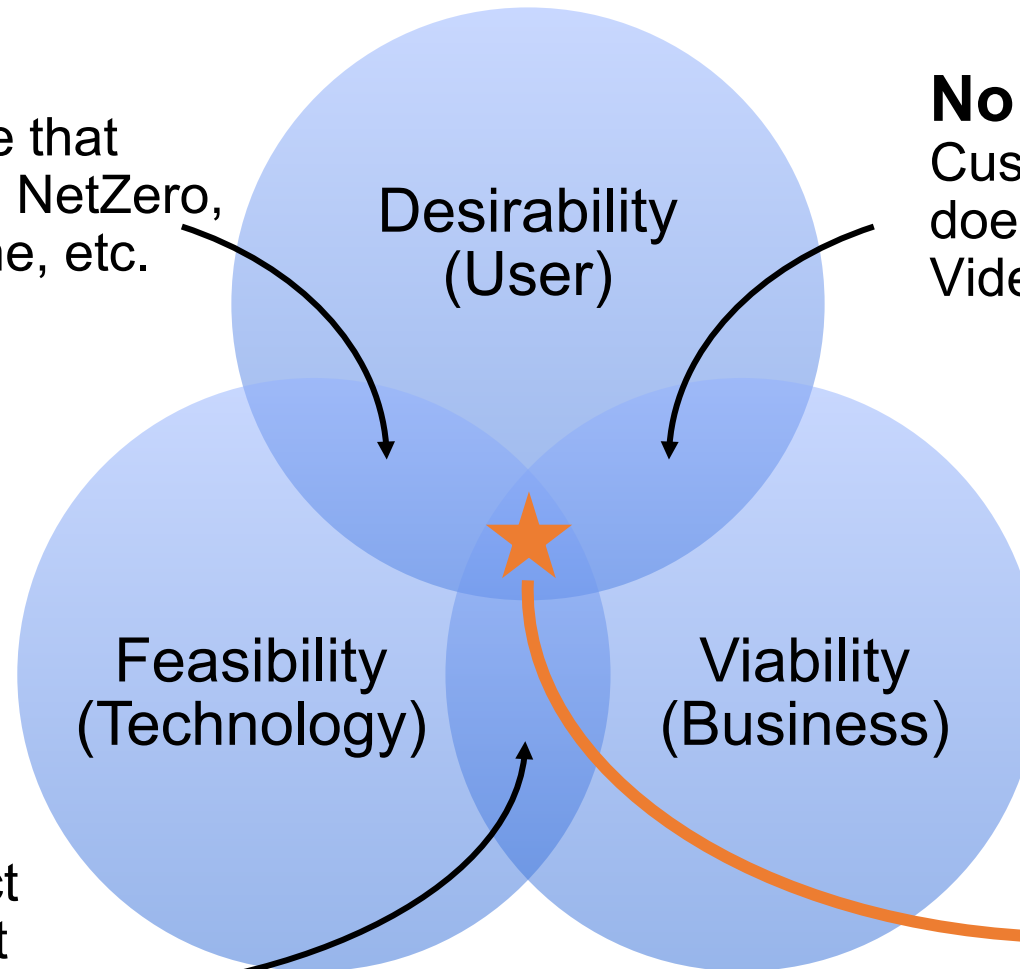
...but don't miss the sweet spot.

“Non-Profit”

“Cool” customer experience that does not make money, e.g. NetZero, Chargify, NetGear VueZone, etc.

No tech leverage

Customer service focus that does not scale, e.g. Blockbuster Video, Kodak, Border Books, etc.



Tech Push

Scalable, profitable product that no one buys, e.g. Nest Revolv, Quirky Egg Minder, Nike Fuel, Zubie, etc.



*Three insights on
digital monetization*

Digital (IoT) is an Experience Economy

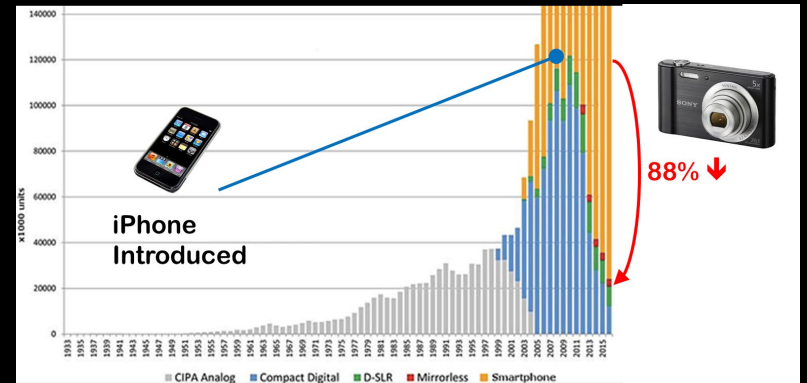


INNOVATION

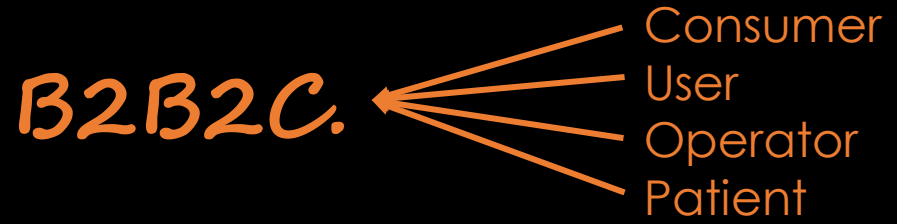
Welcome to the Experience Economy

by B. Joseph Pine II and James H. Gilmore

From the July-August 1998 Issue



No such thing as just B2B.



Ownership is obsolete.

2019 \$1.8 trillion
invested in plant
and equipment
50% financed.*



**USAGE-BASED
FINANCING**

EVERYTHING
YOU NEED
TO KNOW



↑amarack™

*<https://www.elfaonline.org/about/industry-overview>

“Uncertainty forms
the basis for a valid
theory of profit.”

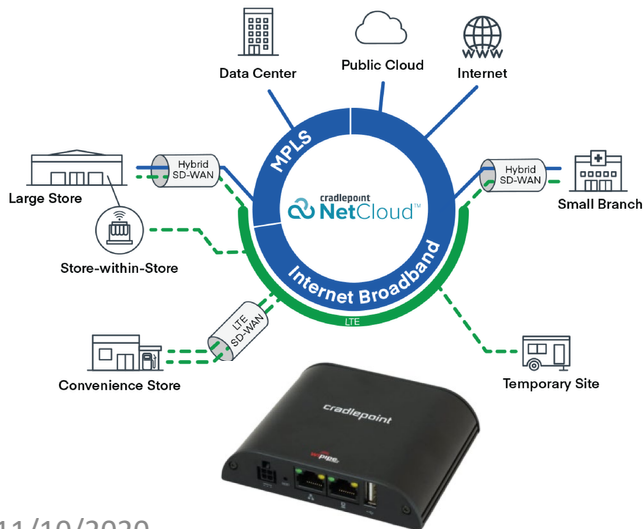
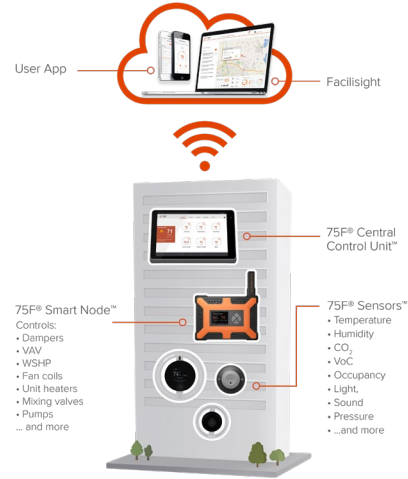


Embrace uncertainty to profit.

Data converts uncertainty to risk and
risk can be managed.

Be first.

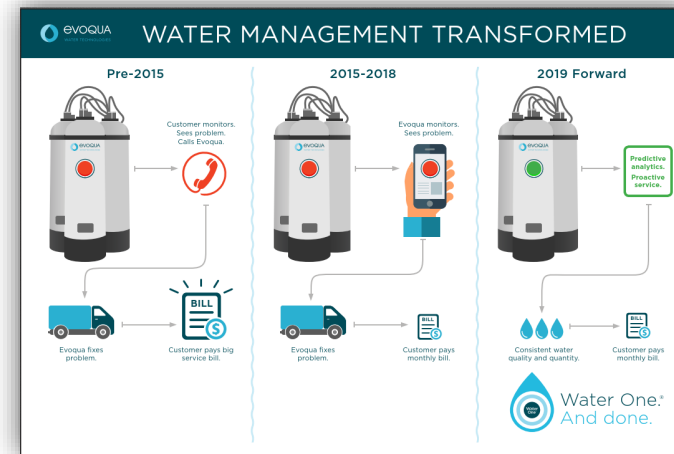
Who's learning fast...



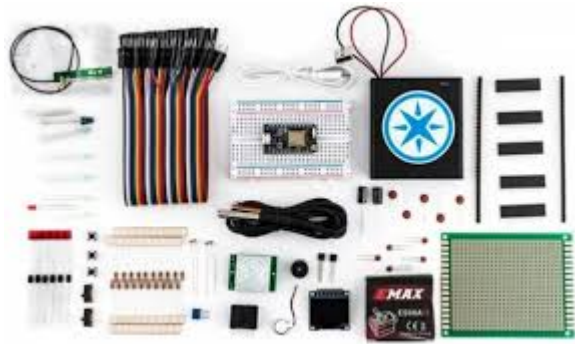
1-Year SaaS License



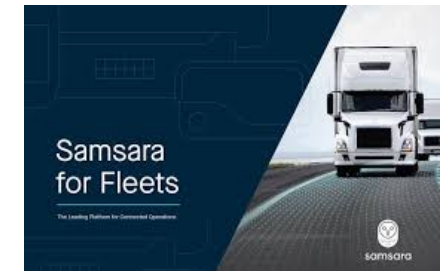
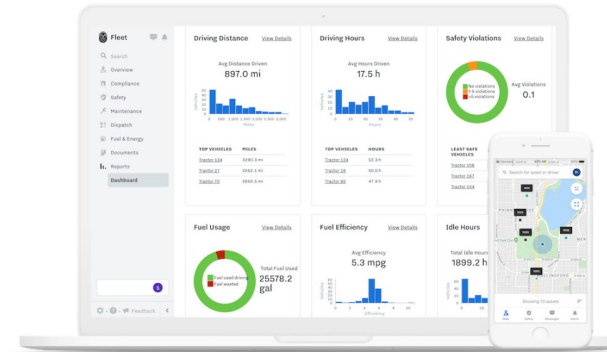
	IoT	Mobile	Branch
PRIME	Advanced visibility, remote management, mapping/fencing & more	Advanced Upgrade	Essentials
	✓	✓	✓



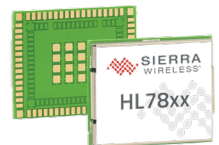
Who may be struggling...



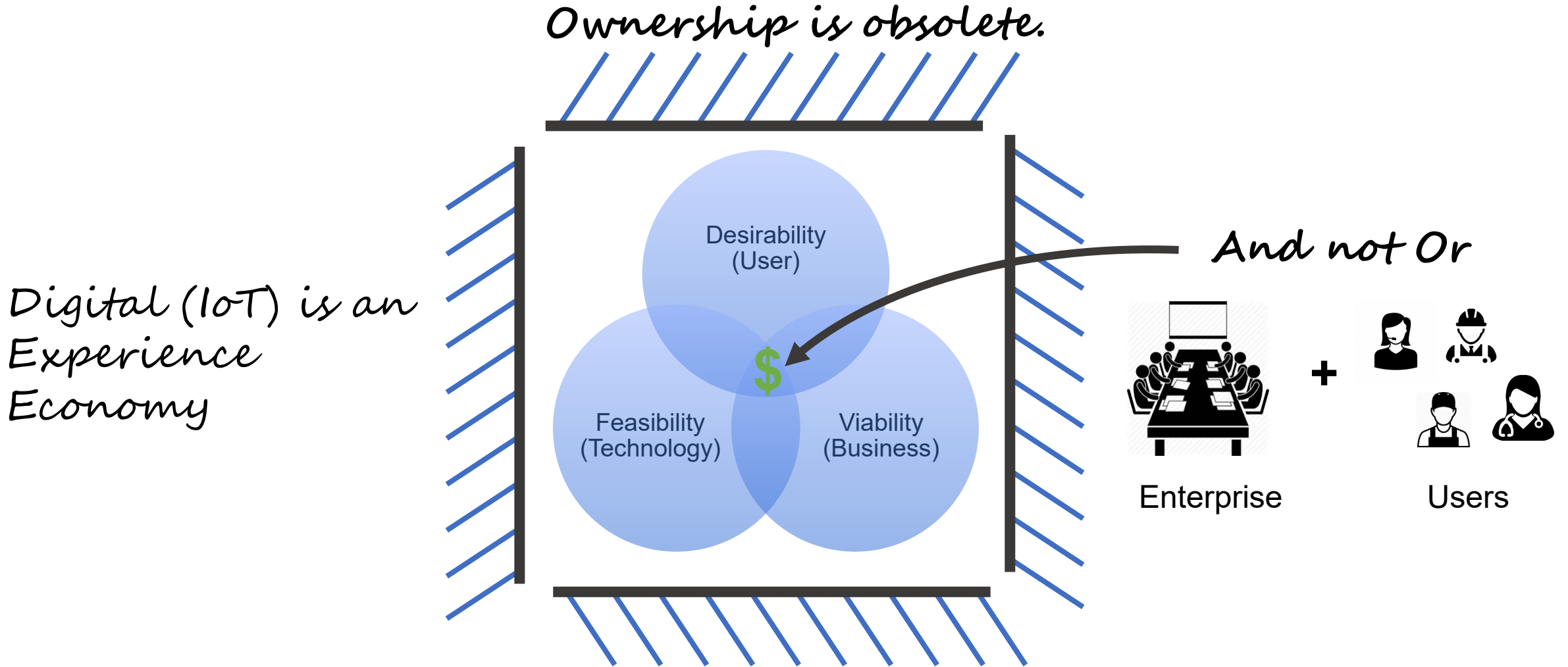
samsara



GE Digital



Monetization via Adoption with Constraints



“Uncertainty is the basis of profit.”

The Schwegman Analytics Advantage



SLW has been helping its clients find and improve high value patents for over 20 years and has invested heavily in its Analytics processes and tools for the last decade and is now expert at helping.

- Highly efficient work
- Focused timelines
- High quality and key strategies
- IP Operations
- Fixed Fees/AFAs
- Tracking metrics
- Non-traditional providers

**Thank You For Your Interest
Questions?**

These materials are for general informational purposes only. They are not intended to be legal advice, and should not be taken as legal advice. They do not establish an attorney-client relationship.