

M2M Offerings: *What's the Difference?*

By Tim Young

Just a few weeks ago, Cisco released the latest iteration of its Visual Networking Index (VNI) Global Mobile Data forecast, which had plenty to say about the shape of things to come. The report (and you can read more about it [here](#)) has lots of interesting things to say about the massive volumes that will be careening through the airwaves in the years to come. Among other things, Cisco figures that by 2016, annual mobile data traffic will exceed 130 exabytes.

That's a lot of email and kitten videos.

But there's something else in that forecast that bears mentioning: Cisco figures that by 2016, there will be 10 billion mobile internet connected devices. That's especially impressive considering the world's population will be somewhere around 7.3 billion that same year.

That number will manage to swell to such a size due to the prevalence of conversations to which no human is invited. Instead, it will be M2M that catapults mobile data past the constraints of human population.

Service providers have answered the call (pardon the pun) to provide connectivity to these chatty parking meters and vending machines, as many of the world's top service providers have been promoting their forays into the M2M realm. But with so many CSPs on the case, how can enterprise customers looking to leverage M2M assets distinguish between the offerings? Are customers content with basic connectivity, or are their demands more complicated? Are M2M connections a one-size-fits-all proposition, or do different devices have different demands?

In short, where is the differentiation?

The analyst community is mixed on the answer to that, but think that the keys to M2M have a lot to do with the letter "p". Analysys Mason's Steve Hilton posits that the key to M2M success for service providers comes down to five "p"s: Distinct points that the service provider must address to offer successful M2M solutions. They range from "prioritization"—which specific M2M offerings are the best and most profitable fit for the service provider—to "persona"—how the service provider should market itself as an M2M leader.



Not to be outdone, Matt Hatton of the M2M-specific analyst firm Machina Research asserts that future M2M success is dominated by six "p"s: Pedigree, Platform, Place, Partnerships, Process, and People. Furthermore, based on those criteria, Machina names some firms that are best-positioned for M2M success, with Vodafone leading the pack. "In particular, its global scale gives it a substantial competitive differentiator," Hatton said in a statement from the firm. "While I wouldn't say that they are streets ahead of the competition, Vodafone was our clear winner."

Hatton says that picking a second-place winner was more difficult, with AT&T, Verizon, Telenor, and others all having strong claims to that distinction. Ultimately, however, it was Deutsche Telekom that took home the silver medal, thanks in part to their in-house integrator and strong partnerships.

But those titles are based on prospects for future dominance. Providers like Verizon and AT&T have millions of installed M2M connections today (Machina notes that VZ has 9 million at the moment, while Ma Bell has 12 million). But these numbers, while sizable, are a drop in the network-connected bucket compared to future prospects. (You can find a release on the Machina report [here](#).)

However, in order for CSPs to stand out from their peers as they build towards the massive promise of the market, they must clearly define to their prospective customers what they're capable of offering and why it stands out from what their competitors offer. We'll loosely group these differentiations into four major categories:

1: Device type

This category is just a matter of lexicon check. M2M

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is a broad term for a massive sweep of offerings connecting a hugely diverse array of devices. When we talk about M2M, we're talking about a common strategy, but thousands of different industry segments and sets of network demands. Smart utility meters do not have the same requirements as complex digital billboards. Telematics have different requirements than connected consumer electronics.

While most service providers have distinct working groups for the most distinct verticals, there are still a number of ways that service providers can differentiate services in a way that recognizes that not all M2M requirements are the same.

2: Service speed (or, more appropriately, network generation)

In European and most Asian markets, this is largely a non-issue, as 2G networks are meeting the needs of M2M subscribers fairly well, and there's no clamor for network upgrades. However, as Gwenn Larsson of Telenor's M2M arm summed up nicely in a [blog post](#) during CTIA last autumn, U.S. providers aren't so content to leave well enough alone, opting for 3G or even 4G upgrades for M2M connections.

While some connected devices could require high bandwidth, low latency connections (boards streaming video come to mind), Larsson points out that 99% of connected devices would be just fine with a 2G connection. So what gives? The goal is most likely future-proofing the connections, which not only aids in establishing some of that marketing persona, but also allows for longer-term contracts with a more

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distant sunset for the technology at hand, which, for some agreements, comes in mighty handy. Still, whether this distinction is worth the additional network cost is a decision that service providers and enterprise customers must answer for themselves.

3: Plan Flexibility

As with the consumer voice or data market, even when service providers are offering similar types of plans on similar networks, flexibility can be an important differentiator. M2M customers, like other consumers, want plans that meet their needs, and given the widely diversified nature of M2M applications, those needs may vary greatly. "Our service plans are flexible and offer a variety of solutions from rate cards and pooled data plans and can be customized on an application by application basis," Brian Huey, Sprint's Business Development and Strategy Manager for Smart Grid and Utilities, told *Pipeline*, citing that some users may need long-term contracts during which devices may need few upgrades, whereas other users may need to update devices and plans on a shorter timeline. "Further, in cases like public safety, government and utilities, we can offer our Custom Network Solutions Group.



With CNS, we can partner with these entities to build antenna sites or in-building solutions and create a win-win partnership.” Huey also emphasizes Sprint’s available emergency response teams (ERTs), which can respond quickly to repair network outages or other emergencies.

4: Baked-in goodies

When the conversations taking place on a network are between machines, rather than people, it becomes more essential than ever that those networks be intelligent and transparent enough to correct faults and allow access quickly and with minimal intrusion. That means building in lots of functionality that allows enterprise customers to be able to have access into the workings of their unmanned network, but a reliable enough level of autonomy so that they won’t have to intrude more often than they need to. “With our M2M solutions, we offer IP convergence, scalable solutions, managed services, system reliability, security, as well as other business factors,” said Huey.

In addition, Huey says that Sprint has specific offerings that allow M2M customers the ability to actively manage their devices from a single, easy-to-use location. “Sprint Command Center allows partners and customers to manage, activate, deactivate devices all from a Single Portal,” said Huey. “Additionally, we allow partners to build APIs direct into the platform such that this information can be integrated with a customer’s OSS or NMS.”

In addition, Huey notes that Sprint includes several platform enablers that “can assist M2M Developers and Customers in hosting and managing their M2M data.”

Even with all of this, however, there is a case to be made that what can really help CSPs excel in the market is not a clever persona or a million partners. The key to building a successful M2M network is rooted in many of the concepts that are central to building any kind of network.

While M2M networks represent a definite paradigm shift on the surface, customers are still looking for agility, flexibility, reliability, and all of the other attributes that make a network useful. “The stack doesn’t change,” said Fareed Khan, Director of Wireless Solutions for ConceptWave, a firm that develops transaction management, product catalog, and customer experience management solutions.

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“It’s just a new use case. We’ve been doing machine-to-man, so machine-to-machine is just an extension and an innovation of that.”

Khan notes, for example, that the same concerns that make a product catalog desirable for consumer communications solutions are also incredibly valuable for M2M solutions. In fact, given all of the permutations possible in M2M offerings, the need for a common catalog is even more pronounced.

In addition, Khan notes that the move towards M2M is helping to further usher in a variety of other new services. “We’re seeing the M2M cloud emerge at a certain level,” Khan told *Pipeline*. “When it comes to providing these M2M services to commercial accounts, they’re bundling cloud services in, so it’s a whole end-to-end application.”

This is just one example of the potential of M2M for service providers. CSPs know how to connect the dots in a way that the enterprises that are now producing connected devices have never needed or wanted to know. Khan says that’s a golden opportunity for CSPs to step in and offer to handle the delicate business of communicating for their customers, inviting them to say: “We’re your trusted telecom provider. We know cloud. We know hosting. We know servers. We’re used to 99.999% uptime. Let us manage that for you.”

But not every carrier is up for the challenge. As the new year came upon us, Gartner analyst Eric Goodness remarked in [his blog](#) that while M2M has lots of potential, 2012 may not be the year to see it all brought to fruition. He notes that in a recent survey on these sorts of solutions, Gartner contacted over 600 user companies in the US and Western Europe, and found that 377 had no plans to deploy M2M. This hesitance is due in part, in Goodness’s appraisal, to the ebb and flow exhibited by carriers as they inflate pre-sales expectations only to back off when confronted by actual expectations and demands.

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This suggests that the need for differentiation isn't only external. Some service providers may need to spend some time figuring out what exactly their M2M model is, and how it differs from those of the other CSPs in the market. In doing so, each company can

gather up all of those important "p"s and get to the important work of helping machines have long-awaited conversations with other machines.