



EMERGING OPPORTUNITIES IN M2M MANAGED SERVICES

By Dan McDuffie, CEO, Wyleless

MNOs all over the world are waking up to the market potential of M2M and many of them are becoming more end-to-end in their service offerings. They are doing this through alliances with other MNOs and through partnerships with service providers across the ecosystem, be they engineering companies, applications developers, equipment providers or MVNOs.

Because of the low churn and relatively low-use profiles of M2M, coupled with high demand, data services are being commoditized as MNOs look to onboard large, scalable and strategic projects at any cost. Thus, as MNOs are becoming increasingly competitive, the traditional data MVNO is being forced to rethink their value proposition.

But while the MNOs are the cornerstone of M2M connectivity – after all, it's their networks we are all using – some M2M MVNOs are morphing into Managed Services Providers (MSPs) and helping to solve the complexities that still exist in the market. As a result, this new breed of MSPs are adding a layer of value over the MNO networks. Until now, M2M connectivity has been looked upon as a data resale model, whereas in the future it is going to become more of a network management model.

So, what does “Managed Services” mean today, in terms of M2M? First and foremost, it means access to multiple operators from a single platform, enabling the ASP or large enterprise to deploy regionally, nationally and globally, with both national and roaming solutions. The different connectivity solutions vary based on geography, coverage, scalability and price against multiple use case scenarios. The service delivery platform should offer network management, provisioning, alerting, billing and troubleshooting.

Second, it means the networking element. An MSP must be able to host and deliver a robust, redundant global network with resilience, security, change control, and scalability. This means that the MSP offers a private network layer on top of the various MNOs' networks, and can typically offer an SLA on the end result.

Third, it means professional services, including device and application support, as well as 24x7 support and escalations for business critical applications. Last, it means bespoke services, including custom software, billing services, and supply chain management, amongst other things.

When you add all of these elements together you get an end-to-end Managed Services Provider that offers not only just the pure connectivity but also everything surrounding the service delivery and supply chain aspect of M2M connectivity. There is a growing trend in the market where ASPs, OEMs and large enterprises are recognizing the need for this service layer, and agreeing that it must be operator independent.

There are several reasons for this, but it mainly comes down to core competencies – many companies deploying M2M services are not in the wireless business – they are focused on their core business, whether it's manufacturing, applications or both – and as a result they are choosing to outsource the management of their IT and supply chain to the experts. So it's game on in the MSP business when it comes to global M2M services.

Where is it all heading? Signs point to continued differentiation between data MVNOs, traditional MVNEs, and MSPs – lots of acronyms all doing something similar, but in a different way. Some own their own GGSNs and HLRs, some operate edge networks connected to one, four, ten or more MNOs, some just provide standalone service delivery platforms, and some just provide billing or OSS/BSS services.

Add supply chain management companies, engineering firms, application engines and custom software houses and you have a plethora of companies weaving in and out of the value chain, many of whom claim to have an M2M platform, and most of whom are doing something different than just pure data aggregation. The best-of-breed companies that emerge will offer a broad range of end-to-end modular services that can be customized based on the requirements of the vertical application and the service delivery model.

These services have the potential to truly revolutionize M2M and offer both the MNOs and their downstream customers (the ASPs, OEMs and large enterprises) the capability to streamline operations, lower costs and successfully deploy their services on any geographic scale.

The next generation of these services will evolve as open standards, regulation and new and innovative products emerge, causing further differentiation between MNOs, MVNOs, MVNEs and MSPs. SIM portability and multi-IMSI SIMs will require a new breed of subscriber management systems quite possibly morphed out of the service delivery platforms that exist in the market today.

As MNOs open up the SIM to applications, new services will emerge that have the capability to offer device self-provisioning, quality of service and network direction services – already possible in the consumer handset space but rarely seen in M2M and embedded mobile (and yet probably more relevant in our industry than in any other).

Whatever the future holds, it looks bright for Managed Services companies when it comes to machine-to-machine communications. The market is embracing the horizontal business models of the service management layer, from the end customers to many of the MNOs themselves, and all indications point to a sustained period of differentiation and growth in this sector. The winners will be those who invest in scalable infrastructure and leverage their experience during the early phases of M2M market development to innovate and offer a broad range of modular services to the industry.

About Wyless

Wyless is the leading global M2M managed services provider. Our resilient platform, delivered in partnership with the world's largest network operators, provides secure, reliable communications with wireless devices in over 120 countries. Powerful management tools offer real-time reporting and control over all devices connected to our network. Wyless delivers a comprehensive suite of managed services with unrivalled expertise, professional support and competitive pricing. We enable our customers and partners to deploy M2M applications and services faster, cheaper and more effectively.

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