



Understanding the IoT business opportunity

FAQ

What is IoT?

The Internet of Things (IoT) is a catchall term for sensors, controllers and other devices that use a network connection to collect, share and send data, as well as initiate or receive commands with or without human intervention. IoT devices are interconnected through a variety of network technologies, such as Wi-Fi, Zigbee, cellular and Power over Ethernet (PoE). [According to Statista](#), forecasts suggest that by 2030 about 50 billion IoT devices will be in use around the world. This new level of connectivity, communication and data intelligence is making our power distribution systems smarter, more responsive and more energy efficient.

What are the business opportunities?

Enhanced power system performance, improved power quality, higher levels of equipment reliability, advanced analytics and advisory services are just a few examples of business opportunities that IoT enables. For example, in new [commercial](#) and [residential](#) construction, many owners want a unified platform for controlling, monitoring and analyzing their lighting, HVAC and other systems. IoT enables electrical contractors to meet that market demand.

Some building owners want a unified platform but not the responsibility for operating it. This is an opportunity for electrical contractors to offer managed services, such as analyzing the customer's energy usage and recommending ways to improve efficiency.

To capitalize on these types of business opportunities, electrical contractors need to have a seat at the table early in the design process. By working directly with the client, general contractor and architect, electrical contractors can ensure the constructability of, and coordination across, all building systems.

What skills do my employees and I need?

The residential and commercial IoT markets are booming. For example, the Consumer Technology Association's (CTA's) January 2020 U.S. Consumer Technology Sales and Forecasts report predicts that the smart home market will grow 15 percent this year to \$4.3 billion. The skilled labor shortage will make it difficult to meet this demand. Electrical contractors that want to participate in this growth market will need to step up recruiting, as well as training existing employees on the nuances of IoT technologies and applications.

One example is PoE expertise, including [the new 802.3bt standard](#), because [many IoT devices are low voltage](#). It's also valuable to understand the IoT applications that you plan to target. For example, [Schneider Electric's EcoXpert Home & Small Business program](#) provides technical training for applications such as smart homes, lighting control, temperature control systems, and security and energy management.

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It's also important to understand state and local regulations that affect IoT type installations. For example, many state licensing boards use different **high-voltage/low-voltage demarcations** to determine when an installation is required or not required to be performed by a licensed electrical contractor. These requirements also affect the business opportunity and competitive environment in the areas you do business.

How can my company use IoT to be more efficient, safer and profitable?

Some motor control centers and switchgear have thermal sensors located inside that can send readings over Zigbee to a mobile app. This allows personnel to use their smartphone or tablet to safely review temperatures without ever being exposed to a potential internal electrical hazard. That's one example of how IoT can help avoid injuries.

Long-range IoT network technologies such as cellular enable remote monitoring and control from miles away. This improves profitability and efficiency by eliminating the need to send employees out to check equipment or make adjustments that can now be done from a central monitoring location. This efficiency also helps overcome the shortage of skilled workers. Electrical contractors can offer these types of monitoring/management services to facility owners as part of a post-construction services agreement, creating a new, recurring revenue stream.



How to get started?

Visit the **mySchneider Partner Portal** to see more resources for leveraging IoT, such as the free white paper, "Capturing the Business Value of the IoT Edge." There's also a broad selection of videos about how Schneider Electric partners and customers are using IoT, such as Moorfields Eye Hospital, which used EcoStruxure™ Building to transform a century-old building into a state-of-the-art medical facility. And for additional Schneider solutions, search the portal using "IoT" and click the box next to "product line."

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