

Africa's IoT ecosystem is set to explode

The International Data Corporation (IDC) predicts that the worldwide market of connected devices will reach a total value of \$1.7 trillion in 2020 and the global research and consulting services firm expects South Africa to account for \$2 billion of this figure. With the African continent likely to house around one billion connected devices by the turn of the decade, the Internet of Things (IoT) opportunity in Africa is enormous.



©Carolyn Franks via [123RF](#)

George Kalebaila, senior research manager at IDC Sub-Saharan Africa, believes that the only way to capitalise on this huge opportunity is through collaboration. "No one industry player can provide an end-to-end solution on its own, so partnerships in IoT are vital for leveraging the full range of benefits available in this broad ecosystem," says Kalebaila.

Endless opportunities

"The opportunities are endless, with the spread of IoT enabling smart industry, smart health, smart living, smart energy, smart transport, smart buildings, smart cities, and an overall smarter planet. Indeed, the only forces restricting the application of IoT are our imaginations and the rate at which policy frameworks can catch up to regulate the industry."

IoT is highly dependent on correctly understanding and interpreting data for actionable insights, and without data and analytics, IoT would not deliver any business value. "IoT is not a technology but an ecosystem consisting of software vendors, IT services providers, systems integrators, cloud providers, and network providers," continues Kalebaila.

"These industry players have the opportunity to optimise the potential value of IoT by partnering with each other to provide end-to-end solutions. Simply put, when IoT-based products and solutions become connected, their value increases exponentially and the number of potential use cases explodes."

IoT is no longer just a buzzword, with recent IDC research showing that 33% of enterprises in South Africa are planning significant investments in IoT over the next three years. The manufacturing industry is leading this charge, followed closely by the transport, government, retail, and utilities sectors. IoT investment in these industries is being driven by the quest for lower operational costs, enhanced customer acquisition and retention, improved business process efficiency, and heightened levels of product and service innovation aimed at addressing overall business needs.

Challenges to the IoT landscape

While the potential benefits are clear, the continent will have to overcome a number of challenges in order to capitalise on them. For example, there is currently a lack of consolidated standards, and information technologies have yet to fully converge with their operational counterparts. There are also still concerns regarding the security and privacy of the data being collected, as well as maturity of the regulatory frameworks.

Other challenges impacting Africa's IoT landscape include IT budgets and priorities, the dependence on stakeholders, and the very real shift in mindset that is required to drive digital transformation. "It is crucial for organisations to understand precisely who the final customer of a given IoT implementation is," adds Kalebaila.

"In this regard, the CIO must continue to be the leading IoT decision maker in order to ensure that there is a holistic view of business needs and that the organisation doesn't suffer from a range of disparate approaches driven by different lines of business. It is vital to ask the right questions and understand what the impact of IoT is going to be on the overall business model, while also retaining clarity on exactly where the organisation's IoT content is going to be created and then processed."

For more, visit: <https://www.bizcommunity.com>