

IIoT Growth Strategy Audit and M&A Support



Secure, fault-tolerant computing platform targets growth in edge IIoT

Background and Objectives

An established provider of continuous availability solutions for mission critical IT systems has identified the Industrial Internet of Things (IIoT) market as a significant opportunity for growth. The client has recently launched a smaller, ruggedized hardware form factor for mission-critical edge computing applications, and was working to develop a better sense of the IIoT market size, opportunities, customer requirements and unmet needs, and gaps in its long-term product roadmap. The client asked BCE Consulting to rapidly review and pressure test key assumptions driving its IIoT strategy, identify gaps/weaknesses in the client's portfolio, determine where acquisition or partnership may be appropriate to fill these gaps, and identify and assess potential acquisition and partnership candidates.

BCE began by facilitating a kickoff discussion with core members of the client team, including a range of business and engineering functional representatives. The BCE team reviewed the client's work to date, including its draft IIoT strategy and technology roadmap and discussed confidence levels with the team. The client's vision called for a dramatic pivot from its current state capabilities, which meant the list of capability gaps was lengthy. BCE facilitated a subsequent session to align on priorities and determine what the client needs to own and what can be facilitated by partners.

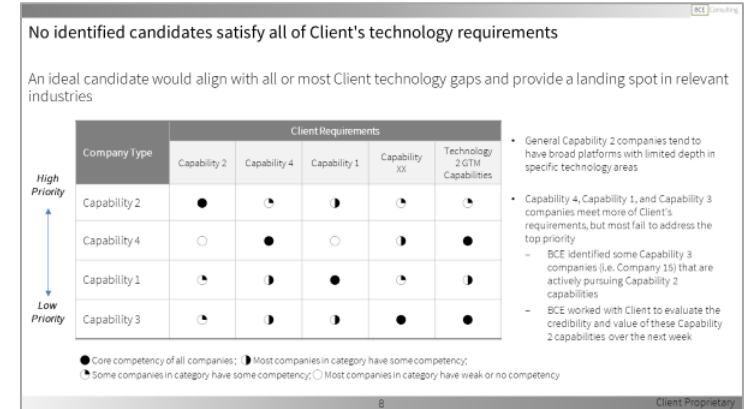
With priorities and criteria in hand, BCE transitioned to identifying and assessing potential partners and acquisition candidates. BCE leveraged the client's work to date as a starting point, followed by desk research and direct interviews with market participants, analysts, and investors. We used a four-step process to identify, screen, assess, and recommend acquisition targets that fill technology gaps:

BCE work with the client to classify screened companies based on their primary core competency. This allowed us to demonstrate that while one technology was the highest priority need, the companies that deliver that technology well do not perform well against other criteria.

BCE facilitated another round of discussion on options, trade-offs, and priorities, the result of which was to focus remaining research and analysis on 16 companies.

Recommendations

Based on the client's priorities and objectives, BCE recommended the client pursue acquisition of an earlier stage company with strong core technology that could fill key strategic gaps and enable the client's vision for the IIoT space. Because few viable targets existed, BCE also identified an alternative path forward, under which the client could partner to accelerate in-house development of this same key technology, while also acquiring supporting, complementary technologies and go-to-market capabilities.



Approach

