

INNOVATION



5 ways to grow your startup
within a digital ecosystem

Life Is On

Schneider
Electric

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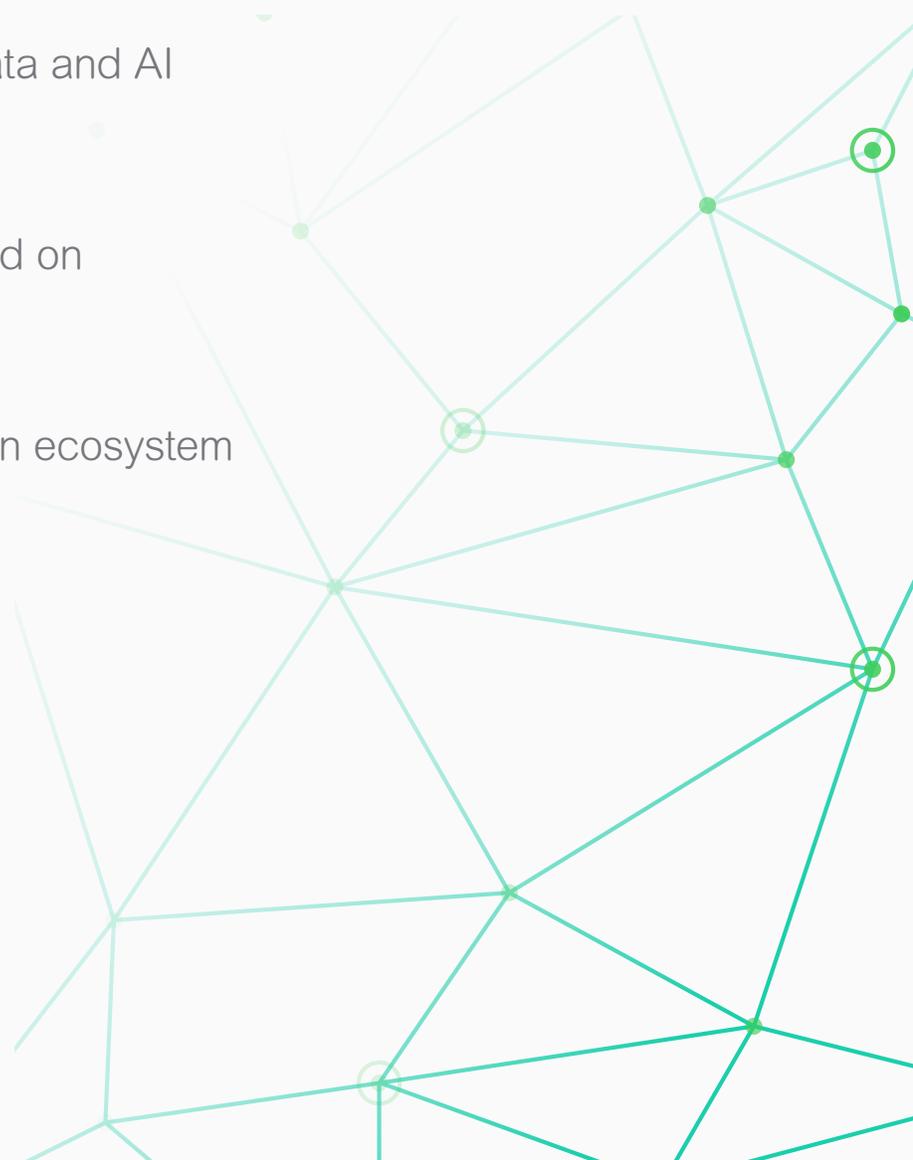
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01

Innovating beyond your sandbox

A collective shift in perspective

In today's fast-paced digital economy, no company — neither emerging ones nor established players — can innovate in a silo to advance real change. And creating technology for technology's sake is no longer enough either. We all need a collective pivot toward customer-centric collaboration, ensuring that every novel, bold idea addresses a specific problem from the outset.



42% of startups surveyed cited "no market need for the innovation" as the number one cause of failure.¹

Opening a wider window to solving problems

Digital ecosystems are fast taking center stage as an effective way for different players in the ecosystem to:

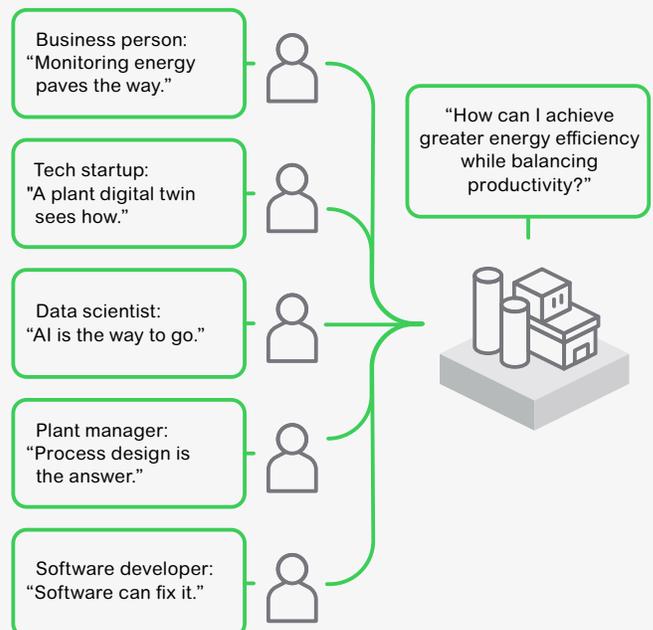
- Create new use cases
- Connect with market experts to better understand customer challenges
- Collaborate with others to fill gaps in expertise
- Access specialized tools and resources
- Scale the concept across markets and geographies

What is a digital ecosystem?

As Accenture defines it, a digital ecosystem is a "network of cross-industry players who work together to define, build, and execute market-creating customer and consumer solutions. An ecosystem is defined by the depth and breadth of potential collaboration among a set of players: Each can deliver a piece of the consumer solution, or contribute a necessary capability."²

"We know how it goes: To a hammer, all problems look like a nail. But new digital technologies allow us both to envision existing problems through new lenses and to see solutions to those problems in ways never envisioned before."

— Hervé Coureil
Chief Digital Officer, Schneider Electric



“In a world where co-innovation and customer-centricity are the new norm, it becomes critical for every company to leverage the brainpower, agility, and disruptive ability of a large ecosystem to create competitive, innovative differentiation.”

— Jean-Pascal Tricoire
Chairman and CEO, Schneider Electric



Branching out with the same proven technology

As industrial automation devices have grown more complex, while also incorporating voluminous amounts of plant data in their operation, there's a skyrocketing need to make adjustments to variables and logic to continue smooth operations. Since these changes are directly linked to machine throughput and uptime, maintaining the current device program and configuration is critical to protect machine performance, production quality, and uptime.

MDT Software shines in responding to this known problem. Specifically, it solves a plant's continuity and integrity challenges by protecting the intellectual property in a plant's automation layer and across the industrial enterprise. MDT has a proven track record of helping manufacturers avoid risk (regardless of device type), recovering quickly from hardware failures, mistakes, and even cyber-sabotage.

Looking to new segments

The broader playing field of an open, digital ecosystem can offer smaller tech companies with niche expertise a growing set of use cases.

For example, MDT recently expanded its market reach to the transportation sector (specifically, Munich's train system). The transportation system's fundamental aspects of data-driven, control issues are similar to those of industrial environments, even if the automation layer consists of tunnel lighting, clock control, cameras, etc., instead of pumps, turbines, and motors. The common thread is data being run by the PLC or PCU, so MDT can leverage its expertise to address this new use case to ensure seamless operation of Munich's train infrastructure. MDT Software has become a Schneider Electric Exchange partner to discover unexplored opportunities for co-innovating and co-selling in both known and new markets.



“There may be some needs MDT doesn't know about yet for which we can work with partners, system integrators, the Schneider businesses, the Schneider Electric Exchange community, and customers to meet new needs.

The ecosystem gives us visibility into new use cases we could fulfill with our expertise within the plant environment.”

— Michelle Meyer
Software Marketing Manager, MDT

02

Refining — not reinventing — the wheel

A faster pace for joining the win-win digital race

Most tech startups know that it takes a lot of groundwork and elbow grease to advance a great idea to successful commercialization. By their interconnected nature, digital ecosystems can mitigate the need to reinvent the wheel with each new use case via real-time collaboration and access to tools and resources.



Unleashing infinite possibilities

Schneider's own digital ecosystem, Schneider Electric Exchange, brings together startups, software developers, system integrators, designers, plant managers, data scientists, service providers, and more to create, collaborate, and scale solutions for the digital economy. This open business platform empowers you to drive your vision by interacting and engaging with potential collaborators, partners, distribution channels, and customers, as well as Schneider's own lines of business, in a much more seamless way.



Trusted tools and resources

The company Aquassay improves the water efficiency of industrial sites by carrying out diagnostics and dynamic mapping of water uses. To optimize its solutions, it needed real-time prediction capabilities. Schneider Electric Exchange provided digital access to these trusted, reviewed tools and resources, linking Aquassay with the AI-as-a-service company Dataswati.



Accelerating with Schneider Electric Exchange



Technical resources & toolbox

Best-in-class management of API, data science, data sets, and SDKs



Public & private communities

Collaborators co-innovating digital solutions, all content indexed and searchable



Digital marketplace

Full publisher lifecycle management capability and a global payment integrating lead generation

Join us today.



“No one big company has all the answers and has all the innovation in house. So you have to harness the power of a carefully managed ecosystem of partners to bring the best innovations to your customers.”

— Omar Abbosh
Group Chief Executive, Communications,
Media & Technology, Accenture

Keeping a laser focus on your expertise

As emerging companies fine-tune and market their initial use cases, it's quite common for gaps to remain in other realms that affect scale and growth. Business processes and operational models often are the missing areas. Why not round out your specialized business by leveraging these capabilities elsewhere instead of reinventing the wheel?

Itris Automation (recently acquired by Schneider Electric), for example, brings software engineering techniques to PLC programming. Since it began developing its niche software tools, Itris has been committed to making them available to as many PLC brands and models as possible. This approach meets the industry's typical challenge of dealing with multiple vendors and machines across the industrial environment. Itris's tools allow manufacturers using any type of PLC to improve the quality and maintainability of their programs, helping them meet the industry's increasing demands within the tighter deadlines and limited budgets.

A ready-made e-commerce platform

Within a digital ecosystem such as Schneider Electric Exchange, Itris can continue to focus on its core expertise, while using the Digital Marketplace's e-commerce capabilities to grow its business.

This setup empowers the customer experience, allowing Itris customers to purchase tools directly on Schneider Electric Exchange. It's a good platform for Itris's SaaS products, as customers can purchase the offer any time from anywhere, allowing Itris to create a fully digital business model. Itris can grow its specialized business by engaging regularly in the Schneider Electric Exchange communities to gain insights related to ongoing customer needs and business challenges, building trust in its offers.



“Schneider Electric Exchange is an opportunity for us to use an existing digital platform to sell our products without our having to create this option and sales infrastructure ourselves. It's also a dynamic community where users have a place to discuss common topics and experiences, and to ask for advice, support, and resources from other users.”

— Karoline Beske
International Sales Manager, Itris

03

Stepping up your game with data and AI

The AI boost

Look around. AI is everywhere. Creating AI models was difficult in its early days. Building an AI algorithm, testing it, and re-training the model was a hard process. Now, the ability to store and process large amounts of data; readily-available, easy-to-deploy AI; and cognitive and analytics services in the cloud have changed everything.

Opportunities abound for most companies to boost productivity, efficiency, and safety in ways that were unimaginable just two decades ago, thanks to today's version of AI.

Creating a mighty AI team

But, there's a catch. Not everyone is an AI specialist, and even the most innovative tech startups often need to bring in AI experts to round out or enhance the value of an innovative proof of concept and/or branch into digital service business models. What's more, domain expertise is just as important, because you and your customers need to understand and respond appropriately to what the AI model reveals. And what about gathering enough data sets to build, train, and re-train the AI engine? You can create a mighty AI team via Schneider Electric Exchange communities and access to data sets.

“Enabling AI and machine learning requires advanced mathematicians and outstanding IT agility to be combined with your best business experts.”

— Predictive Layer



increased share-of-profit in manufacturing from AI-powered systems⁴



Top 5 winner in a recent Schneider Electric Exchange Open Innovation Challenge

InUse developed a portfolio of connected analytics and services to tackle its customer Hellenic Dairies' plant activities, including connected cleaning-in-place cycles, in order to optimize their duration and reduce water consumption by 20%.

Turning raw data into insights

Less than ½ of an organization's structured data is used in making decisions.⁵



Transform captured data into additional business insights with cloud-based analytics.



IT/OT Convergence across the network



Capture and analyze data close to its source for real-time decision-making based on edge analytics.



“So the ability to have a tool chain that makes it possible for businesses to then take their business process and add machine learning and AI and make it that much more productive and that much more efficient is what I think the real innovation is.”⁶

— Satya Nadella
CEO, Microsoft

Driving energy efficiency with AI engines

For large energy consumers, predicting energy consumption is imperative for many things, from accurately forecasting demand to negotiating pricing and budget proactively. Leveraging artificial intelligence, the Swiss company Predictive Layer eliminates the uncertainty of energy demand forecasting.

In commercial building applications, for instance, Predictive Layer's AI engines integrate power signal and weather data into its forecasting models to anticipate normal behavior and detect changes in pattern and usage. Should an actual anomaly occur, Predictive Layer's analytics service will alert and advise the facility manager to take certain actions to maintain optimized energy consumption, comfort and security in the facilities.

Sharing AI expertise

By engaging in Schneider Electric Exchange, Predictive Layer connects and offers its AI Forecasting platform to a broad ecosystem on the worldwide market. Predictive Layer also publishes its own external data sets in the Exchange for companies who want to start with basic analytics before implementing full AI.



“Schneider Electric Exchange enables our predictive analytics services to reach more international enterprises and utilities. The ecosystem also gives us a standardized way to interact with Schneider Electric businesses and opens the door to engage with other partners from the building management and microgrid space (such as system integrators).”

— Olivier Cagnet
CEO, Predictive Layer

Predictive Layer's analytics services can yield:⁷



Up to **25%** savings on energy bills



A workforce optimized by **10–20%**



Up to **12%** savings on operating expenses

04

Tackling the scale problem head on

To scale or not to scale?

Indeed, that is the question. While some startups choose the path of selling their innovative offer to industry’s giant players, others commit to the longer-term process of scaling the offer across markets and geographies.

Scaling successfully is not easy. Based on lessons learned, common challenges include premature scaling, missing market needs, cashflow challenges, limited distribution channels, lack of business infrastructure, and more. What is the best way to improve your odds of turning your proof of concept into a thriving business?



Minding your business

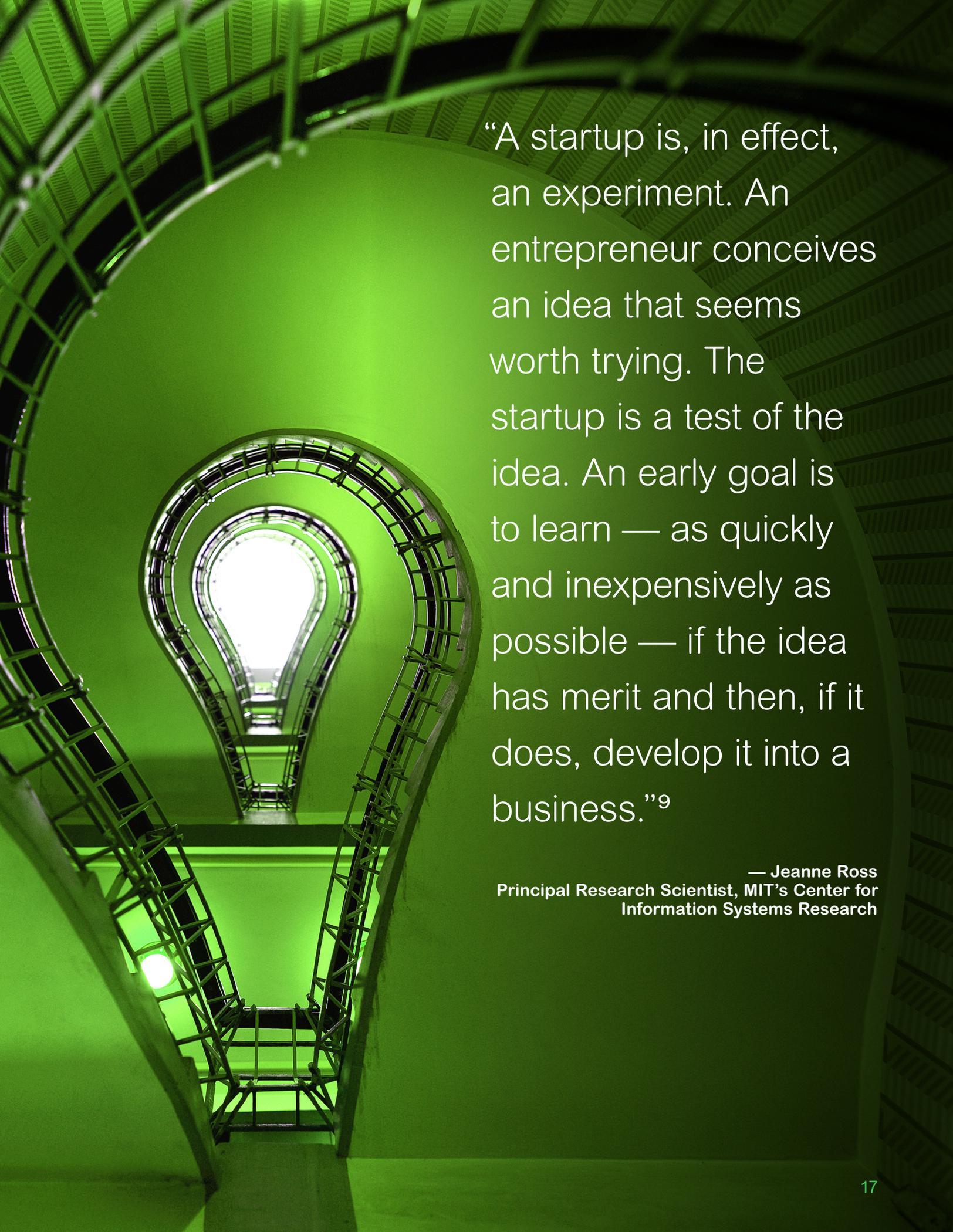
Aligning your innovation to customer needs and wants is critical — as is showcasing your offers on a global scale. While digital ecosystems are often regarded as the way for industry’s traditional, big players to compete in the digital economy, they also provide many of the essential ingredients that can empower startups and developers to scale successfully.

In the case of the Schneider Electric Exchange business platform, these elements include the following:

- Access to partner networks
- A community of potential customers seeking niche solutions
- Connections to distribution networks and sales channels
- Avenue to broader market reach and new geographies
- Communities of domain, marketing, and customer experts
- Easier routes to Schneider lines of business

The startup journey from ideation to commercialization





“A startup is, in effect, an experiment. An entrepreneur conceives an idea that seems worth trying. The startup is a test of the idea. An early goal is to learn — as quickly and inexpensively as possible — if the idea has merit and then, if it does, develop it into a business.”⁹

— Jeanne Ross
Principal Research Scientist, MIT’s Center for
Information Systems Research

An eye on new use cases

As any fast-growing software company knows, it's essential to work in an agile environment where you can adapt products quickly to user needs. It's important to focus first on understanding the core use case before starting to refine the product roadmap as changes will impact the entire user community.

Senseye, a fast-growing industrial software company specializing in predictive maintenance solutions and methodologies, sees great value in Schneider Electric Exchange. Schneider Electric Exchange empowers Senseye by providing direct interactions with a wide range of user communities, including end users with real business challenges that can drive forward new use cases of Senseye PDM, its technology solution suite. This enables Senseye's R&D and engineering teams to further develop its solution to new use cases and create real business outcomes that drive value and results for its users.

Data's repeatable value

Senseye knows the value of investing resources to collect voluminous amounts of data to power its predictive maintenance technology solution suite. As Senseye CTO Robert Russell says, "Accessing real industrial use cases that were not initially identified supports the process of solving additional business problems to meet our user's needs."

For example, Senseye has seen that data originally captured for production control can be re-factored with some simple processing for predictive maintenance. This easily makes a secondary use of investment in sensing, connectivity, and data acquisition. Even the results that predictive maintenance combined with other data such as quality measurements can form a third use. Indeed, this is the sharing economy and scale of how data can be leveraged across different use cases.

To Senseye, Schneider Electric Exchange's Digital Marketplace is an important channel to serve global communities within the digital ecosystem.



“For us at Senseye, Schneider Electric Exchange has been invaluable. Working directly with Schneider’s innovative Le Vaudreuil Smart Factory has influenced our decision-making process in our product roadmap, as we are able to engage closely with people working in factories and plants.”

— Robert Russell
Chief Technology Officer
and Co-founder, Senseye

05

Growing your business within an ecosystem



Trust as an engine of growth

As you deal with more technical complexities, you can leverage resources in a digital ecosystem to push your innovation without losing the essential element of trust. Old-school networking, running around, and gut decision-making have been supplanted by a real-time feedback loop of peer and partner reviews, customer inputs, and forum/community engagement — with the ability to leverage this information to iterate and improve product development.

Establishing and maintaining the trusted relationships that inherently define industrial value chains is of critical importance for growing your business. And as you need to bring new players to your project, Schneider Electric Exchange eliminates much logistical groundwork and guesswork.

“As a vendor, I can showcase on Schneider Electric Exchange Supertech’s capabilities, products, and services.”

— Chandrashekhar Limaye
Director, Supertech Instrumentation Services (I)
Pvt. Ltd, India

The power of collaboration

We all are empowered to allow collective intelligence to work its magic within a digital ecosystem approach. As a World Economic Forum report points out, “Large corporate customers substantially enhance the reputation of startups and serve as reference cases for future sales. As corporate decision-makers look for references before engaging in a collaboration, this also triggers a network effect. In this context, the transformation of the sales process from an innovation pitch into reference selling may become a key success factor for a startup.”¹⁰

For example, Schneider Electric's Innovation at the Edge Program encompasses incubations, investments, joint ventures, and partnerships to empower entrepreneurs to turn bold ideas into reality. Schneider Electric Ventures group is the investment arm of this program. Through co-innovation and a digital ecosystem approach, corporations and startups can provide each other value, carving out a more energy-efficient, productive, and sustainable future, together.



According to the Boston Consulting Group, deep tech startups look to the ecosystem for help with:¹¹



61%
Market access



39%
Technical expertise



26%
Business expertise
and knowledge

“The industry landscape is going through an upheaval as digital ecosystems take shape. To win, companies will need to embrace new relationships and ways of collaborating.”¹²

— McKinsey

Listening and responding to customers

Anyone who has shopped for a new TV, car, or house recently knows that the times have changed significantly. The Amazon model has taken hold everywhere, even in traditional markets based on word of mouth and relationship building. Online research is a crucial factor in the decision-making process, enabling customers to “show up” ready to buy.

A company that has successfully offered a niche product since 1970 knows it must keep up with customers’ needs and requirements to continue its ongoing success. WIN-911 software fills a gap in SCADA/HMI systems and delivers critical machine alarms via smartphone and tablet apps, voice (VOIP and analog), text, and email — reducing operator response times, system downtime, and maintenance costs. Critical to WIN-911’s go-to-market strategy is a global network of distributors and systems integrators.

Enhancing marketing efforts

Schneider Electric Exchange brings a real-time, connected network element to this long-time strategy. WIN-911 alarm notification software is deployed in more than 15,000 facilities in 70 countries on six continents. WIN-911 leverages the Digital Marketplace to showcase its offers, while also connecting and collaborating with partners in the digital ecosystem.

WIN-911 also engages in Schneider Electric Exchange communities to hear what distributors and their customers, OEMs, machine engineers, and system integrators need in its niche market, helping to drive the direction of the company as it continues to compete in the digital economy.

WIN-911 Software is a recognized Wonderware Certified Technology Partner. In 2014 and 2017, it was awarded Wonderware Technology Partner of the Year. WIN-911’s technology partnership with Wonderware has enabled the company to continuously grow year after year, providing trusted remote alarm notification solutions for both InTouch and System Platform.



“For us, market exposure is extremely important... to be part of Schneider Electric Exchange online is important because many in the automation world are going to do the research online before they connect with a sales or technical person for a voice-to-voice question.”

— Arish Rojas
North America Channel Sales, WIN-911

A winning team

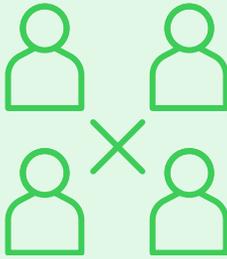
A WIN-911 team took home top prize at the 48-hour AVEVA Paris Hackathon with its alert notification app for Wonderware Online Insight. The solution was to build a highly automated, rugged, remotely connected plant that could meet water needs with a single-staffed shift.

One business platform with the infinite possibilities of an open, global, and innovative community



Create

Develop integrated efficiency solutions for energy management and industrial automation



Collaborate

Meet experts and innovators to solve business challenges and build new solutions

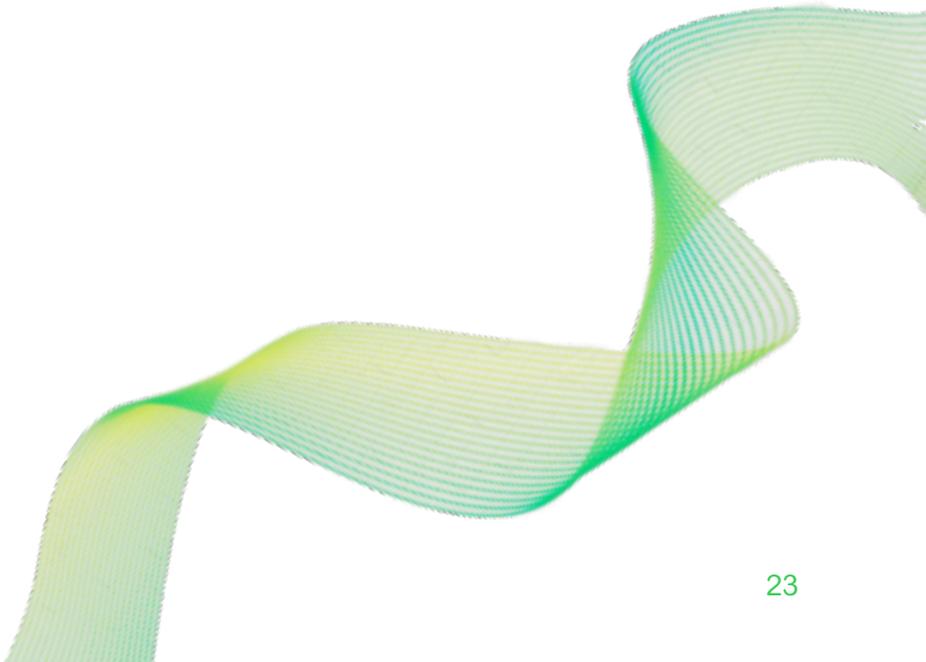


Scale

Grow your business by gaining customer insights and reaching a global customer base

Join Schneider Electric Exchange today to create, collaborate, and scale digital solutions for today's digital economy.

exchange.se.com



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