



The Numerex DNA™

By

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DNA contains the blueprint for life; without DNA, life would not be possible. It occupies a central and critical role in the functioning and development of all living organisms. Likewise, behind an effective machine-to-machine (M2M) deployment, there is a core engine composed of, at the very least, a device, a network and an application, the purpose of which is to help M2M customers to better function and grow. The synergistic device-network-application combination is an indispensable condition for an optimal service delivery as well as the nexus of a successful partnership with the M2M customer. At Numerex, we call this Device-Network-Application combination the Numerex DNA™. Similar to its biological namesake, the Numerex DNA is both passive and dynamic. It provides energetic solutions that powerfully synthesize the effectiveness of the various DNA components. Numerex prides itself in elevating those components to a higher level of performance and customer satisfaction; this is the Numerex Power™ or DNAⁿ™ at work.

The comparison to life's building blocks is more than a fortuitous analogy since it drives a very important point as to the nature and direction of the M2M market. Essentially, the M2M service provider's dilemma is the following: keep enjoying the profitable status-quo of the traditional hardware-based business with the risk of being relegated in the long run to a mere undifferentiated conduit; or buy into the promises of the financially rewarding real-time business intelligence with the risk of being unable to morph into a software-based organization. In summary: short-term gain with the potential risk of a long-term pain, or short-term pain with the possible reward of a long-term gain? The answer is not necessarily obvious since it rests on an assessment of the future, which is by definition uncertain and chaotic. Numerex, which believes in the transformation of the M2M industry into an active enabler of the business process, embraces a comprehensive course of action to problem resolution.

However, the road to implementing such a strategy is not an easy one. Since the goal is to become a trusted partner, credentials have to be earned. It is not surprising, therefore, to see M2M manufacturers and service providers emphasize the need for security.

Marketing slogans such as Gemalto's ("Security to Be Free") or Numerex's ("Machines Trust Us™") are indications of the integration into the M2M strategic thinking of the paramount importance of confidentiality, integrity and availability of information as well as the realization that customers want to be in "safe hands". Likewise, at the application level, efforts and ingenuity have to be invested in the design and implementation of original M2M services that fit the customer's needs and technical platform. Customers

have a good understanding of what they want, but sometimes do not have the range of resources that are necessary to put together a cost-effective application.

Numerex is taking the lead in this domain in proposing to its customers a multi-faceted application foundation that acts as a crucible for the development of M2M applications, from conception to full deployment. An efficient M2M solution requires a good command of the interrelationships and dependencies between the device, the network and the application. The endgame is the application, what is visible to the customer; the device and the network are in a subservient position. It is also important to remember that application programs also include software that is not “market facing”, but provides M2M intelligence to help better manage operations, and the related risk and uncertainty. In the forthcoming years, we will see M2M gradually moving into decision support services, which lie at the center of real-time business intelligence. The Numerex DNA will play a vital role in this transformation.

Numerex’s strategic direction leans on an evolution of the M2M market that is not specific to the United States. For instance, announcing their European conference on “*M2M and the Internet of Things: Where Machines Talk*” (Berlin-Charlottenburg, Germany, October 9-10, 2008), the sponsors (The German Association TelematicsPRO, Beecham Research Ltd and Machmer International Consulting) underlined the dramatic change currently underway in the M2M market with the following observation: “The focus of the M2M market is now shifting from the enabling technologies towards the services that can now be created by using them – where the true value lies. This is a

seismic shift that promises huge new revenue opportunities.” The network edge will be the next M2M battleground, where value added can be created and real-time business intelligence can be provided for the benefit of an increasing number of M2M customers. Victory will greet companies that master the intricate requirements of optimizing the integrated use of their device, network and application, and, as a result, supply an intelligent helping hand to M2M users.

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