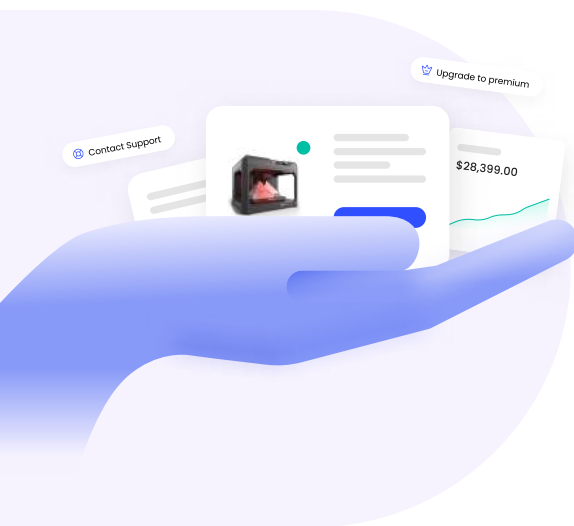
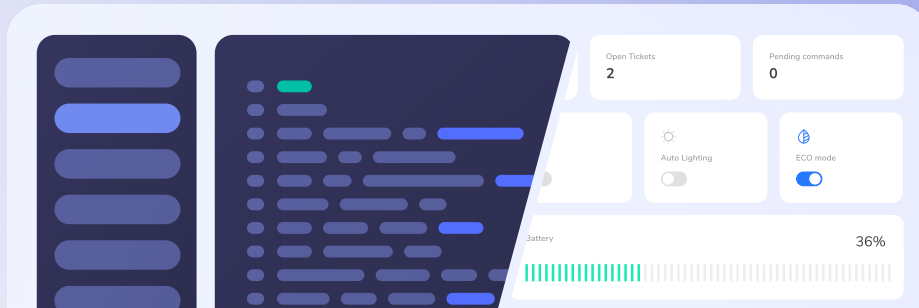


Cloudifying Your Hardware: Build or Buy?

The question of digitizing your hardware business and moving your devices to the cloud is no longer an **"if"** but a **"when"** and **"how"**



The threat of hardware commoditization and growing demand from customers is pushing manufacturers to transform their products into integrated business solutions, a process often referred to as "servitization." Companies leading the shift understand that hardware, software and services are no longer separate businesses but deeply intertwined.

To successfully navigate the digital transformation of moving your devices to the cloud and offering service-based subscription models, OEMs must first have a full-stack technology platform to connect, manage and commercialize their devices.

Often OEMs struggle with the question: Should we build our own Device Cloud in-house or partner with an established vendor?

What is a Device Cloud?

A Device Cloud refers to a full-stack software solution that enables OEMs and their partners to connect their devices, machinery, robotics or other IoT hardware to remotely manage, monitor and support them. More advanced Device Clouds also include built-in support for servitization - including a commerce experience, subscription management, payments gateway, and more.

A best-in-class Device Cloud will include all of the following:



Asset management & monitoring



Support center



Marketing tools



Customer notifications & workflows



Payments processing & gateway



Shipping and invoicing tracking



Built-in security and privacy



Scalability & redundancy



Data visibility and analytics

Five Key Reasons to Use a Best-in-Class Device Cloud Vendor vs Building Your Own



Building in-house requires expensive, extensive resources

Cloud architects, DevOps engineers, platform testers and front/backend developers are required to build a device cloud (~\$1.2 million¹ in salaries for a six-month period), followed by ongoing development, maintenance, support, and cloud costs.



Faster time-to-market, faster time-to-value

A ready-to-use infrastructure, allowing you to connect your devices to the cloud and start seeing value in a fraction of the time.



Baked-in compliance, security and data management

Device and customer data is protected, secure, and meets industry standards like GDPR, CCPA and SOC2 Type 2.



Strategic functionality and rich features, out-of-the-box

Full functionality for relevant business operations, from device entitlements and telemetry, firmware updates, remote support, and subscriptions management.



Ongoing innovation

Continual updates with the latest technologies and capabilities enable OEMs to focus on their own product development instead of cloud development and maintenance.

74%

of OEMs will offer digital services in next five years, up from 38% today ²

\$5.6M

average TCO for a cloud-native development approach ³

77%

of OEM revenues will come from software, services and solution offerings by 2030 ⁴

4-20X

faster to deploy a purchased solution vs building your own⁵

¹ Based on 2023 average salaries in the US, according to talent.com, for a team of 2 cloud architects, 4 DevOps engineers, 2 platform testers, 2 security engineers, and half-time salaries for a program manager and agile coach.

² Manufacturers' Push for Greater Servitization Revenue Creates Opportunities for Tech Providers, June 2023, Gartner.

³ Cloud-Native Development Report: The High Cost of Ownership, OutSystems.

⁴ Thinking Outside the Machine: Global Machinery & Equipment Report 2022, Bain & Company

⁵ Digital Operations Signals. Industrial IoT Solution Spotlight, Microsoft, July 2023 and company estimates.

Cost Analysis: Build vs Buy⁶

	Build Your Own Device Cloud	Xyte's Device Cloud
<div>1. Hiring & training of backend and frontend engineers, security expert(s), DevOps, QA, cloud architects; 2. Building & configuring infrastructure (salaries + software licenses, compliance, tools & services) 3. Maintaining and scaling infrastructure environment (hosting, security and DevOps updates, cloud costs) 4. Application development (salaries, security, hosting) 5. Ongoing support, bug fixes and improvements</div>	<div>~\$2M – \$10M Depending on OEM size and complexity of project, plus yearly ongoing cloud, maintenance and development costs</div>	<div>\$66K /year for Premium subscription</div>
Time Estimation	2-5 years	3-6 months



“Xyte helped us deploy a world-class solution **in a matter of months**. If we had done this ourselves, it would have taken us years to get this off the ground. We were able to provide something that delights our customers...in the competitive landscape, we needed something we could rapidly deploy, and that’s what Xyte enabled us to do.”

Shane Roma, Product Manager, Middle Atlantic Products (Legrand)



When it comes to evolving your hardware business to succeed in the new world of integrated solutions, **YOU CAN'T AFFORD TO BE LATE.**

⁶ Based on the sources above and company estimates.

Why Xyte?

Xyte's Device Cloud enables equipment and device manufacturers to cloudify, operate, support, and commercialize their connected devices, all in one place. Whether you're manufacturing video displays, industrial robots or 3D printers, Xyte helps you manage your connected device business end-to-end.

Set up a robust cloud for your devices at a fraction of the cost and at no risk

For a low annual subscription fee, Xyte's platform includes remote monitoring and management, a support center, a payments gateway, ecommerce tools, and more – rich features that require significant investment, time and risk for OEMs to build in-house.

Unify business operations

Xyte's Device Cloud is a single, unified platform to manage all of your connected devices and easily collaborate with industry partners and customers.

Deploy an asset management solution with out-of-the-box multi-tenancy

Quickly launch and operate a fully-federated, white labeled asset management tool for your end users, enabling them to remotely deploy, configure, manage, and monitor an unlimited number of devices.

Drive recurring revenue and create integrated service solutions

Unlock new recurring and predictable revenue streams with subscription-based products, including complementary services, premium device features, up through complete Hardware as-a-Service business models.

Empower your channel partners

Equip your network of professional service providers with the right tools to deliver best-in-class support and value-added services to your customers.

Maintain full flexibility and control

Our open and modular architecture and extensive set of RESTful APIs allow you to build custom integrations that fit your technology environment.

Schedule a demo and get started today