TECHNOLOGY NEVER SLEEPS

That the tech sector is constantly changing is a truism. What's not quite so obvious is that the pace at which it is changing, and the transformative effect it is having, is accelerating, according to Steve Perkins of Grant Thornton.

It's an observation he is well placed to make. Perkins, who is based in the US, is leader of Grant Thornton's international technology industry community, a group of technology leaders from 120 Grant Thornton member firms around the globe.

"We are already mid-way through the major architectural transformation to 'everything as a service', the virtualisation of everything, whether hardware or software. Whereas in the past companies bought their technology in bits and pieces and integrated it, now it's all in the cloud."

The rise of cloud-based applications is enabling an even greater technological transformation; the internet of things. It refers to networks of traditional devices that are increasingly becoming "smart" – capable of not just sending and receiving information but also to act on it.

Digital industrial companies

"Already we are seeing industrial companies, such as GE, moving to describe themselves first and foremost as 'digital industrial companies', and putting digital first – it's another example of how the lines are blurring between the tech and the non-tech sector," he says.

Having worked with C-suite executives throughout a career that began in consulting, Perkins has had a bird's-eye view of just how much management attitudes to technology have changed, across all sectors. "I can remember CEOs who told me they saw technology as a cost, something to be managed down. Its only benefit, in their eyes, was insofar as it could help drive costs down in areas such as back office administration, or by speeding up business processes generally.

"Now, however, if you don't have someone at board level tasked with the digital transition of your business or, at the very least, with acting defensively to the digitisation of your industry, you will be disadvantaged." This is particularly so because knowledge is power and what the twin engines of cloud-based services and smart devices produce, almost as a by-product, is knowledge – or at least, vast amounts of data.

Limitless possibilities

Given the limitless possibilities, the internet of things has the potential to dwarf the massive impact the internet itself has had to date. "The classic example people use in relation to the internet of things is smart metering technologies used by utilities, or digital thermostats that connect to your security systems," says Perkins.

"But take the hospitality sector by way of a fresh example. What the internet of things could mean is sensors in a hotel that are aware of where you are and what your needs are and as a result can, say, configure your room temperature according to your

Driving business at the heart of New York's

If your product is built to provide solutions to customers in financial services, New York is the place to sell

You cannot put a price on trust. This has rung especially true for Grant Thornton's Irish business desk in New York, as despite all the advances in modern communications, human face-to-face interaction and a trusted relationship still wins the day, says Dara Kelly of Grant Thornton.

There is a misconception, Kelly says,

DARA KELLY: Leader – US Irish business group at Grant Thornton

Opportunities presented by the internet of things are compelling traditional industries to recast themselves as tech firms, says Steve Perkins

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> **Managing Director of Global and US National Technology Industries at Grant Thornton**

preferences, or if they know you are in reception, allowing you to bypass the check-in desk."

In all sorts of ways yet to be imagined, the internet of things and its billions of connected sensors, active at all times, has greater transformational potential than anything we've seen before, says Perkins.

"The first wave of this transformation has already encompassed publishing, music and financial services. Now we are seeing sensor based technology moving into more traditional industries."

Right at the forefront is the motor industry. "The latest cars can brake and park by themselves and are aware of their environment. They are connected to the internet and can monitor, for example, traffic signals. Indeed, it's likely that the single most intensive data point a person encounters will be their car," Perkins says.

It's why the talk of the automotive sector is not so much about traditional manufacturers, as it is about the likelihood of technology firms such as Apple and Google becoming car makers too.

Big data

"We hear a lot about big data but the real currency lies in being able to get, manage and act on that information, and again the lines are blurring in relation to who collects and manages that information. Increasingly businesses will ask themselves, 'How well do I understand this information? We are going to see more data scientists hired by non-IT companies than by IT companies and, as a result, we will see a war for talent on that front. It's already happening. If that's a battle you have yet to wage in your organisation, you are taking a very real risk, he believes.

"Get left behind in these developments and you can be disenfranchised very quickly. We only have to see how suddenly models such as that used by Airbnb have arisen, and are being exploited, as an alternative to the traditional hospitality sector or Uber to transport," says Perkins.

"How you react to, and manage, such transformations, and how you take those technologies and transform your own business model, that's the challenge."

global trading centre

that the centre of technology in the US is on the west coast. The tech sector in New York, particularly fintech, is rapidly growing. "Some of the hottest fintech start-ups are represented here and new entrants can find endless opportunities in the global trading centre. The New York Fintech industry has companies working in a variety of sectors; lending, marketplace, investment management and trading are denser than others, which create more opportunities for start-ups aiming to enter into sectors such as accounting, insurance and payments."

"There are several highly successful fintech incubators and accelerators in the city. There is also a high degree of collaboration between the vendors and customers, whereas the customers will provide mentoring, real-time product feedback, co-working space and access to in-house software engineers."

If your product is built to provide solutions to customers in financial services, New York is the place to sell, says Kelly.

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"We see that the New York market moves faster than other US financial hubs. If the customer likes the product, they will perform deep dive diligence and are usually very demanding in relation to modifying the product to meet their own specific requirements. If they do not see the value immediately they will tell you so, and meeting over. However, if they recognise the value the sales cycle is very fast."

Kelly says they work with lots of Irish tech companies entering the US market on everything from raising investment to driving sales of an existing product and there is great support in place encouraging Irish companies.

"The sectors we're seeing at the moment in addition to fintech is adtech, multi-media, legal and regulatory. There is a strong eco-system of support for Irish tech companies in New York, starting, of course, with Enterprise Ireland right through to the Irish American business community including groups like the Irish International Business Network and New York Digital Irish."