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M2M WORLD OF
CONNECTED SERVICES



M2M market trends in Asia

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Fargo Telecom Asia Ltd.

Your Global M2M Partner



AGENDA

- PRESENTATION OF THE FARGO TELECOM GROUP
 - History
 - Activities
 - Positioning
- M2M IN ASIA
 - By Areas
 - By Verticals
- CONCRETE CASE
 - Truck Tracking





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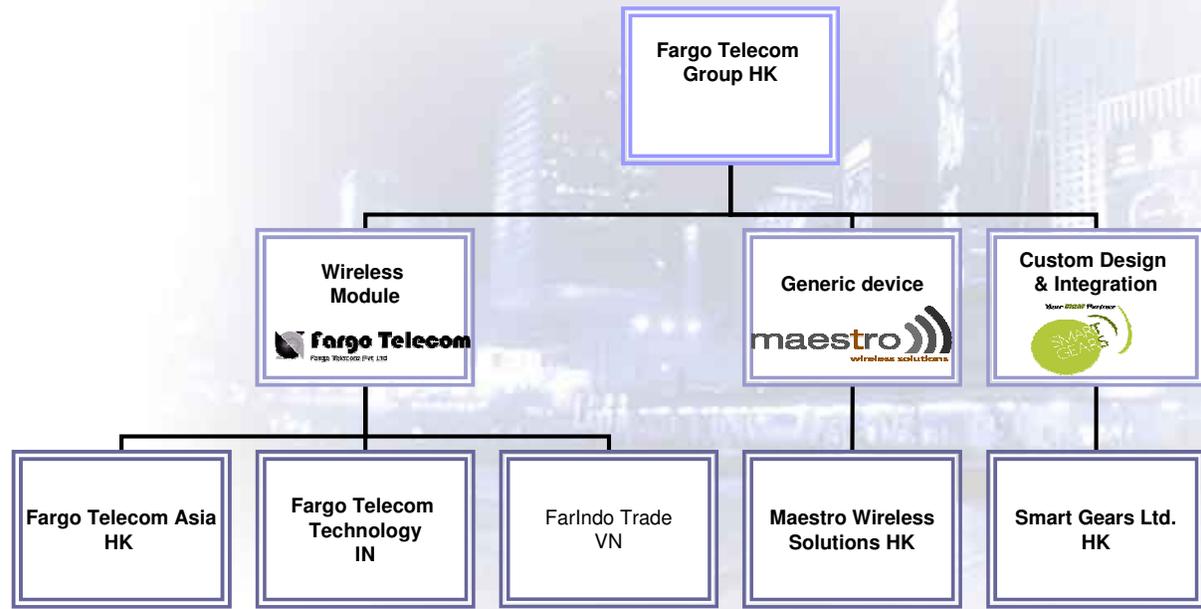
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1. FARGO TELECOM GROUP

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Telecom Group Structure & Management





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Fargo Telecom Asia Ltd.

Actual representation



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Maestro Product range



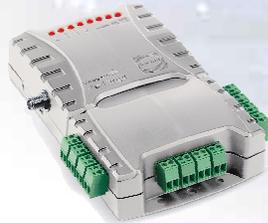
M 100 SERIES



MAESTRO INDUSTRIAL



M HERITAGE



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Smart Gears services

- Custom Design & Development
- Manufacturing Services
- Consulting

Smart Gears Cooperates with Maestro to provide advanced and comprehensive solutions.



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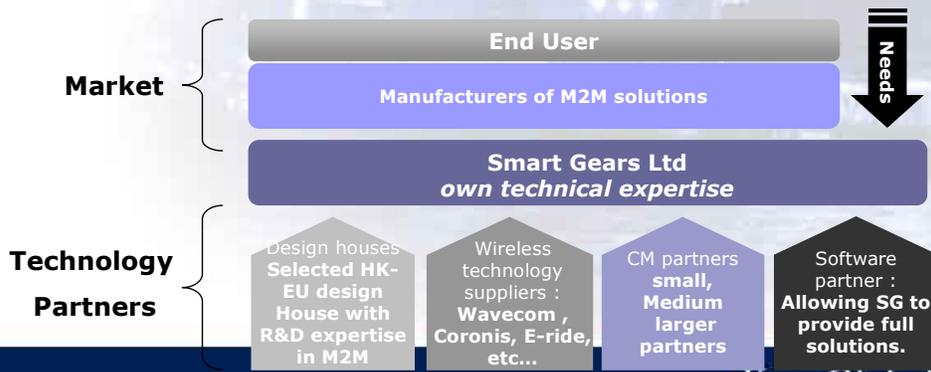


Smart Gears available Resources

Smart Gears Internal resources :

- Hong Kong Head Office : Project management, Administration,
- Shenzhen office PRC : System integration, hardware , software and mechanical designs,
- Mumbai India : Back-end server, PC software development.

Smart Gears Partners network :



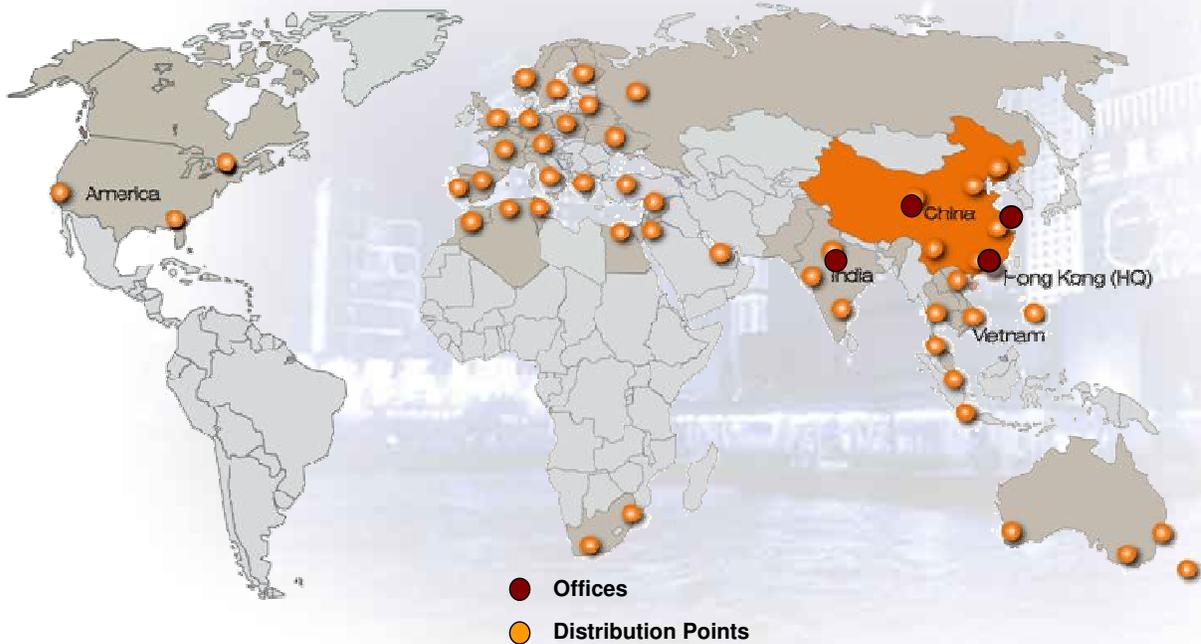
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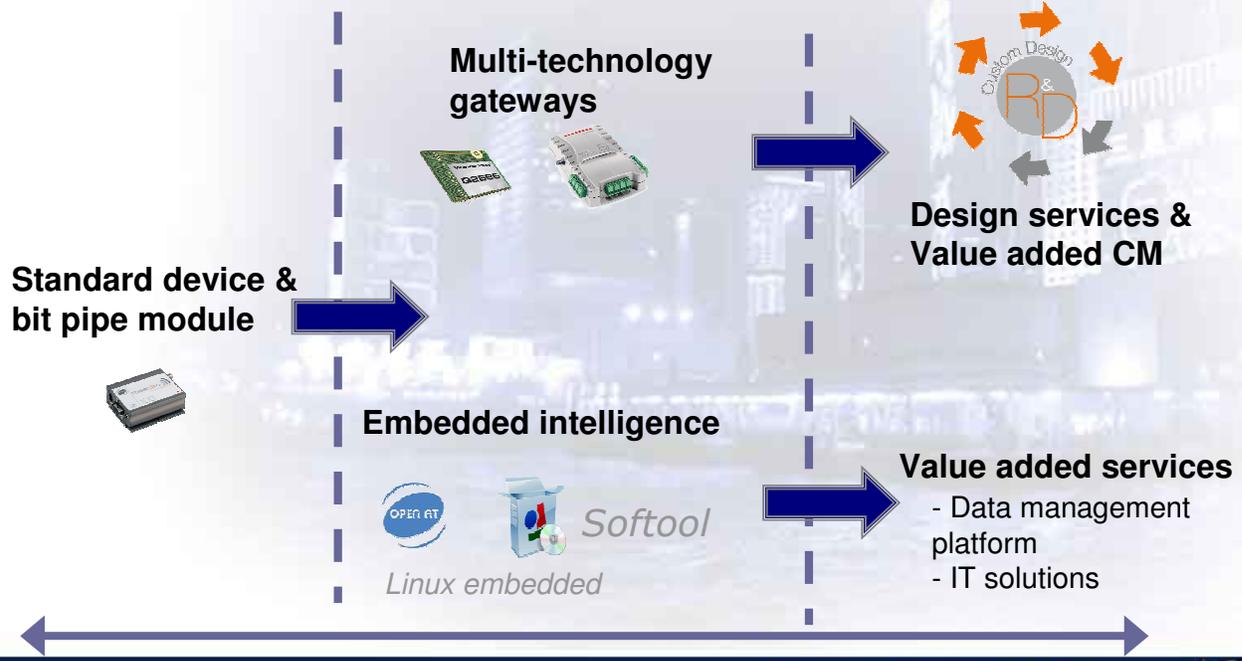
The Group's Worldwide Presence



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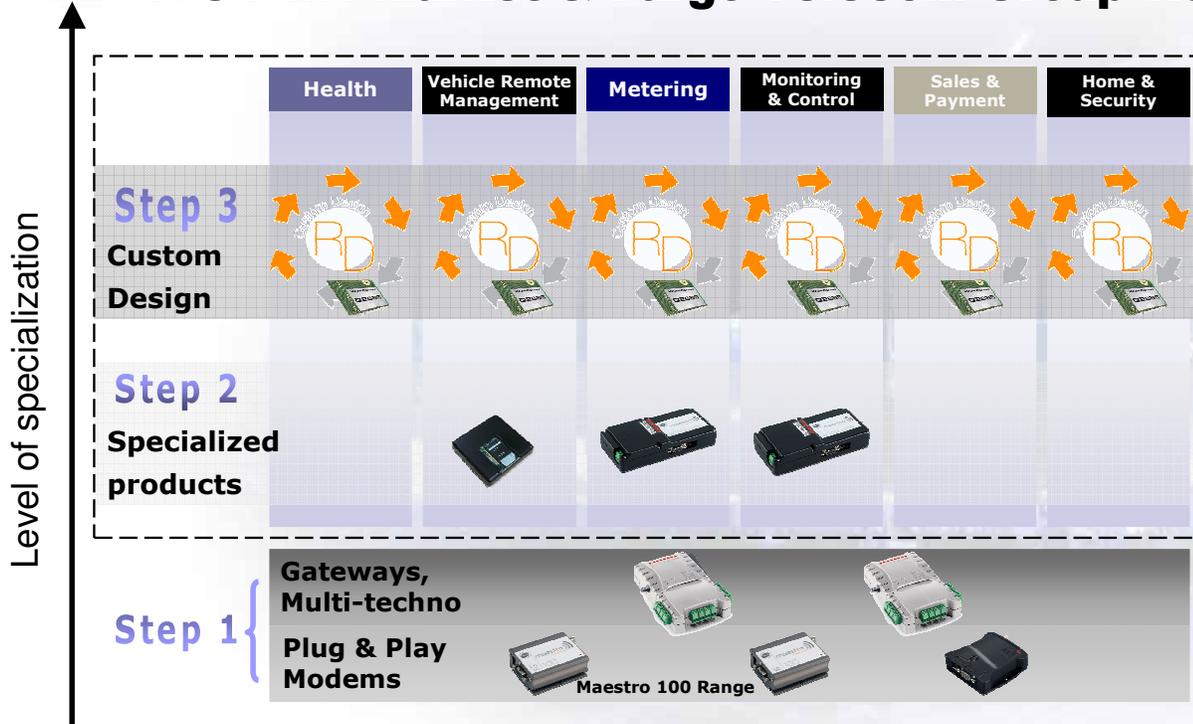
Fargo Telecom Group Strategic Directions



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The M2M market & Fargo Telecom Group vision



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2. M2M IN ASIA by region and by verticals

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Asia is not a market

- 3 Different environments:
 - Innovators: Australia, New Zealand, Japan, Hong Kong, Taiwan, Korea.
 - Followers: Thailand, Malaysia, Indonesia, Philippines, Vietnam,...
 - Autonomous: India and China.



The Innovators

Australia, NZ, HK, Taiwan, Japan, Korea

- Very similar to European market
- High level of maturity
- 3G zone: New technologies deployments are very efficient
- Leading region for South East Asia
- Mobile operators very involved in M2M applications



The Followers

Thailand, Malaysia, Vietnam, Indonesia, Philippines...

- Level of competences is not the same in all region
- Lack of infrastructure and governmental involvement
- “Chaotic” business behavior
- Lack of involvement of mobile operators in M2M
- Many small, independent and very specific projects: innovative and well adapted to the needs





The Autonomous

China and India

- Only similarities: Size of the territory, population, size of the deployments
- Isolated markets: Not too affected by the financial crisis
- Fragmented Market: each state/region is a different market
- Price Sensitive: locals prefer to work with local brand in a local way
- High Entry Barrier: based on relationship and not performances of a company or devices



AMM

- India and China:
 - Lot of resources
 - Very centralized
 - Very big project for infrastructure enhancement
 - Energy loss is very important (40% of loss between production and distribution in India)

- South East Asia:
 - Big projects in Thailand and Malaysia
 - Many tenders but very few of them are implemented
 - Governmental driven projects





Home, Building and Security

- Common statement for South East Asia and India / China:
 - Working population is very important and cheap.
 - Security is most of the time handled by security guards directly.
 - Low need of complex security systems
 - Need will increase in the future
 - Demand for Home automation system is also very low
 - Much more opportunity in Building Management Systems



Sales and Payment

- Important development in the group of innovating countries
- In other regions: not a lot of vending machines and ATM
- Access to Credit Card payment is increasing slowly in most of the region. Potential is extremely important for modules manufacturers
- Several manufacturers of POS systems in China. Rest of Asia is going through well-known European and North American manufacturers





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3. CONCRETE CASE

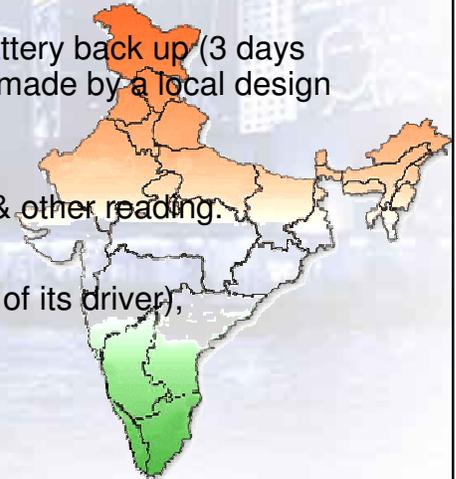
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Case study : Truck tracking solution 1/3

- Location & date : Mumbai, India in 2006
- Size of the projects : 2,000 truck
- Tracking Solution description :
 - Mobile Device : GSM/GPS tracking unit with battery back up (3 days autonomy and recharged by the truck battery : made by a local design house,
 - Back end/map: Designed by the customer,
 - Cellular network : Using SMS to send location & other reading.
- Expectation of the End customer :
 - Improve efficiency (petrol consumption, control of its driver),
 - Recover the vehicle in case of theft.





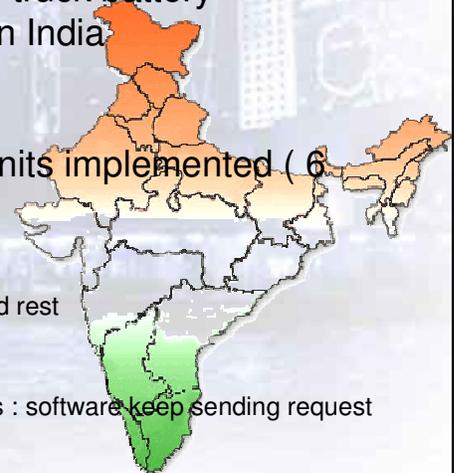
Case study : Truck tracking solution 2/3

Environment constrain :

- Temperature : the units was close to the engine and could go up to 80° C
- Mobile Device power supply : powered by the truck battery
- Location sent by SMS from different regions in India
- Driver against the use of such system

Issues found on the Mobile Device after 1,000 Units implemented (6 months) and RMA higher than 10% :

- Hardware failure :
 - Power supply blowing the core GSM engine,
 - high temperature was making the units overheating and rest
- Embedded software failure :
 - The units hanged when changing Cellular network
 - Battery used completely after 3 hours instead of 3 days : software keep sending request to the network, no low power mode implemented





Case study : Truck tracking solution 3/3

- Problem found on the Mobile Device :
 - Design of the power supply didn't follow the specification
 - Many components used on the device could not sustain high temperature,
 - Software had several bugs and no recovery system (watchdog or OTA N/A),
 - Customer first project (and last) : No proper hardware and software review, little field test validation has been done.

- Conclusion :
 - Customer had to recall all its truck. Cost of the recall and unit modification : more than USD 300/ truck,
 - Customer stopped providing this service and sued the design house who made the device.





CONCLUSION

- Asia overall is a very innovative place
- Much more flexible than the European market
- Development made in accordance to the specific needs of this area
- Adaptation is easier than in Europe
- Starting to be more focused on services
- Potential in several verticals is very high and will last longer than in Europe.



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THANK YOU

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