

“Machines Trust Us!”

A Provocative Positioning in the Machine-to-Machine (M2M) Market

By

Stratton Nicolaides
Chairman and CEO, Numerex (*)

In New York, on June 30, 1948, Bell Labs announced the invention of a revolutionary, solid-state device, named the “transistor” by electrical engineer John Pierce. That same year, a provocative book triggered controversy (and a host of new compound words). *Cybernetics: or Control and Communication in the Animal and the Machine*, by Norbert Wiener, brought to science what had once been the exclusive realm of science *fiction* – the possibility of merging machine and man.

This year – 2008 – marks the sixtieth anniversary of these two, congruent milestones, which forever changed the way we think about machines. We’re still grappling with the implications. For example, advances in biomechanics and neuroscience have progressed to the point that, in order to alleviate physical disability, technology and human functions have become intertwined – so much so that it has prompted MIT Robotics Lab Director Rodney Brooks to declare: “We’re going to become partially robotic. What’s a robot, what’s us is starting to get a bit messy” (*Cybernetics: Machine and Man*, Michael Bay and Matt Ford, CNN.com, April 18, 2006).

Even as scientists and philosophers wrestle with the moral and ethical dimensions of such a trend, we in the Machine-to-Machine (M2M) market, focused on practical, bottom-line implications, cannot but be struck by the parallel evolution in our own industry where such technology is now monitoring, tracking and automating company and service processes globally.

A pervasive web of connections between machines has grown into a huge organism that is predicated upon these seamless and harmless insertions of M2M technology that span a host of industries, including medicine, energy, security, agriculture and petroleum. In

short, our concern centers on keeping these connections clean. It is not hyperbole to contend that when everything is said and done, machines, whatever their function and wherever they are, must “accept” this technology, without running the risk of getting “sick” or “dirty” or “polluted” through acts of mass or targeted malevolence. We take great care to mitigate such threats, but they are real, and they bring up significant and new issues surrounding business integrity and trust that extend beyond the human realm.

In an era replete with impressive computing and storage capabilities and constantly evolving automated processes, a new level of partnerships between humans and machines has emerged. Note, the question, “Can we trust computers?” returns more than 45 million Google entries! Just prior to the recent turn of the century, trust in machines was considered a prerequisite for the development of e-commerce – it had to be trusted for the sake of progress. By the same token, with the rise of *social engineering* – or individuals acting as poseurs to steal assets or intelligence through lies and deceit – it has been often argued that the human was, for all intents and purposes, the “weakest link” in the human-machine interaction. Therefore (and however shocking as it may sound) trust now cuts both ways on the human-machine continuum.

Accordingly, “enabling trust between humans and machines” is no longer a topic for academic and think-tank discussions, but a very important business issue. Numerex’s emphasis on “Machines Trust Us” as a critical underpinning of its positioning strategy conveys the company’s understanding of this important requirement for the expansion of the M2M business. The ever-growing sophistication of computer networking coupled with increasing automation of business processes, whether internal or market-facing, demand that connections be made in the safest and smoothest manner possible. Trust is a crucial element of any networking, personal or machine-based. In a nutshell, M2M growth is contingent upon the acceptance by the machines of the hardware and software implants.

From a marketing standpoint, beyond the obvious intent to request pause and reflection on a novel phrase or theme, Numerex’s “Machines Trust Us” zeroes in on what makes today’s M2M different from yesterday’s. The frame of reference has changed, and

machines are no longer viewed in this new M2M world as the passive, queried devices that are the targets of the M2M service. Instead, they are the starting point of a long chain of interactions culminating in intelligent support to decision-making. This “next-level” M2M is probably best described as Business Intelligence 2.0, a.k.a. Real-Time Business Intelligence, (instead of a faddish “M2M 2.0!”).

At Numerex, “Machines Trust Us” expresses the company’s faith in the market’s validation of its determination to measure up to the exacting demands of today’s networks regarding data protection and data integrity. Our relentless efforts to ensure information security at Numerex, as exemplified by the recently awarded ISO/IEC 27001:2005 certification, demonstrate the company’s commitment in this regard. Importantly, at Numerex this commitment goes beyond information security, and the word “trust” connotes more than a mechanical and cold symbiosis. It also serves as a “mark” that cues the enterprise-wide integrity and reliability of our M2M network solutions and service provider itself – i.e., Numerex (us!). To put it in very simple terms, Numerex is in a “committed relationship” with its customers, partners and other stakeholders. Experience and excellence are put forward as the foundations of this commitment at corporate level. “Machines Trust Us” signals how this plays out in the day-to-day work with customers and partners.

In essence, “Machines Trust Us” as an outward-facing phrase foregrounds fresh thinking around how we as a company seek to relate with our customers and partners. It underlines a mutual relationship between Numerex and its customers and partners that bespeaks mutual respect, depth and the promise of a superior experience, that, in the parlance of Pine and Gilmore’s “Experience Economy” lifts M2M solutions and services out of the realm of commoditization. We see it echoing – in a B2B environment – the concept of “lovemark” pioneered by Kevin Roberts of the global advertising firm Saatchi & Saatchi, an idea initially tied to consumer marketing, which presupposes that traditional brands have “lost their juice,” and must, in a new era, develop a relationship marked by delivering products and services that outpace existing expectations of “great performance” while fostering an intimate and committed relationship.

This is this rejuvenated relationship that Numerex's "Machines Trust Us" aims at defining. By invading, in an avowed provocative way, the emotional domain heretofore reserved to consumer advertising, Numerex intends to promote a tight interaction based on respect and customer intimacy. It is expected that the target customers will view this declared intent as the recognition by Numerex of the complexity and importance of the network pieces that are to integrate with Numerex services, and the related requirement for "safe connections". But, above and beyond describing the quality of technical linkages, "Machines Trust Us" is Numerex's charter with its customers. Trust must be earned, and the privilege of serving customers entails rigorous responsibilities ("*noblesse oblige*"). It is no accident if the company's core values (Numerex's PRIDE), i.e., *people, responsiveness, integrity, development, and excellence*, are wrapped around the imperative necessity of justifying and deserving this trust throughout the company.

Integrity, reliability, and trustworthiness are at the root of the Numerex message. Dr. Tim Irwin, an organizational psychologist, in his recent book, *Run With The Bulls Without Getting Trampled*, poetically submits that integrity protects an organization "just as the hull of a ship protects the sailors inside". Trust is the lynchpin of Numerex's performance.

Numerex believes that the key to long-term and steadfast customer loyalty in its markets is in establishing a bond with its customers and their proxies, i.e., the machines. While it may provoke a cognitive shock to assert that machines can trust, it unambiguously charts the path that Numerex wants to take: developing an optimal intimate relationship with its customer networks and host systems through the provision of the broadest choice of highly secure M2M network services and solutions for any M2M deployment.

(*) Numerex Corp. (NASDAQ: NMRX) is a leading single source provider of solutions and network services for machine-to-machine (M2M) applications. Numerex's platforms for asset tracking, intelligent monitoring and security include a portfolio of monitoring devices and technologies, on-demand cellular and satellite networks, and a full suite of back-office support services. Numerex enables customers to bring M2M solutions to market faster and with greater flexibility. The company is headquartered in Atlanta, Georgia. For additional information, visit <http://www.nmr.com>