

The logo for Marketplace.city features the text "Marketplace.city" in a bold, black, sans-serif font. To the right of the text is a square icon composed of four overlapping lines in purple, green, yellow, and red.

Marketplace.city



US Smart Cities Sector– January 25, 2022

“Reasons for Optimism!”

The logo for SmartCitiesCouncil features the text "SmartCitiesCouncil" in a blue, sans-serif font. The word "Cities" is highlighted in orange, while "Smart" and "Council" are in blue.

SmartCitiesCouncil



**Camera's
optional**



**Everyone
muted**



**Use the chat
box for
questions**



**Slides
provided**



**Session
recorded**

BEFORE WE START

Topics

Trends in Tech Investment
Ruthbea Yesner



Understanding Complexity
Philip Bane



Keys to Success

Chris Foreman



Ron Mester



US Smart Cities Trends Impacting Tech Investment



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Local Organizations Were Among the Most Disrupted Industries in the Past Two Years

- The pandemic accelerated the need for digital transformation
- “Rigid” industry pushed to be agile and responsive to public needs and policy changes
- This forced more risk taking and innovation; momentum for continued incremental and steady progress



45% of government organizations not sufficiently prepared for COVID 19 disruption



68% of report that Digital Trust programs are a priority over next 2 years



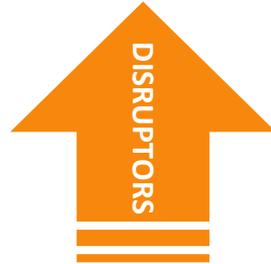
Estimated **127% increase** in ransomware attacks in the US in 2021

Many Factors are Coming Together to Create Historic Opportunities

- Government Stimulus
- Consumer demand and adoption
- Digital Innovation
- Technical Debt

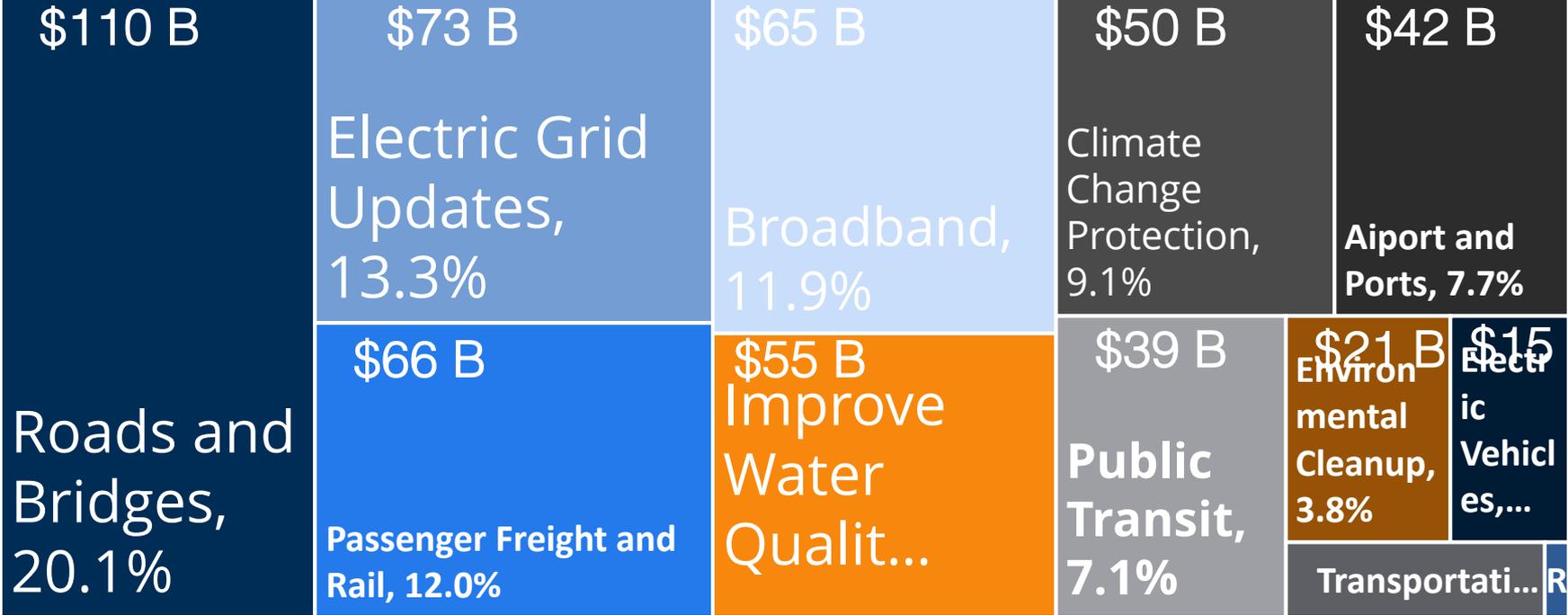


- Rigid business processes
- Legacy systems/ data complexity
 - Politics
- Staffing/ skills shortage
- Lack of governance



- Coordinated Cyber attacks
- Changing norms for work and school
 - Climate Events
 - New policies and regulation

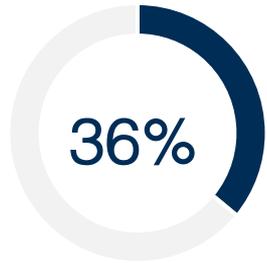
The Infrastructure Investment and Jobs Act (IIJA): \$550B New Funds through 2026



Sources: [White House](#), [press reports](#), [Committee for a Responsible Federal Budget](#)

Significant Change in Attitudes and Consumer Adoption of Technologies

Widespread changes in attitudes and adoption of technologies from hybrid work in government, to virtual municipal experiences, to comfort levels with new technologies



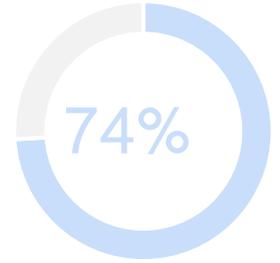
of US consumers increased use of mobile apps in 2020



of US consumers used video for the first time in 2020



of US residents want to replace in person government visits with virtual visits



Of government will develop an expanded work-from-home policy

Continuous Volatility and Disruption Erode Resiliency and Trust

Increased volatility and disruption cause services downtime, outages and/ or new services and workflow changes

- Compound environmental crises
- DDOS attacks, ransomware, and lockouts, network control issues – foreign national coordinated attacks
- Lack of technical agility to respond quickly and maintain continuous services

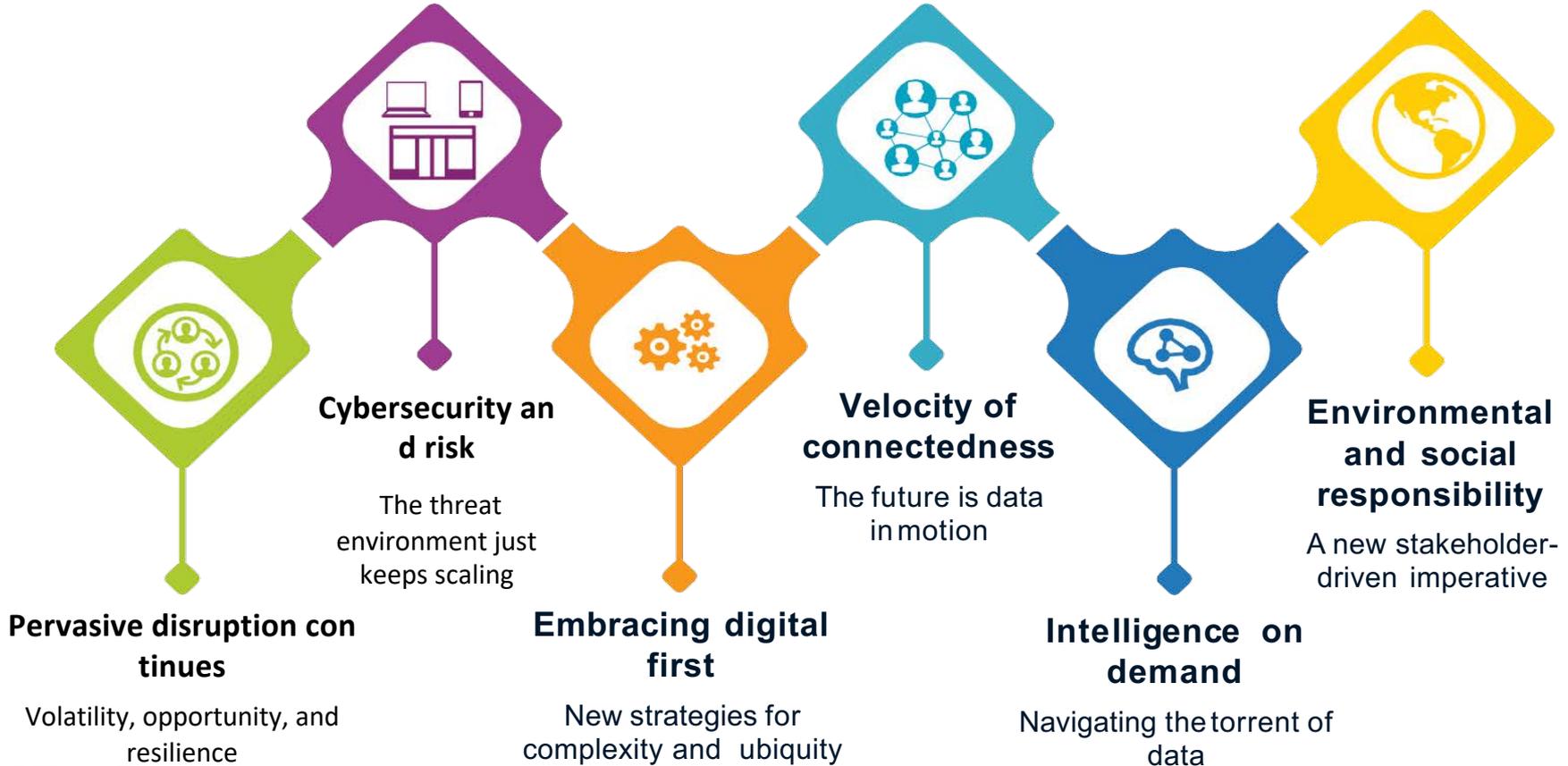
Network Outages increased by 63% in March 2020 compared with the pre- pandemic period, and remained elevated

over **60% of attacks on government are ransomware or data theft** attacks

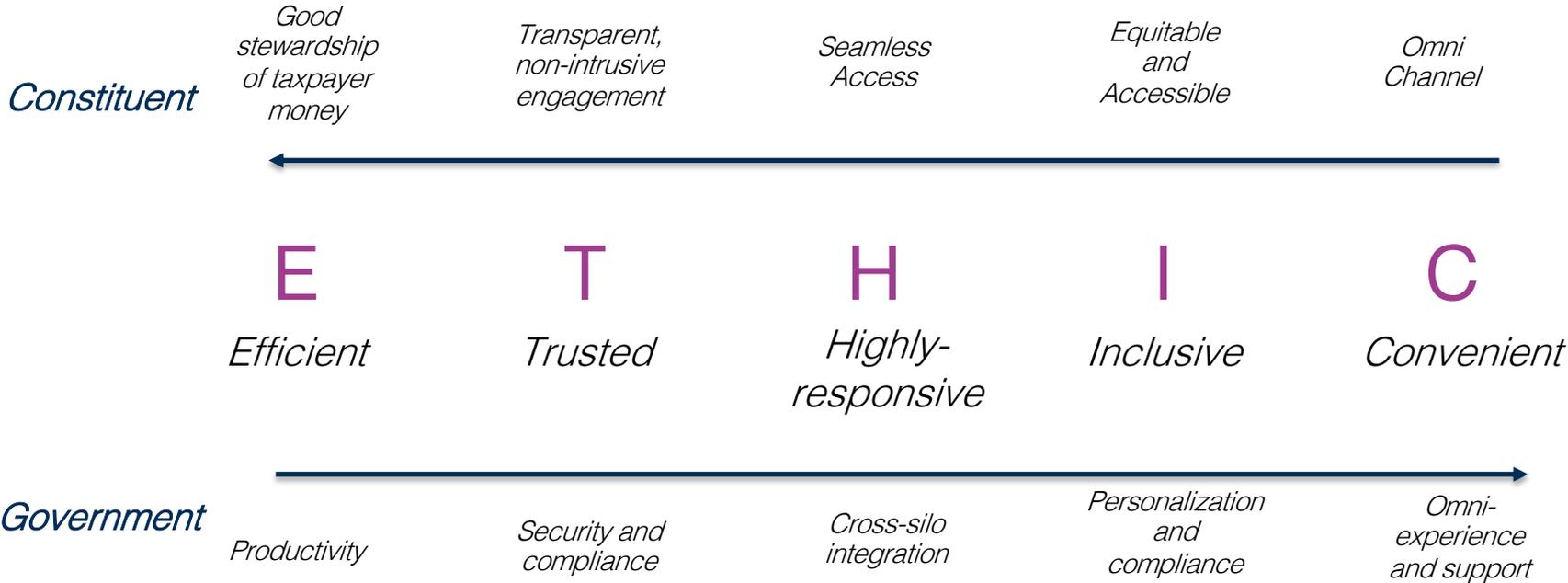
27% of state and local governments report they are **under constant threat** and worried about a successful future attack

Recorded number of natural-disaster events has risen from an **average of 80 a year to roughly 400** a year.

Technology Innovation is Also Driving Transformation



Mission: Digital Transformation to deliver an **ETHIC** and Tackle Big Challenges



Cities Must Be Better Prepared to Respond and Adapt Quickly



Increased responsiveness means cities have to:

- Identify root causes of issues (business intelligence)
- Update, add and/ or scale up services quickly (DevOps, low code/ no code; data sharing and governance)
- Communicate at scale fast (comms platforms)
- Enable employees to respond quickly (training and upskilling)
- Ensure equity and accessibility (accessibility assessments/ policy)
- Reduce technical debt (migrate to cloud services and/ or update legacy applications and systems)

The Agenda for the Future Enterprise



- Creating empathy with consumers
- Engendering trust
- Creating innovative experiences

New Customer Requirements



- Intelligent organization
- Intelligent workplace
- Resilient operations

New Capabilities



- Resilient digital infrastructure
- Connectivity that drives pervasive experiences

New Critical Infrastructure



- Defining the new value and ecosystems in the digital economy

New Ecosystems

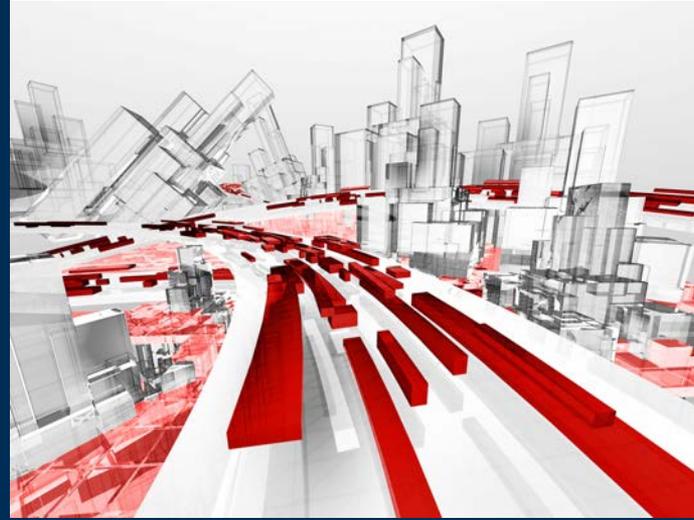
Understanding Complexity



Telecom & IoT Aggregation Simplifies

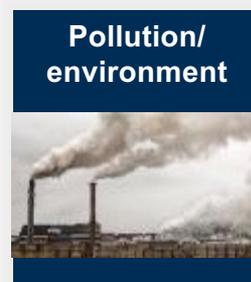
Advantages

- Lower cost
- More accurate data
- Decreased latency
- Enhanced analytics
- Promotes interoperability
- Wireless networks – reduced energy consumption



City organization – complicates

- Every department makes investments independently:
- No sharing of infrastructure and IT costs
- No sharing of intelligence/information, e.g., video feeds, data from sensors, analytics
- Waste and duplication of investment and effort
- Difficulty in scaling infrastructure management



Ineffective. Inefficient. Uneconomical

Many Buyers Further Complicates

90,000 different local government buyers in US

- 19,519 cities
- 16,360 townships
- 12,880 independent school districts
- 3031 counties
- 1,626 public higher ed (colleges, universities)
- 420 Metropolitan Planning Organizations (required by USDOT)
- 50 states with numerous agencies (46 states budget year starts in July)

35,000 are members of Council of Governments (COGS)

2021 – 51% of IT spending (\$118.7B) was by states



Funnels for Funds

The Infrastructure Investment and Jobs Act (IIJA): \$550B New Funds through 2026



Resilience – BRIC Funding by FEMA – State – Local Government
Transportation – US DoT – State - Local Government



Stakeholder Concerns

Most common mistake is failure to identify key stakeholders (and their concerns)

- Sidewalk Labs and Quayside, Toronto
- San Diego CCTV surveillance



Stakeholder Engagement

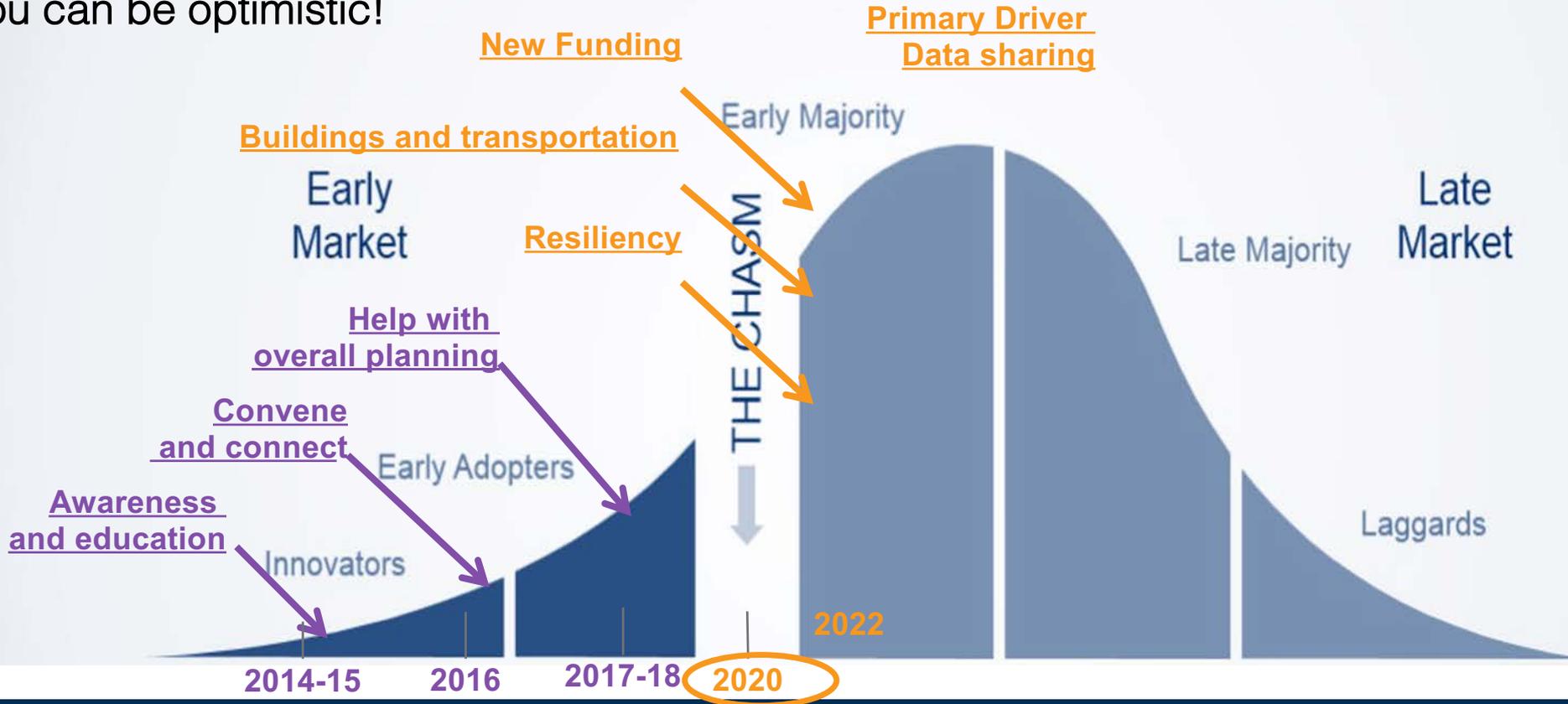
(Most projects fail because of a lack of stakeholder engagement)

- Regional Planning Councils
- Metropolitan Planning Organizations
- Nonprofits
- Utilities
- Commercial partners



2022 - Smart Cities Sector US

You can be optimistic!



Keys to Success



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The Local Govt Market in the US: Full of Surprises

1. Massive collective purchasing power
2. Fragmented beyond your imagination
3. Fiercely independent governments
4. Purchasing behavior NOT like fed or states
5. Strongly interested in technology



Local Govt Marketing: Keys to Success

1. Targeting assumptions
2. Pricing
3. Direct marketing
4. Multiple channels
5. Relevant content

