The world of augmented reality (AR) descended on Silicon Valley at the end of May, for the 2017 edition of Augmented World Expo (AWE). AR – the overlay of digital information onto the physical world – is a technology innovation that has been introduced to many consumers through Snapchat filters and the smartphone game Pokémon Go. AWE 2017, with nearly 5,000 attendees and three days of content, showed just how far AR has come, yet how far it still must go to become an everyday tool for business. These three takeaways from AWE 2017 shed light on the future of AR technology as a transformative business tool:

AR is not going away.

AWE is the largest gathering of AR-hardware and software companies, technologists and service providers in the U.S. Attendees included representatives from every major industry and most of the Fortune 500. The momentum over the past two years is steadily increasing, and with many new hardware and software product announcements at the show, knowledge about AR is becoming more of a must-have than a nice-to-have for business and IT leadership.

For those who are looking to learn more about augmented reality, PTC’s CEO Jim Hepplemann gave a great keynote presentation on the convergence of the physical and digital worlds and how AR can deliver the benefits of smart connected products and big data analytics to users in their physical environment. Watch the presentation here.

Augmented reality use cases continue to be limited to training and service.
Numerous software and service providers gave presentations on the use of AR to train technicians in the industrial and automotive industries, complete with well-produced videos and excellent marketing materials. While these use cases represent great opportunities to increase efficiency, reduce errors, and make service organizations more productive, the narrow scope means that the price tag for implementing AR is prohibitive for many executives.

To really break through and become a viable tool for businesses, AR needs to be applied across the entire product lifecycle – from the front end of innovation and design, through development and testing, scale-up, manufacturing, sales and marketing, and service. With a more cross-functional application, AR can enable global virtual collaboration to bring products to market faster by:

- reducing prototype and testing time using digital twins
- providing visual cues and guidance to manufacturing during scale-up, reducing the overall development time

Thinking about AR solely in terms of service and training limits the real potential of the technology. AR that shows a CAD drawing in 3-dimensions is cool. AR that is connected to a product data record, incorporates real-time sensor data and the output of machine learning algorithms to optimize product design, can be revolutionary.

**The future of AR is ambiguous.**

Microsoft, Google, Facebook, Sony, and Epson are just a few of the heavyweights that are leading the way in AR. Additionally, more AR/VR-focused companies like DAQRI, ODG, and RealWear are launching products that could make them household names. Despite the heaving investment and attention from some of the biggest names in tech, the future of AR still poses many questions. The biggest for me is – Where is Apple?

Currently, Apple is the elephant in the room – everyone knows they are going to make a big entry into AR, but nobody knows exactly what that means. Since they purchased Mateio, they have a head-start in AR technology and understanding the AR customer. Their [announcement of ARKit at the 2017 Worldwide Developers Conference](https://developer.apple.com) did little to answer questions about the inclusion of AR as part of the next iPhone release. Since the iPhone and its iOS operating system make up nearly 20% of all smartphone sales worldwide[^1], if Apple does indeed reduce the barrier of entry into AR for millions of users, including the bring your own device crowd, the pace of AR adoption is set to explode.

The resulting disruption will affect the entire AR marketplace, as hardware and software vendors adjust to either differentiate themselves, or engage with Apple’s offering. If Apple can get AR right, they will push augmented reality past the tipping point, and create the market pull it needs to fulfill the multibillion dollar predictions.

Augmented reality is just one piece of a company’s broader digital innovation strategy. Based on AWE 2017, AR will be a much bigger story than Pokémon GO! and Snapchat selfies. To set your organization up for success, innovation leaders should get started by educating themselves in three areas:

1. What AR is
2. What the potential impact is on their specific organization
3. How to begin experimenting with it

By taking the steps to get educated, innovation leaders will be positioned to navigate the inevitable market disruption AR represents.
Tommy specializes in strategy & operations, pipeline and portfolio management, and PLM technology. He has expertise in the life sciences, CPG, food & beverage, industrial manufacturing and footwear & apparel industries. Tommy is Kalypso’s in-house Chief Petty Officer, having served over 12 years in the U.S. Navy Reserve.

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