ABSTRAC

Machine to machine (M2M) is a technology which allows a machine or device connected with another machines or devices using telecommunication network without or only limited human intervention. M2M service allows the user to do some activities which need data collection function from different location by detecting, tracking and monitoring the object. The various type of M2M services are potential to grow in Indonesia. So, it is needed a regulation to make sure that M2M services can be implemented smoothly.

In regulation formulation process, regulator needs to know about business model of M2M service implementation in Indonesia. A comprehensive method to make M2M business model is V^4 business model. V^4 business model has four interconnected value such as proposition, network, architecture, and finance value. Proposition value describes the services that offered by M2M service provider and customer segmentation. Network value describes the actors that contribute in M2M service implementation. Architecture value describes about technology architecture and resources which are needed in M2M service implementation. Finance value describe about the costs that are needed in M2M service implementation, pricing method, and revenue sharing structure.

There are five points as guideline in regulation recommendation formulation process. They are concern with target to achieve, resources to manage, right to protect, sovereignty to preserve, and sustainability to maintain. All of the points can determine the policies which are needed in every stage of M2M service growth in Indonesia.

Key words : *Machine to Machine* (M2M), V^4 business model, *value proposition, value network, value architecture, value finance*