



Digital Industrial Transformation with the Internet of Things

How can European companies benefit from IoT?

At the heart of the digital transformation of asset-intensive industries, such as manufacturing, is the leveraging of emerging technology to streamline decade-old processes and operations, improve existing products and launch new ones, create new channels to the customers and develop new business models. As a result of this transformation, industrial companies should be able to increase their value in the value chain by becoming organizations that are more agile and lean and that know more about their customers' needs and can tailor their products accordingly. This study sets out to understand the existing appetite of European industrial companies for IoT solutions going beyond Industry 4.0 concepts that focus on the internal "production & logistics" silos to more holistic and externally oriented IoT applications within an enterprise, such as the development of connected products and new services. We also evaluate the major concerns standing in the way of faster IoT adoption.

Top drivers and challenges of IoT adoption

Industrial companies' major priority is improving operational efficiency, however they are aware of other benefits that IoT can bring.



say their major driver is achieving cost savings and operational efficiency



believe that creating new connected products, services and business models is a major driver



see data security and privacy as the main challenge of IoT adoption

IoT adoption in the European industrial sector

IoT adoption is considerable and most of the companies are beyond the planning and evaluation stage, but there is a lack of large-scale initiatives.



72%

plan to increase their IoT spending in the next 3 years



60%

already have live IoT projects at early, medium or advanced stages



9%

have reached an advanced stage of organization-wide IoT initiatives

Industrial companies need a hand with the IoT

The fact that only about half of the companies are strongly involved with service providers on collaboration, reflects some underdeveloped capabilities of companies, such as analytics. To bear the fruit of the IoT on a large-scale enterprise level, more work and collaboration with third parties is needed.



78% would consider collaborating with third parties on solution design, prototyping and development



51% are strongly involved in collaboration with IT services and consulting companies

The key of the IoT is in the data, but capabilities are still underdeveloped

Although 60% of the companies have live IoT initiatives, they don't use the data as much as they should.



Only 30% are analyzing IoT data and using it in business decision-making



19% have integrated IoT solutions with enterprise applications such as ERP

For the study entitled "Digital Industrial Transformation with the Internet of Things" more than 250 people responsible for IT, leadership of business lines, digital business units and IoT in companies in the United Kingdom, France, Germany, Italy, Switzerland, Austria, and the Nordic and Benelux regions were surveyed by telephone (CATI). The sample comprises companies with more than 500 employees, operating in various industries.

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