



Enterprise Digital Adoption in Manufacturing | Pinnacle Model™ Analysis 2018

Digital Services
Pinnacle Model™ Report – May 2018: Complimentary Abstract / Table of Contents

Our research offerings for global services

▶ **Market Vista™**

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ **Application Services**

▶ **BPS | Banking Financial Services**

▶ **BPS | Healthcare & Life Sciences**

▶ **BPS | Insurance**

▶ **Catalyst™**

▶ **Cloud & Infrastructure**

▶ **Customer Experience Management Services**

▶ **Digital Services**

▶ **Engineering Services**

▶ **Finance & Accounting**

▶ **Human Resources**

▶ **ITS | BFSI***

▶ **ITS | Healthcare & Life Sciences**

▶ **IT Services Forecaster™**

▶ **Locations Insider™**

▶ **PricePoint™**

▶ **Procurement**

▶ **Recruitment & Talent Acquisition**

▶ **Service Optimization Technologies**

▶ **Transaction Intelligence**

Subscription information

- The full report is included in the following subscription(s)
 - **Digital Services**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

* Banking, financial services, and insurance

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

Office: +91-124-284-1000

india@everestgrp.com

Table of contents (page 1 of 2)

Topic	Page no.
Introduction and overview	5
Characteristics of Digital Pinnacle Enterprises™ in manufacturing	10
• Definition	11
• Five key capabilities	12
• Eighteen maturity dimensions	14
• Key five dimensions	15
Maturity assessment of key dimensions	16
• Digital culture maturity	18
• Process reimagination maturity	19
• Digital metric maturity	20
• Data & analytics maturity	21
• Security & risk maturity	22
Digital adoption trends and investment priorities in manufacturing	23
• Industry 4.0 adoption maturity	24
• Key trends	26
• Benefits of Industry 4.0 adoption	31
• Top technologies/focus areas	33
• Barriers to digital adoption	34
• Imperatives for Industry 4.0 maturity	35

Table of contents (page 2 of 2)

Topic	Page no.
Recommendations	38
Demographics	40
Appendix	42
• Glossary of terms	43
• Research calendar	44
• References	45

Background and scope of the research

Manufacturers are under high margin pressure across multiple industries, with electronics and beverage manufacturers facing negative profit margins varying from -0.5% to -3.5%. This is forcing enterprises to lower costs while simultaneously driving investments in new technologies to maintain their competitive advantage. Industry 4.0, with its promise of extreme automation and high efficiency, has intrigued manufacturers for many years now. However, it is the recent advancements in technologies, such as Internet of Things (IoT) and big data, that have empowered manufacturers to adopt Industry 4.0 more rapidly.

Manufacturers are realizing that investing in technology alone is not sufficient. A strong digital culture supported by new and improved

processes, cybersecurity policies, and even new business models are essential to maximize the returns from their digital investments.

The Digital Pinnacle Enterprises™ in the manufacturing sector are leading the market in the successful adoption of Industry 4.0. Through this report, we deep dive into these organizations and analyze the factors that set them apart from other manufacturers and what the industry can do to keep up.

This report offers a deeper look into key capabilities encompassing 18 key dimensions in which manufacturers are making digital investments, and a further evaluation of five key dimensions where Digital Pinnacle Enterprises™ in the manufacturing sector showcase higher maturity.



In this research, we present our findings from a recent study with 48 manufacturing enterprises. We will also look at the challenges, technology trends, and success metrics for manufacturers in their digital transformation journey. **We focus on:**



Digital adoption trends



Digital investment themes and growth priorities for manufacturers



Recommendations for the manufacturing industry

Scope of this report



INDUSTRY
Manufacturing



COMPANIES
Digital services



GEOGRAPHY
Global



USE CASES
Everest Group's survey of 48 global manufacturers; previous Everest Group research

Executive summary: Digital Pinnacle Enterprises™ in the manufacturing sector are adapting to the changing market landscape

Digital Pinnacle Enterprises in the manufacturing sector are investing in developing a strong digital culture, refining processes, and adopting strong security practices while executing digital transformation initiatives.

Building a strong digital culture and involving all the stakeholders is critical to ensure enterprise-wide adoption of digital initiatives. CXO buy-in, skills training, and tracking the success of these initiatives are some of the steps taken by the Digital Pinnacle Enterprises™.

While big data analytics, IoT, and cybersecurity are witnessing rapid adoption across the manufacturing sector, advanced technologies such as AI/cognitive, advanced robotics, and 3D printing have impactful applications.

Increasing threat from cyber attacks has made data security a priority area for manufacturers. Investments in security talent and partnerships with third-party cybersecurity consultants to develop and update security & risk policies have become essential.

The changing market landscape has made it important for manufacturers to evolve their business processes and evaluate new business models as additional revenue streams.

Characteristics of Digital Pinnacle Enterprises in the manufacturing sector that sets them apart

84% have developed a customer-focused digital strategy

83% have a strong innovation-focused digital culture

83% have made digital investments to evolve their business processes

82% evaluate digital initiatives and technology adoption for security risks

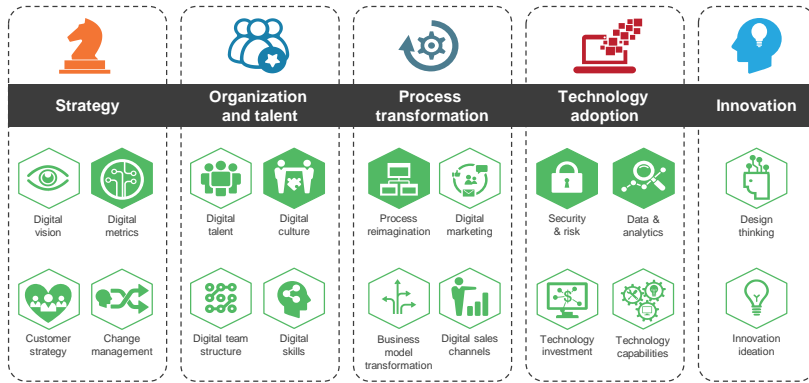
67% plan to increase their digital budgets for the next year by more than 10%

We identified Digital Pinnacle Enterprises™ in manufacturing based on their focus on business outcomes and capability maturity

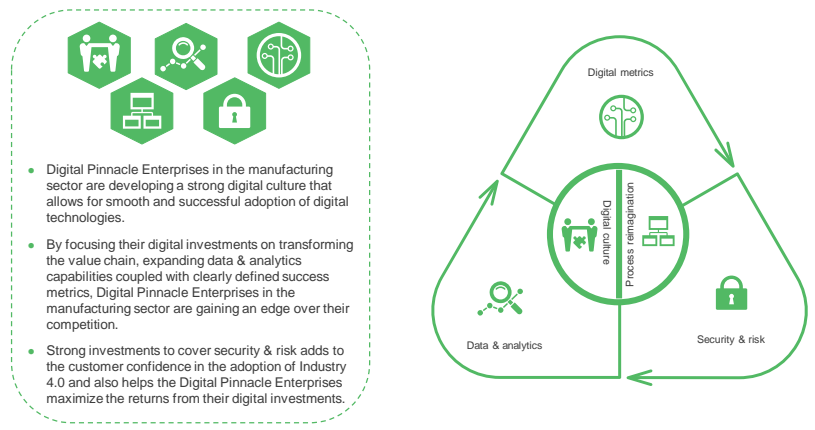
Key dimensions for Digital Pinnacle Enterprises in the manufacturing sector

Top four distinctive areas for Digital Pinnacle Enterprises in manufacturing

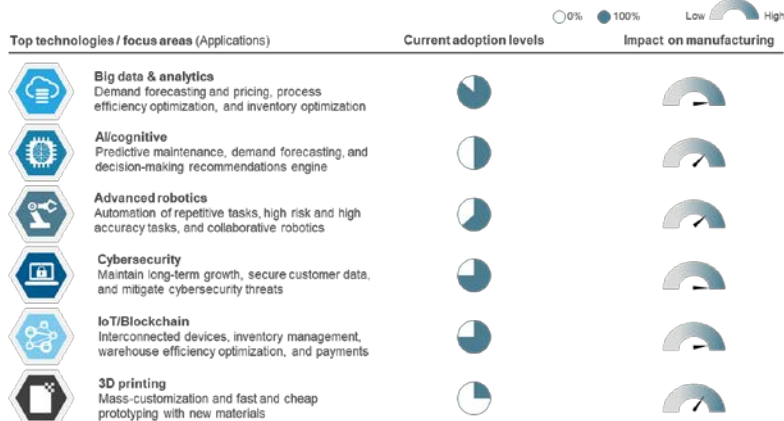
Other distinctive areas for Digital Pinnacle Enterprises in manufacturing



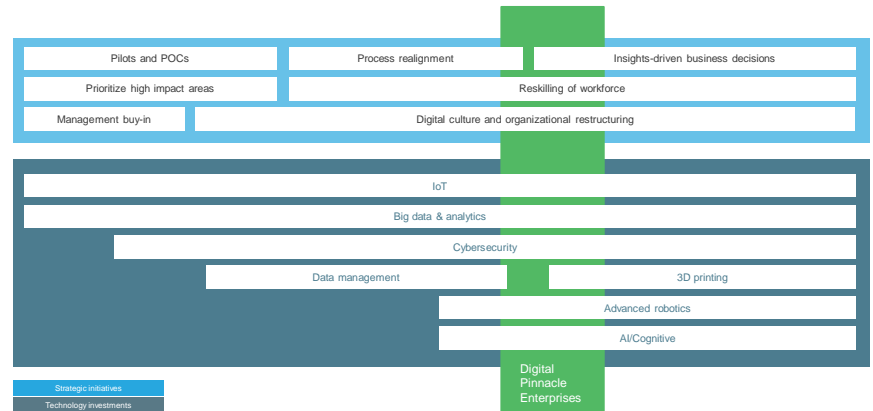
Key dimensions of Digital Pinnacle Enterprises in the manufacturing sector



Top technologies / focus areas and their impact on manufacturers



Digital adoption trends and investment priorities in the manufacturing sector



Research calendar – Digital Services

■ Published ■ Planned ▨ Current release

Flagship Digital Services Reports

Release date

IoT Services PEAK Matrix™ Assessment and Market Trends 2017: Have You Taken the Plunge in IoT Yet?	December 2017
Digital Interactive Agencies – Market Report 2018: Digital Marketing in the Cognitive Era	December 2017
Enterprise Digital Adoption in Retail Pinnacle Model™ Analysis 2018	March 2018
Enterprise Digital Adoption in Manufacturing Pinnacle Model™ Analysis 2018	May 2018
Digital Services Annual Report 2018	Q2 2018
Digital Interactive Agencies PEAK Matrix™ Assessment and Market Trends 2018	Q3 2018
IoT Services Annual Report 2018	Q3 2018
Customer Experience Pinnacle Model™ Analysis 2018	Q4 2018

Thematic Digital Services Reports

Design Thinking: Innovation Catalyst for Digital Transformation	July 2017
Enterprise Bots Adoption	July 2017
AI/Cognitive: Past, Present, and Future	Q2 2018
Big Tech Wars: IoT Platforms	Q3 2018
CX Trailblazers	Q3 2018
Big Tech Wars: Digital Marketing Platforms	Q4 2018

Note: For a list of all of our Digital Services reports published by us, please refer to our [website page](#)

Additional digital services research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Enterprise Digital Adoption in Retail | Pinnacle Model™ Analysis** ([EGR-2018-33-R-2566](#)); 2018. As the pace of digital transformation intensifies, we are witnessing a group of leaders emerging from the pack, the Digital Pinnacle Enterprises™. This report offers a deeper look at key capabilities, encompassing 18 key dimensions, in which retailers are making investments for digital transformation, and further evaluation of four key dimensions where Digital Pinnacle Enterprises™ in retail showcase higher maturity.
2. **Enterprise Digital Adoption | Pinnacle Model™ Analysis** ([EGR-2017-4-R-2402](#)); 2017. In this report, we present key findings from the digital enterprise survey. Everest Group conducted a survey for 328 organizations across North America, Europe, the United Kingdom, and Asia Pacific. We evaluated enterprises on five key capabilities: strategy, organization and talent, process transformation, technology adoption, and innovation. This report identified five key dimensions where Digital Pinnacle Enterprises™ differentiate and reap higher returns than the industry average
3. **Digital Services – PEAK Matrix™ Assessment and Market Trends: Redefining Customer Experience With Digital** ([EGR-2017-4-R-2351](#)); 2017. Digital adoption has moved from being an IT agenda to an organization-wide agenda, and enterprises are increasingly investing in digital technologies for achieving organizational goals. This research presents an assessment and detailed profiles of 22 IT service providers featured on Everest Group's PEAK Matrix for digital services for 2017

For more information on this and other research published by Everest Group, please contact us:

Michel Janssen, Chief Research Guru:

michel.janssen@everestgrp.com

Chirajeet Sengupta, Partner:

chirajeet.sengupta@everestgrp.com

Syed Adil, Senior Analyst:

adil.syed@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91 806-781-9999

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com