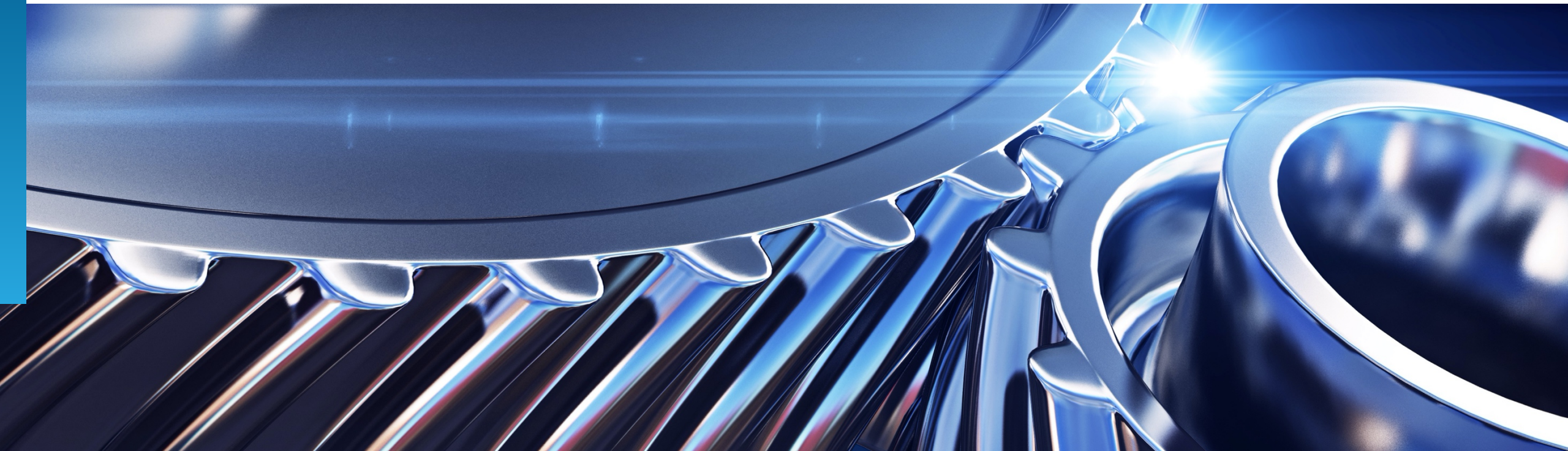


A Transformational Leap in Cyber-physical Convergence – Industry 4.0 State of the Market Report 2021

April 2021: Complimentary Abstract / Table of Contents



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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Contents

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Background and introduction to this research

- Industry 4.0 is the latest phase in the industrial revolution and a technology-intensive transformation of cyber and physical systems and their convergence. This transformation is characterized by advanced and modern themes of interconnectivity, digitalization, and automation, and is made possible through technological developments in multiple fields, including Internet of Things (IoT), additive manufacturing, cloud computing, edge computing, analytics, robotics, cybersecurity, Artificial Intelligence (AI), and Machine Learning (ML)
- Enterprise adoption of Industry 4.0 is experiencing significant traction globally owing to the multitude of benefits that it brings for enterprises, including increased flexibility, visibility, quality, efficiency, and control. COVID-19 has further amplified the need for its adoption as it helps industrial setups enhance resilience. Engineering service providers are playing a crucial role in accelerating enterprise adoption of Industry 4.0 by offering a wide range of services in this domain.
- This report examines the dynamics of global Industry 4.0 services trends prevalent among leading service providers associated with Industry 4.0. The scope of this report covers the below segments including market overview, an in-depth view on Industry 4.0 services outsourcing, and emerging trends in the market.

Scope of this report:



Market overview



Emerging trends



Outsourcing landscape

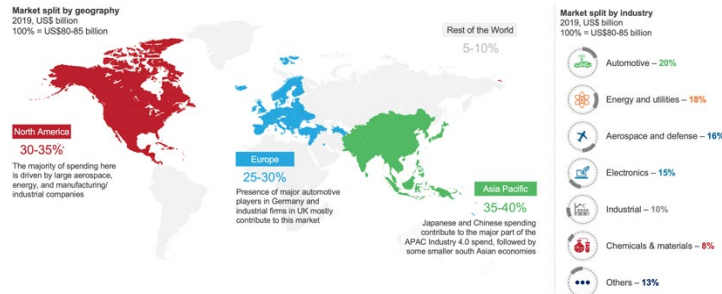


Appendix

Summary of key messages

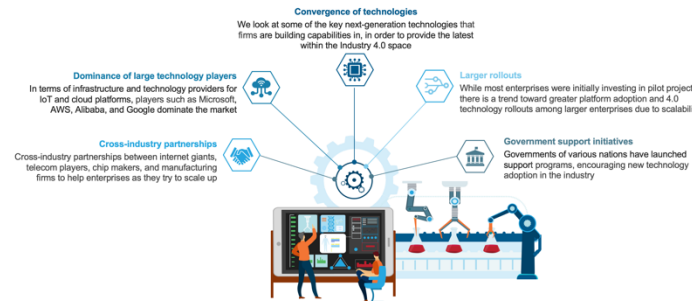
Market overview

- Overall enterprise spend for Industry 4.0 initiatives has been steadily increasing; the pandemic, however, has caused some amount of dip in growth
- However, enterprises look to scale up as economies and developmental spend start stabilizing
- Most firms are still in the early stages of adoption and are weighing the value proposition offered by Industry 4.0
- Lack of management buy-in and organizational complexity remain key concerns when it comes to successful projects in this domain
- Enterprises have also leveraged Industry 4.0 to mitigate some of the challenges resulting out of COVID-19



Emerging trends

- Developing capabilities in multiple technology domains has become an imperative to delivering successful end-to-end solutions
- Larger technology companies have dominated the industrial IoT market, with most others on the fringe
- A number of government initiatives across the globe have been kickstarted to boost competitive advantage in emerging technologies
- Larger partnerships and rollouts are now becoming increasingly common as the market matures



Outsourcing landscape

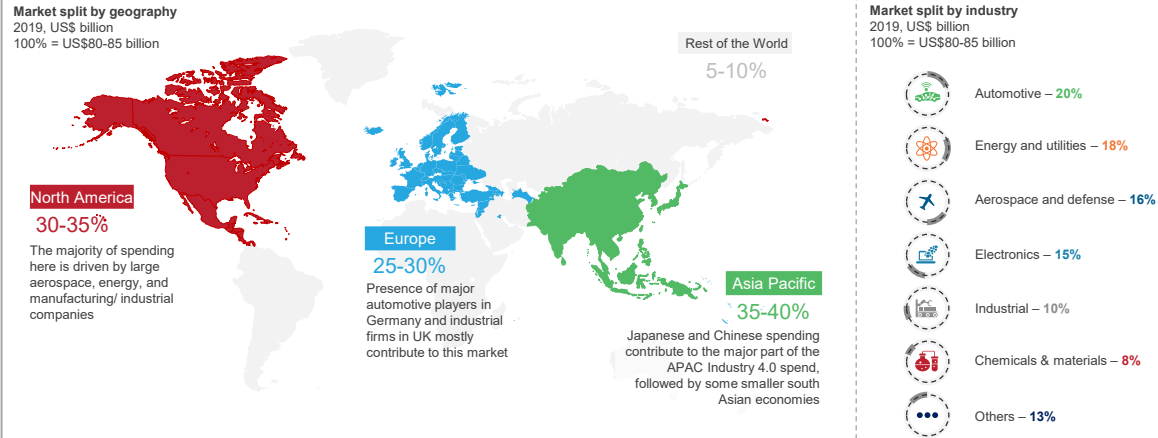
- Outsourcing spend has increased considerably due to stable YoY growth over the past few years, and captures a market of roughly US\$7.5 billion for CY19
- Manufacturing-centric companies in North America and EU are the major contributors to this spend
- Among the service segments, development and V&V bring in the highest revenue for service providers, followed by deployment and SI
- Business growth rate is higher among the smaller service providers; however, larger players hold the major chunk of revenue
- Service providers have invested in a range of competitive investments in order to expand the breadth and depth of their offerings

Industry 4.0 services outsourcing – by value chain function 2019; Percentage

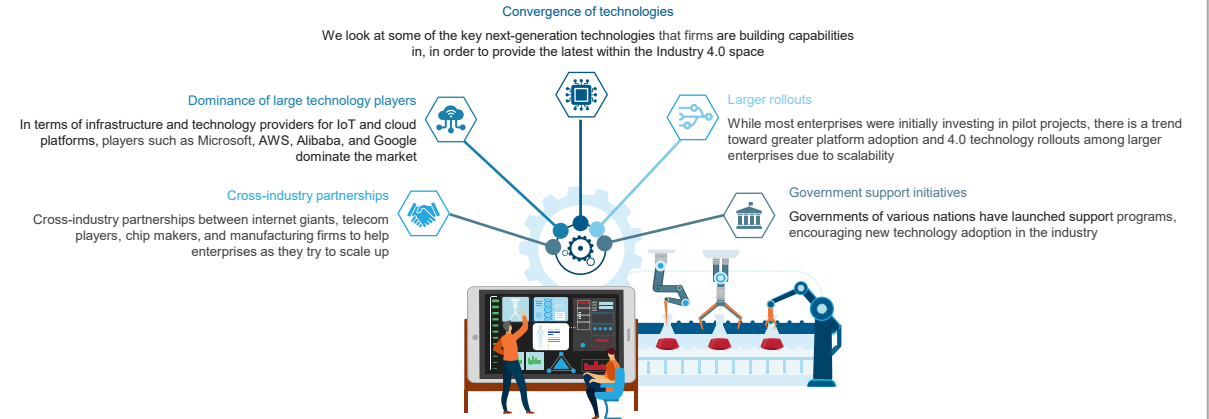
	Consulting and design	Development and V&V	Deployment and SI	Managed services and support
% of overall outsourcing spend	10-15%	35-40%	25-30%	20-25%
Key engagements in these areas	<ul style="list-style-type: none"> • IIoT platform ideation and design • Digital maturity assessments • Capability mapping and gap analysis • Product evaluation and analysis • Strategy roadmaps and implementation planning • Business case and POC creations 	<ul style="list-style-type: none"> • Application development and testing • Use of software and hardware accelerators for scalability • Platform design and development for connected IoT systems, equipment monitoring, data integration, etc. 	<ul style="list-style-type: none"> • Deployment of scalable fleet monitoring and management platforms • Data aggregation and integration with existing systems such as cloud ERPs • Deployment of cloud-based connected devices and IoT platforms 	<ul style="list-style-type: none"> • Management of on-field devices by integrating with IoT platforms • Post-sale product quality management and maintenance support • Remote monitoring of systems including data collection, reporting, and analysis

This study offers three distinct chapters providing a deep dive into key aspects of the Industry 4.0 market; below are four charts to illustrate the depth of the report

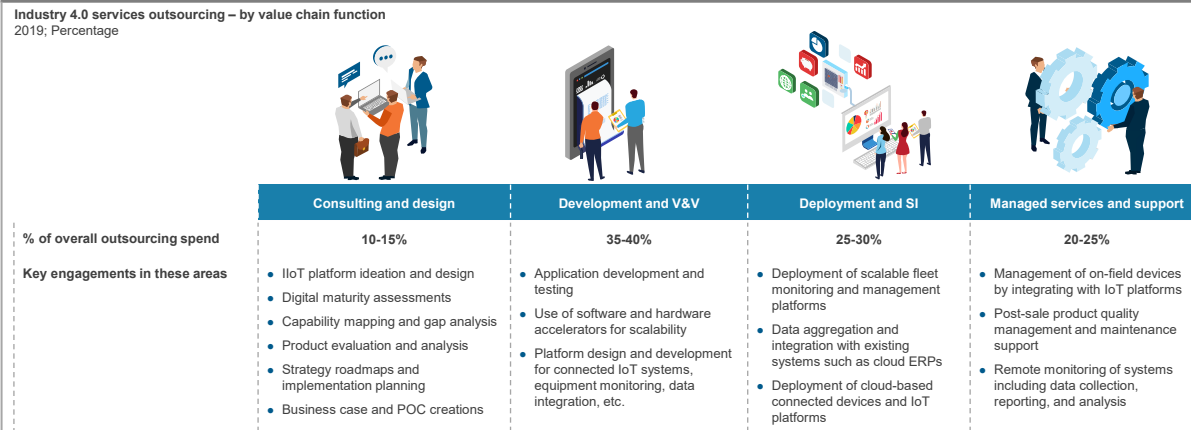
Global spending for Industry 4.0, by industry and geography



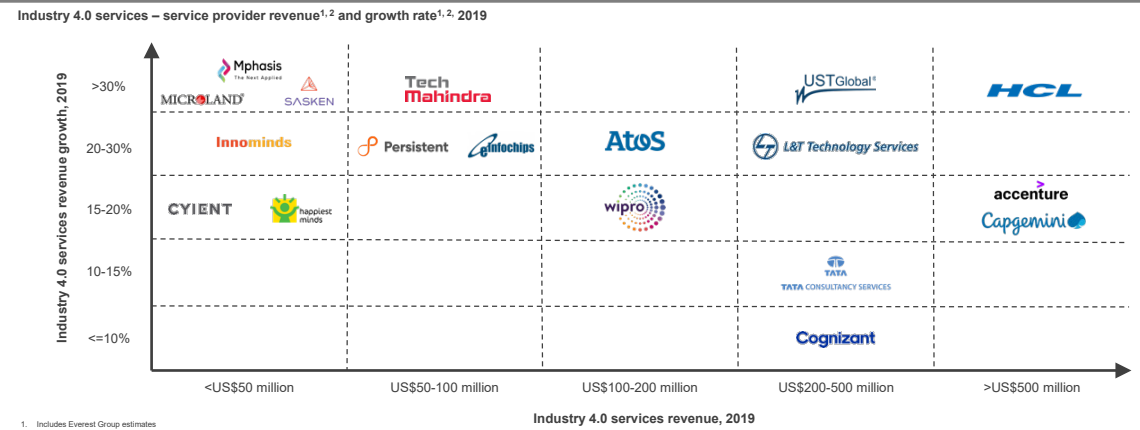
Emerging themes across the Industry 4.0 landscape



Mix of outsourcing by services value chain



Outsourcing growth and revenue share across top players



Research calendar

Engineering Services

Published
 Planned
 Current release

Flagship Engineering Services reports

	Release date
Verification & Validation Engineering Services PEAK Matrix® Assessment	January 2020
Industry 4.0 Services PEAK Matrix® Assessment: the Transformational Leap in Cyber-physical Convergence	September 2020
Reaching New Frontiers in Experience-centricity and Resilience: Software Product Engineering Services PEAK Matrix® Assessment 2021	March 2021
Semiconductor Engineering Services PEAK Matrix® Assessment 2021	March 2021
A Transformational Leap in Cyber-physical Convergence – Industry 4.0 State of the Market Report 2021	April 2021
Automotive Engineering Services PEAK Matrix® Assessment	Q2 2021
5G Engineering Services PEAK Matrix® Assessment 2021	Q3 2021

Thematic Engineering Services reports

	Release date
Engineering the 5G World	June 2020
Engineering Services Skills Handbook: Preparing for Next Wave of Growth in Global ER&D	July 2020
Leading the Pack: Trends for the Top 200 Engineering Research & Development (ER&D) Enterprises 2020	January 2021
ER&D in 2021	February 2021
Digital Twins and their adoption across industries	February 2021
The Role of Global Business Service (GBS) Organizations in the Automotive Industry: What Lies Ahead?	March 2021
Enterprise Pulse Report	Q2 2021
Engineering Services Top 50	Q2 2021
Engineering Services Talent Handbook – APAC	Q2 2021

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