Industry 4.0: THE GLOBAL RACE TO INNOVATE

The first industrial revolution began in Great Britain in the mid-1700s. Nearly 300 years later, we stand on the cusp of the next industrial revolution. The global race to innovate is on. To remain competitive in this ever-advancing digital world, manufacturing organizations must continue to benchmark their Industry 4.0 strategy, maturity and success against their peers—both at home and abroad. See how your current Industry 4.0 investment stacks up against the manufacturers in the U.S. and UK.

AWARENESS AND MATURITY
Executives Familiar with Industry 4.0:

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>99%</td>
</tr>
<tr>
<td>UK</td>
<td>81%</td>
</tr>
</tbody>
</table>

Organizations Implementing Industry 4.0 Strategy:

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>5%</td>
</tr>
<tr>
<td>UK</td>
<td>46%</td>
</tr>
</tbody>
</table>

CATALYSTS AND GOALS

U.S. – Top Industry 4.0 Business Goals:

- 71% Business model diversification
- 67% Improve operational efficiencies
- 67% Increase market penetration

UK – Drivers of Industry 4.0 Adoption:

- 64% Cost reduction and increased productivity
- 51% Quality assurance and improvement
- 42% Meeting key client demands

BARRIERS TO ADOPTION

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>64%</td>
<td>Interoperability with legacy technologies and processes</td>
</tr>
<tr>
<td>UK</td>
<td>38%</td>
<td>Lack of skills or insufficient training</td>
</tr>
<tr>
<td>U.S.</td>
<td>63%</td>
<td>Interoperability with legacy technologies and processes</td>
</tr>
<tr>
<td>UK</td>
<td>56%</td>
<td>Lack of skills or insufficient training</td>
</tr>
<tr>
<td>U.S.</td>
<td>54%</td>
<td>Underinvestment</td>
</tr>
<tr>
<td>UK</td>
<td>42%</td>
<td>Underinvestment</td>
</tr>
</tbody>
</table>

60% of U.S. and 67% of UK manufacturers are addressing the global talent shortage by implementing training to upskill current employees.
## TECHNOLOGY ADOPTION

**Advanced Technologies Used Now:**

- **63%** Cloud computing
- **52%** Cloud solutions
- **60%** Advanced analytics
- **24%** Predictive data analytics
- **59%** Internet of things
- **18%** The Industrial Internet of Things
- **52%** Robotics Process Automation
- **18%** Autonomous or collaborative robots
- **49%** Blockchain
- **2%** Blockchain
- **46%** AI
- **10%** AI and machine learning
- **46%** 3D printing or additive manufacturing
- **46%** 3D printing for prototyping
- **45%** Augmented or virtual reality
- **19%** Augmented, virtual or mixed reality device

## EMERGING CYBER RISK

**U.S.**

- 28% of U.S. manufacturers **have experienced a data breach** in the past 12 months
- 15% of U.S. manufacturers are **very confident in their organization’s ability to detect a data breach**
- 15% of U.S. manufacturers say **concerns about cybersecurity** is the biggest challenge in moving forward with Industry 4.0

**UK**

- 31% of UK manufacturers say **cyber risks are not treated seriously enough** at their companies
- 53% of UK manufacturers say their company has **adequate IT infrastructure to prevent cyber breaches**
- 49% of UK manufacturers said **concerns regarding cybersecurity** are a top barrier to technology integration

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For more information about how your peers are adopting and executing on Industry 4.0 strategies, check out BDO’s 2019 Middle Market Industry 4.0 Benchmarking Survey and 2019 Manufacturing Digital Transformation Report.

**CONTACT**

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