

RESEARCH REPORT | SEPTEMBER 2022

# Connecting The Future

How manufacturers are unlocking  
the power of a connected workforce

AVEVA



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# Using Connectivity to Drive Agility, Resilience and Sustainability

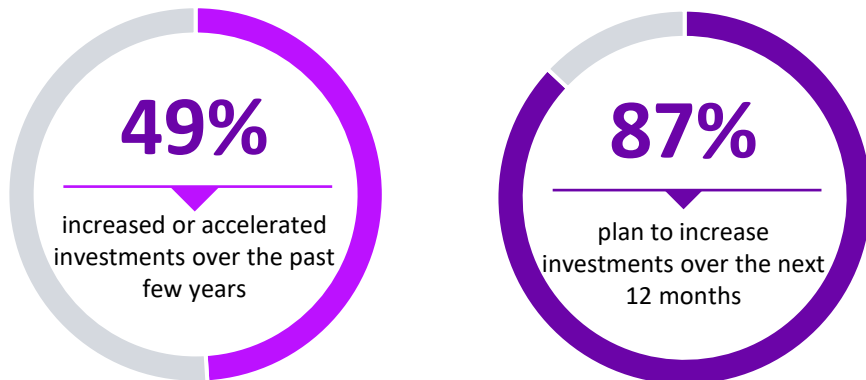
Today's global economy is facing significant challenges: fluctuating energy prices, increasing environmental regulation, supply chain disruptions, inflation, and talent shortages. Companies looking to sustain their competitive edge are turning to digital innovation to drive the efficiency, agility, and reliability they need to succeed in this environment.

In a survey of 650 leaders at companies with an annual revenue of \$50M USD or more in the chemicals, power, and manufacturing industries, it's evident that in today's operating environment, success depends on advancing industrial digital technologies to enable an integrated, data-centric approach to operations.

## The Need for a Data-Centric Approach

Using technology to unify real-time data and create efficient data-sharing capabilities can unlock the insights leaders need to drive smart decision-making, enabling them to engineer better and operate more efficiently, driving profitability. Yet the transition to this technology is not complete: **more than 4 in 5 executives in these industries report key business decisions are being made without full data visibility and insights from their plants and assets most of, if not all of the time.**

## Investment in Industrial Digital Solutions to Continue



## Understanding the Connected Industrial Economy

Across the world, industries are creating a new kind of industrial ecosystem by aggregating, analyzing and sharing data with trusted partners, which enables them to visualize their entire value chain to unlock new operational efficiencies. This integrated, data-centric future depends on a hybrid-cloud approach to data and analytics, using the scope and scale of cloud to empower teams with deeper insight to transform faster, reduce costs, and optimize engineering and operations at scale.

In parallel to the drive to digitalize to manage vast quantities of operational data, we are witnessing the rise of the Connected Industrial Economy. This integrated, data-centric future depends on a hybrid-cloud approach to data and analytics, using the scope and scale of cloud to empower teams with deeper insight to transform faster, reduce costs, and optimize engineering and operations at scale. In this way, trusted, organized, real-time data offers a path to higher quality output, reduced risk, and lower cost.

## Growing Investment in Industrial Digital Solutions

In this context, it's no surprise that nearly half of the businesses have increased their investment in industrial digital solutions over the past few years, and the vast majority plan to increase their investments further over the next 12 months. Nearly all see augmenting their existing industrial engineering and operations workflows with cloud capabilities as essential. **Cloud computing, analytics and AI are the top solutions leaders are looking to leverage to help manage and organize the vast volumes of operational data they are dealing with to address the internal and external pressures they're facing.** Indeed, this research shows that over three-quarters of leaders believe the greatest impact on profitability and sustainability will be via information sharing through an open and interoperable ecosystem between teams, suppliers, customers and strategic partners.

Explore this report to learn how executives across North America, Europe and the Middle East at companies in the chemicals, power and manufacturing industries are refocusing their investment agenda and building strategies that put cloud computing capabilities and integrated data at the heart of their future vision for agility, resilience, growth and sustainability in the connected industrial economy.

# How Manufacturing Leaders are Embracing a Connected Workforce to Revolutionize the Industry

Manufacturing executives are recognizing the power of using industrial digital solutions beyond just managing disruptions. The strategy can also position companies to better transition from traditional product-centric business models to a customer-centric, increasingly personalized approach to unlock greater efficiency, enable sustainability and drive growth.

## Accelerated Digitalization Required in Today's Environment

Today's environment is providing the catalyst many manufacturers have been looking for to drive accelerated digitalization. With inflation, volatile buyer behaviors, and supply chain disruption, companies are under pressure to streamline processes, manage cost and drive efficiency. Over the past two years, over half (53%) say they have kept their investments in industrial digital solutions steady. But many now we see a need for change: **nearly three in five (57%) say augmenting their existing industrial workflows with cloud capabilities will be essential to improving operations throughout their organizations.**

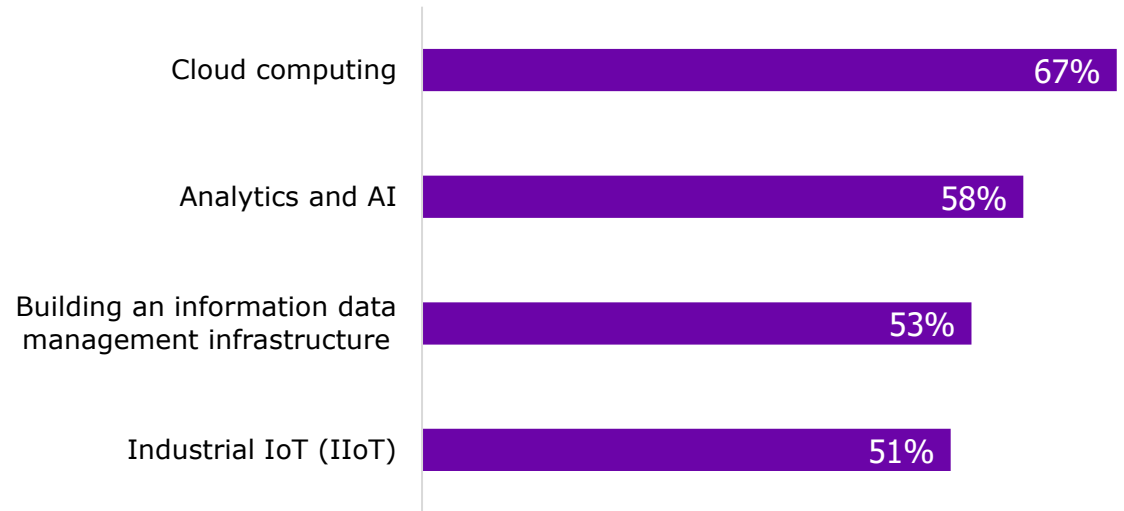


In addition, **more than 4 in 5 (83%) are looking to increase their investments in industrial digital solutions - even if the economy continues to tighten.** In this, the manufacturing industry is significantly less likely than other sectors to cut back mostly or completely on digital investments, even in times of economic downturn (28%, compared to 41% across all industries). This drive for digital efficiency reflects a deeper concern - nearly 4 in 5 (79%) admit that key business decisions are being made without full data visibility and insights from their plants and assets most or all of the time.

## A Connected Approach to Managing Supply Chain Challenges

Further compounding the drive to digitalize is the fact that leaders aren't expecting current operational pressures to ease in the short-term. Supply chain disruption is the second-highest anticipated challenge for the next 12 months - second only to fluctuating energy prices, and most organizations are looking to address these challenges using industrial digital solutions. **Nearly 9 in 10 (87%) say their strategy for managing supply chain issues over the next year will rely mostly or completely on industrial digital solutions.**

## Investment Priorities Target Current Challenges as Well as Infrastructure Growth for the Future



## Strong Data Management Infrastructure Needed to Support Connectivity

For more than three-quarters of manufacturers (78%), implementing cloud and SaaS solutions is expected to result in improved collaboration within the company and with partner organizations. As the need for increased visibility and collaboration across the organization and more efficient information-sharing with partners and suppliers grows, **more than half (53%) are looking to prioritize building a digital information data management infrastructure using cloud-based solutions.**

The top expected benefit of implementing cloud and SaaS solutions is greater IT flexibility and increased speed in accessing information (64%). A majority (55%) also anticipate benefiting from real-time data-driven insights and analytics to increase agility and reduce plant downtime.

## Top Expected Benefits of Cloud and SaaS Solutions



The collaboration that improved data sharing provides could launch a new era of success for these companies. In fact, more than three-quarters (77%) say using an open and interoperable ecosystem to enable information sharing within the organization and with suppliers, customers and other strategic partners outside the organization is among the top digital initiatives with the potential to produce the greatest impact on profitability and sustainability.

## Achieving Differentiation in the Manufacturing Sector

While just 34% in the manufacturing industry currently describe themselves as a leader in a digital-first work environment, the importance placed on increased investment in industrial digital solutions is clear.

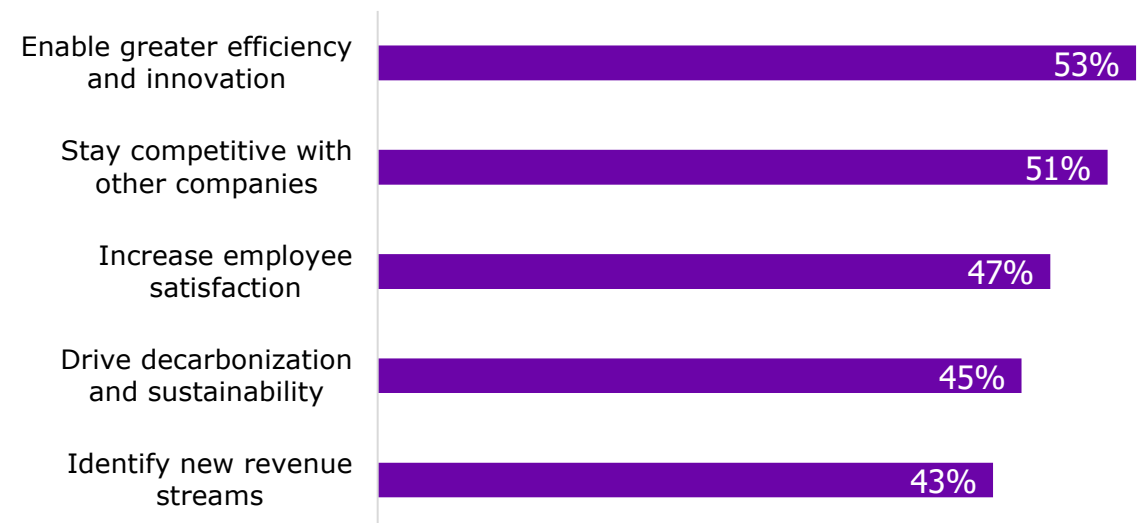
Given the focus within the industry on increased investment in industrial digital technology, it's no surprise that **more than half (51%) see implementing an open and interoperable information-sharing ecosystem as important to helping them stay competitive.** In addition, many see this as beneficial for offering key business benefits like enabling greater efficiency and innovation (53%) and driving decarbonization and sustainability.

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Leveraging the power of data to connect teams, suppliers, partners and even customers is also cited as increasing employee satisfaction (47%), improving worker safety (43%), and helping to prevent asset failure (35%).

Working with trusted partners who have expertise in driving sustainable digital transformation in industrial organizations and building tools that connect teams thus helps businesses remain agile, resilient and efficient. Leaders in the manufacturing industry have recognized the power of using technology to harness their data, connect the workforce and drive real-time insights. This is the power of the connected industrial economy at work.

## Benefits of A Connected Industrial Economy in Manufacturing



# Methodology

The AVEVA Survey was conducted by Wakefield Research ([www.wakefieldresearch.com](http://www.wakefieldresearch.com)) among 650 Executives in North America (US, Canada), UK, Nordics (Sweden, Denmark, Norway, Finland), France, Italy, Germany, Middle East (KSA, UAE) with the following title or role requirements: C-Levels, VP+ Engineering/IT, VP+ Operations, Plant Managers, at companies with a minimum annual revenue of \$50m USD, between August 16<sup>th</sup> and August 29<sup>th</sup>, 2022, using an email invitation and an online survey. All respondents work in one of the following industries: Power, Chemicals, Manufacturing.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.8 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.



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#### ABOUT AVEVA

AVEVA is a global leader in industrial software, driving digital transformation and sustainability. By connecting the power of information and artificial intelligence with human insight, AVEVA enables teams to use their data to unlock new value. We call this Performance Intelligence. AVEVA's comprehensive portfolio enables more than 20,000 industrial enterprises to engineer smarter, operate better and drive sustainable efficiency. AVEVA supports customers through a trusted ecosystem that includes 5,500 partners and 5,700 certified developers around the world. The company is headquartered in Cambridge, UK, with over 6,500 employees and 90 offices in over 40 countries.

Learn more at [www.aveva.com](https://www.aveva.com)