

Europe-Wide Survey highlights both progress and barriers to Smart Factory deployment

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Tuesday 14th January 2020, London, UK – A Europe-wide survey of over 200 manufacturers with more than 500 employees shows that deployment of Smart Factory initiatives is currently running at around 63% and is set to grow rapidly over the next five years. The remaining 37% identify as being in the “planning stage”.

Commissioned by teknowlogy Group, the leading European industry analyst firm and Stratus Technologies, a global leader in simplified, protected and autonomous Edge Computing solutions, the research builds a strong business case for Smart Factories with nearly one in two respondents, (45%), reporting a return on their investment in less than one year and almost two thirds (66%) ranking Smart Factory as 7 out of 10 or higher on their list of strategic priorities.

Richard Sharod, Vice President EMEA, Stratus Technologies said, “Smart Factory initiatives are driving new levels of efficiency and profitability for industry as the business case for deployment gets stronger and stronger. This research demonstrates a desire among respondents to improve systems, outputs and quality while driving down costs, but also highlights the challenges that are holding back industry-wide deployment”.

As with any new technology, the research also highlights that the biggest challenges with Smart Factory projects start with deployment. Over half (58%) of respondents stated that the cost of investment was a barrier to Smart Factory technology adoption along with just under one in two (48%) who were struggling to build a business case, while 47% of responders said a lack of skills was holding back their Smart Factory projects.

Greg Hookings, Head of Business Development – EMEA, for Stratus, said, “All in all, companies cited product quality,

supporting digital transformation and enabling more efficient customisation of products as their primary goals when implementing a Smart Factory initiative. We are on the precipice of major change, and industry leaders must engage with specialists to ensure a smooth transition from current siloed operations to a connected factory floor”.

Implementations on the factory floor are one of several areas proving to be complex. Of those that are some way along their journey to achieving Smart Factory solutions, less than one in ten (9%) analyse more than 75% of the data they hold, which suggests that the full benefits of Smart Manufacturing are yet to be exploited. This is likely to be in part due to the skills required for data analysis being in short supply, but there is also a question of where in a company the responsibility for analysis falls, according to JC Bodhuin, Senior Vice President at teknowlogy Group.

“In a Smart Factory, one of the key elements is being able to analyse all of the data that comes from connected machinery, people and other assets (such as the building and environmental variables that affect production). Since data storage management and analytics comes under the remit of the IT department, it is with good reason that 32% of respondents said that Smart Factory decision making comes from the IT department.”

Looking to the future, respondents provided key insight to the movement of data and the distribution of computing, a factor which may help identify the right place for data analysis. “While data analytics for Smart Factory today is typically in an on-premises data centre (46%), that is set to change. In only five years’ time, data analysed at the edge of the network will make up 35% of all data analysis, more than doubling what it is currently (14%), and bringing more analytical responsibility to operational engineers”. Added JC from teknowlogy Group.

Greg Hookings, of Stratus, suggests, “This movement of data computing and analytics from the data centre to the edge environment is indicative of a continuing convergence of the roles of IT and OT in the delivery of Smart Factory technologies. Edge Computing platforms are becoming much simpler to deploy, with more autonomous functionality and inbuilt security, allowing OT to play a larger role in delivering Smart Factory improvements. We believe that this will help many industrial enterprises to adopt Smart Factory approaches more quickly and effectively in the months and years ahead.”

The free-to-download report will assist leaders in understanding the opportunities of the Smart Factory as well as the challenges that may be holding it back. **The full report is available to download here.**

About Stratus Technologies

Stratus takes the complexity out of keeping business critical applications running 24/7. Stratus’ technologies proactively prevent instances of unplanned downtime both in the data center and at the edge, and our services ensure any issues are addressed before customers need to. Global Fortune 500 companies and small medium sized businesses in a wide range of industries across the globe have been relying on Stratus for operationally simple, continuous availability for more than 35 years.

For more information, please visit www.stratus.com or follow on Twitter [@StratusAlwaysOn](https://twitter.com/StratusAlwaysOn).

About teknowlogy

teknowlogy Group is the leading independent European research and consulting firm in the fields of digital transformation, software, and IT services. It brings together the expertise of three research and advisory firms, each with a strong history and local presence in the fragmented markets of Europe: Ardour Consulting Group, **CXP** and PAC (Pierre Audoin Consultants). We are a content-based company with strong consulting DNA. We are the preferred partner for European user companies to define IT strategy, govern teams and projects, and de-risk technology choices that drive successful business transformation. We have a second-to-none understanding of market trends and IT users' expectations. We help software vendors and IT services companies better shape, execute and promote their own strategy in coherence with market needs and in anticipation of tomorrow's expectations. Capitalizing on more than 40 years of experience and six branches in Europe, we are active worldwide with a network of 150 experts. For more information, please visit www.teknowlogy.com and follow us on **Twitter** or **LinkedIn**.

Media Contact

Cadence Innovation Marketing

Tom Spencer

80 Coleman Street,

London EC2R 5BJ

Tel: 0207 043 8847

Email: tom@thecadenceteam.com