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Building Blocks for a Digital Future: Current State and Strategies for Success



Respondent Profile





Annual Revenue

The research effort was focused on the SMB market across a variety of manufacturing segments.



Question: Into which of the following ranges does your company's annual revenue fall?

Base: All respondents (n=131).





Respondent Profile

Respondents are most likely to hold a corporate or executive-level management position within their company.





Key Findings





Digital Transformation Progress

Respondents are likely in the early to mid stage of the digital transformation process. Data reported on the following pages are presented in total and by response to the question below (early stage versus mid to advanced or mature stage).



Base: All respondents (n=129).



Technology Used in Digital Transformation

Ninety-three percent of respondents indicate the use of one or more of the technologies listed below in their digital transformation efforts. Respondents who have moved into the mid to advanced/mature stages of digital transformation are more likely than those in the early stages to use each of the technologies listed below.



Question: What type of technologies are you currently using in your digital transformation efforts? Base: All respondents (n=131). Multiple answers allowed.



Essential Applications

Regardless of digital transformation progress, ERP and CRM applications are considered essential to respondents. Those in the early stages of digital transformation are also likely to rely on applications such as spreadsheets and design/CAD, while those further along in the process rely on more advanced applications such as QMS and MES.



Question: Which 3 applications do consider essential to your manufacturing business?

Base: All respondents (n=131). Up to three answers allowed.



Data Storage

Nearly half of respondents use cloud-based file management and storage systems. Respondents who are further along in the digital transformation process are more likely to use cloud-based systems and shared file management systems, while respondents early in the digital transformation process are more likely to use local file systems.



Question: Where do you store your design and production data?

Base: All respondents (n=130). Multiple answers allowed.



Business Drivers Impacting Technology Decisions

Regardless of the digital transformation progress, respondents are likely to indicate growth and profitability and changing customer demands impact their technology strategies/decisions.



Question: What business drivers are impacting your technology strategies/decisions?

Base: All respondents (n=129). Multiple answers allowed.



Response to Changing Demand

Overall, 70% of respondents have retooled their operations/product offerings to meet changing demands. Respondents further along in the digital transformation process have shifted larger portions of their operations when compared to those early in the digital transformation process.



Question: Have you retooled your operations/product offerings to meet changing demand? Base: All respondents (n=126).



Business Metrics

Companies use multiple business metrics to evaluate performance. On-time delivery, quality, production, and inventory levels are each used by a majority of respondents.



Question: What metrics are most important to your business?

Base: All respondents (n=128). Multiple answers allowed.



Impact of Digital Transformation Technologies

Respondents have likely seen improvements across a variety of metrics as a result of technologies used in their digital transformation efforts.



Question: To what extent have each of the following changed as a result of the technologies used in your digital transformation efforts?

Base: All respondents (n varies from 115 to 119).



Impact of Digital Transformation Technologies (continued)

To continue the analysis of the information on the previous slide, the chart below presents the percentage of respondents who have seen an improvement (greatly improved or somewhat improved) in each metric. The data is presented in total and compares by respondents early in the digital transformation process versus those in the mid to advanced/mature stage of the digital transformation process. Those further along in the process are more likely to have seen a benefit in each area studied.



Question: To what extent have each of the following changed as a result of the technologies used in your digital transformation efforts?

Base: All respondents (n varies from 115 to 119).



Ability to Leverage Technology

Fifty-four percent of respondents rate their ability to leverage technology to improve performance as above average. Budget constraints are the biggest obstacle to leveraging technology.



Question: How would you rate your ability to leverage technology to improve performance?



Question: What are your biggest obstacles to leveraging technology? Base: All respondents (n=129).

Base: All respondents (n=130).



Competitive Challenges

Respondents indicate a variety of competitive challenges, with cost control, scaling to meet customer demand, and manufacturing flexibility most likely to present challenges.



Question: Which of the following are your greatest competitive challenges?

Base: All respondents (n=127). Multiple answers allowed.



Technology Platform

Fifty-nine percent of respondents currently have or plan to have a technology platform that fully integrates their business systems. Among respondents in the mid to advanced/mature stages of digital transformation, 70% currently have or plan to have a technology platform that fully integrates systems. This group of respondents are also likely to currently have an ERP system that provides visibility into multiple functionalities.



Question: Do you currently have a technology platform that fully integrates your business systems, including ERP, PLM, and MES databases?

Base: All respondents (n=130).

IndustryWeek.



Question: Does your ERP system provide visibility into any of the following functionalities?

Base: All respondents (n=130). Multiple answers allowed.



Design Systems

The majority of respondents do not currently have or plan to have design systems integrated with ERP or other enterprise systems. Even respondents who have begun digital transformation are unlikely to have this integration. Fifty-four percent of respondents indicate their design platform has one or more of the characteristics listed in the chart to the right.



Question: Are your design systems, including 3D CAD, currently integrated with your *ERP* or other enterprise systems?

Base: All respondents (n=129).

IndustryWeek.

Question: Does your design platform have any of the following characteristics?

Base: All respondents (n=127). Multiple answers allowed.