

Press Release

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IIoT transformation: part of a \$1.7 trillion opportunity that will put CIOs to the test

- *PwC issues “The Role of the CIO in Integrating IIoT for Industrial Companies” jointly with the Global Manufacturing & Industrialisation Summit*
- *The report outlines a roadmap for CIOs to manage the transformation of industrial companies to successfully adopt IIoT*
- *Devising a digital strategy is key for manufacturers; building capabilities and initiating pilot programmes*

Dubai, UAE, 27th March 2017 - The Chief Information Officer’s (CIO’s) role in defining a company’s strategy has become more important than ever, according to a new PwC report launched today, ahead of the Global Manufacturing and Industrialisation Summit (GMIS).

In its latest report, PwC said that managing the transition to the Industrial Internet of Things (IIoT) will be a highly complex task, which CIOs cannot afford to miss out on. It points to studies that show that by 2020, companies will likely spend \$1.7 trillion a year on the combined industrial and consumer Internet of Things (IoT)¹. That transformation to IIoT is materializing fast, cited a recent [PwC Industry 4.0 Survey](#) which found that industrial companies are planning to commit approximately \$907 billion annually to their IIoT initiatives. Those companies expect \$421 billion in cost reductions and \$493 billion in increased revenues annually from the implementation of IIoT, with 55% expecting a payback within two years.²

Devising an IIoT Strategy

The sheer size of the Industrial IoT opportunity, which PwC says far outweighs all expectations of the consumer oriented IoT, means that CIOs will have to take centre stage in leading a digital

¹ Source: “IDC’s Worldwide Internet of Things Forecast, 2015-2020” IDC, May 2015.

² [PwC 2016 Global Industry 4.0 Survey: Building the Digital Enterprise, April 2016](#)

transformation that aligns strategy and technology with the manufacturing environment and the manufactured product.

Dr. Anil Khurana, Partner, Strategy & Innovation at PwC Middle East and the report's lead author, said:

“The IIoT will place huge demands on the CIO. It is indeed an opportunity that few will want to miss. First-mover status is critical to gaining a competitive edge as companies begin moving en masse to reap the benefit of digitization. Our research into the IIoT domain suggests that CIOs take six important steps towards their companies' future digital transformation, which has been outlined at length in the report. These steps include key elements such as the development of a digital strategy, building capabilities and eventually, initiating pilot programmes.”

Dr. Khurana added:

“Supporting the GMIS vision to promote manufacturing and industrial innovation; driving towards sustainable development; and contributing to wealth generation and prosperity, PwC has facilitated connections between enterprises of all sizes that are now embracing the 4th Industrial Revolution, or 4IR, and embracing IIoT. PwC has facilitated the development of the pilot programmes being discussed and presented at GMIS”.

The six necessary steps for IIoT Transformation, as per PwC's report are:

- 1. Map out an Industry 4.0 Strategy:** evaluate your company's digital maturity and set clear targets for the next five years. Then prioritize pilot programmes, capabilities, and architectural revisions that will bring the most value to the business and align with overall strategy
- 2. Create initial pilot programmes:** to establish proof of concept and demonstrate business value
- 3. Define the capabilities that will be needed:** building on lessons learned from pilots, map out in detail what distinctive capabilities are needed to achieve business vision.
- 4. Become a virtuoso in data analytics**
- 5. Transform into a digital enterprise:** capturing the full potential of Industry 4.0 will require company-wide transformation
- 6. Actively plan an ecosystem approach:** develop complete products and solutions for customers and use partnerships to align with various platforms

Commenting on the report, Badr Al-Olama, Chief Executive Officer, Strata Manufacturing, and Head of the Global Manufacturing and Industrialisation Summit Organising Committee, said: “For the manufacturing sector, the Industrial Internet of Things is at the heart of 4IR. As PwC points out in this report, the CIO is *the* key driver in helping organisations to adopt IIoT, aligning business strategy with technology transformation. Their role is to ‘normalise’ innovation in large, complex organisations, drawing on a new capacity to intelligently connect people, processes and data through devices and sensors. For manufacturers, this creates the prospect of the digital factory where ‘smart’ manufacturing technologies are controlling energy, productivity and costs through real-time monitoring and application of data insights. PwC's report sets out a roadmap for IIoT



transformation, prepping the experts – including CIOs from leading global manufacturers - to put together a vision for manufacturing that is based on the 4IR technologies.”

Devin Young, Advisory Director at PwC US and the report’s co-author said:

“The key element in any company’s transformation to the IIoT is that its information and operating technologies will be woven far more tightly into its business fabric than ever before. This in turn will require the CIO to have a far greater understanding not just of the IIoT technologies involved but also how it will transform the business. Even more important is the CIO’s role in educating the company’s board on the changes to come, and acting as an enabler and change agent in order to maximize the value of that transformation. Those with the ability to do so can look forward to a truly game-changing experience.”

The full PwC report “*The Role of the CIO in Integrating IIoT for Industrial Companies*” was launched today and can be accessed through the following link <http://pwc.to/2n6FMoO>

The inaugural Global Manufacturing and Industrialisation Summit will be held at the Paris-Sorbonne Abu Dhabi, UAE, from March 27-30, 2017. A joint initiative by the UAE Ministry of Economy and the United Nations Industrial Development Organization (UNIDO), and co-hosted with the Abu Dhabi Department of Economic Development, the Summit will be held under the patronage of His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces. The Summit, in which PwC is a Knowledge Partner, is the world’s first global gathering for the manufacturing community, bringing together 1,200 decision making leaders from governments, businesses, and civil society organisations to shape a vision for the future.

The Summit is a global platform for participating attendees to learn from best practices from all across the world. This unprecedented global gathering will spark new ideas and set the stage for debate and action - addressing ways in which manufacturing can shape and reshape the world, integrating activities between developed and emerging markets, and delivering on social responsibility towards future generations.

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About PwC

At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

Established in the Middle East for 40 years, PwC has firms in Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates, with around 4,000 people. (www.pwc.com/me).

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About the Global Manufacturing and Industrialisation Summit

As the world's first cross-industry forum, the Global Manufacturing and Industrialisation Summit is a global gathering for manufacturing minds. It is a voice and a venue for global manufacturing transformation. More than 1,200 delegates will attend, including world leaders, industry CEOs, policy-makers, specialist researchers and academics. The Global Manufacturing and Industrialisation Summit will deliver (i) a voice for transformational ideas, (ii) a venue for the generation of new networks and cross-industry partnerships, (iii) a showcase for pilot projects arising from cross-industry research,

Global Agenda on the Future of Manufacturing

The conference will focus on the role of manufacturing in reconstructing the global economy and restoring global prosperity. Leaders from the public and private sectors, along with civil society representatives, will gather together to discuss global challenges facing the manufacturing sector. The discussions will focus around six themes: technology and innovation; global value chains; skills, employment and education; sustainability and environment; infrastructure; standards and stakeholder alignment. The participants will form working groups to identify concrete action plans and recommendations that outline potential solutions to global issues, as well as showcase best practices and case studies from across the world. To highlight an example of global issues, the inaugural conference will focus on the issue of economic migration, with the aim of establishing a manufacturing platform that will bring together countries facing emigration or immigration challenges with regional countries that seek to support economic reconstruction. These countries will work together with manufacturers and the wider United Nations network on restoring global prosperity.

The Manufacturing Expo

Capitalising on the huge presence of the global manufacturing community under a single meeting venue, the Manufacturing Exhibition will offer space to corporations looking to showcase their products, services and latest innovations or technologies that can further contribute to promoting global economic development. The Manufacturing Expo consists of four components: an exhibition showcasing the manufacturing capabilities of the host country; international pavilions showcasing the manufacturing capabilities and economic incentives of each participating country; an innovation exhibition that demonstrates the latest fourth industrial revolution technologies; and an event for SMEs to present their products and solutions to potential customers.

The Global Value Chain Market

The Global Value Chain Market (GVCM) is a business matchmaking platform dedicated to increasing regional and international partnerships and opportunities. The platform will provide networking and sourcing opportunities both online and onsite via pre-scheduled meetings with the vision of forging investment opportunities, commercial partnerships, and encouraging technological transfer and knowhow. The platform will enable countries to identify and meet global manufacturers to promote industrial development, and familiarise global manufacturers with targeted industrial activities in various countries. The GVCM will become a source of valuable information for global investments, providing insights on legislation and regulations, sovereign risk, political stability, and physical and logistical infrastructure.

For enquiries on the Global Manufacturing and Industrialisation Summit contact:

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