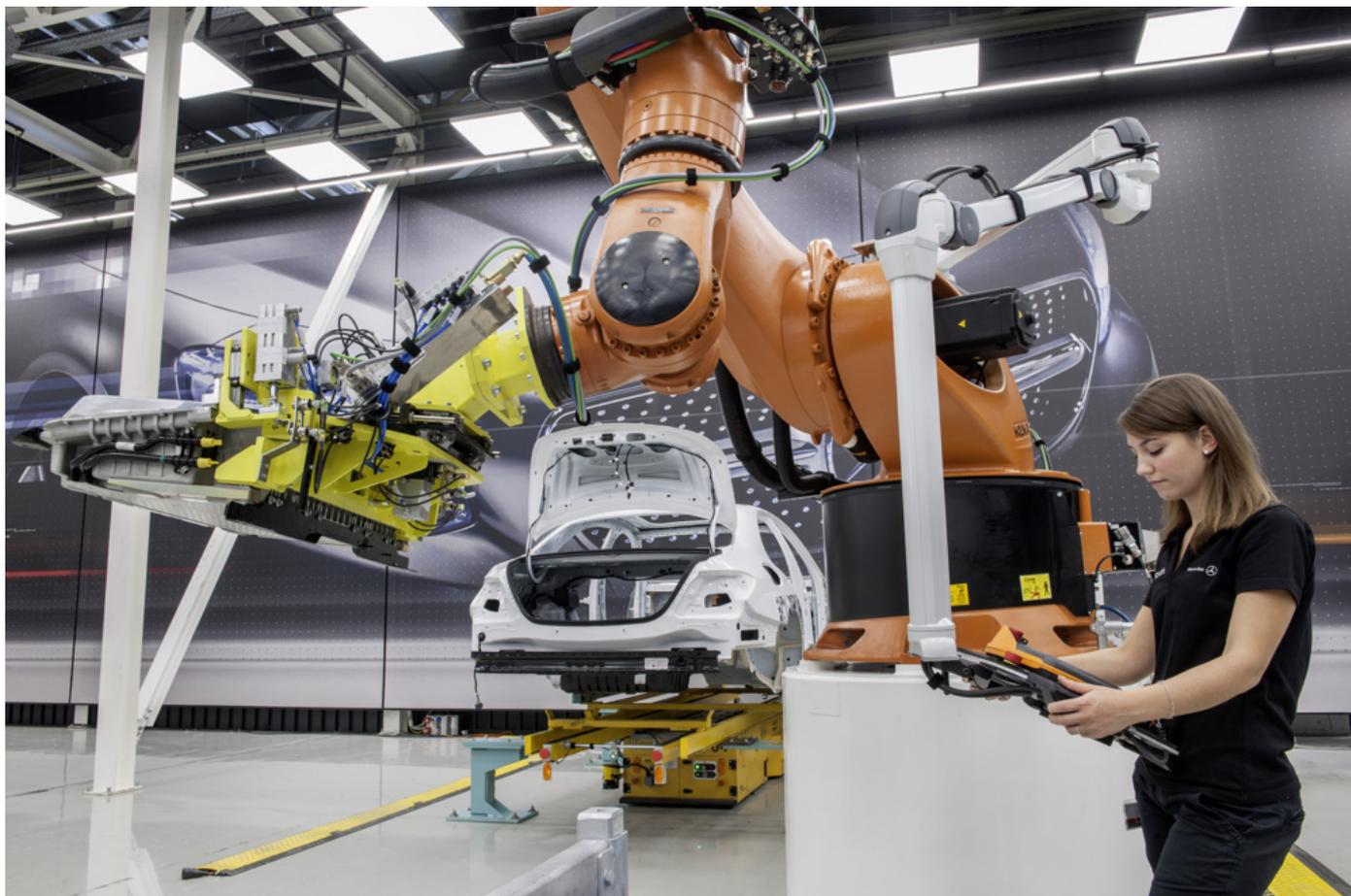




## Bain report sees European leadership in Industry 4.0



Europe has managed to extend its leadership position in implementing Internet of Things (IoT) technologies, with the help of more pilot projects and higher investments, according to a new report.

A study by management consultants Bain & Company says companies in Europe are implementing IoT technologies three times faster than the average competitor in the US.

Roughly half of all companies polled by Bain in both regions plan to engage in IoT projects. "But European companies already have clearly more experience with IoT technologies, which gives them a real competitive advantage," said Christopher Schorling, partner in Bain's technology practice.

Schorling is co-author of the study, which compares European and US companies, but doesn't take into account what's happening in Asia.



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"Europeans know today already how they can profitably deploy IoT solutions along the entire value chain," Schorling said in a press release.

The Bain report found that many US companies continue to be affected by failing technical expertise or problems integrating different systems. Such issues were raised even more frequently than in a similar poll two years ago.

The 2016 Bain study found that 27 percent of European companies were planning to introduce IoT technologies, compared with only 18 percent of American companies. In addition, European companies were preparing to commit more IT funds to these new technologies than their American counterparts.

Partly as a result of this, European companies are today already working on business models to get payback from those IoT investments and they are dealing with regulatory and security aspects. At the same time, the US IoT landscape is still mostly characterized by pilot projects, Bain said.

Company executives polled in both the US and Europe said the central problem they face with IoT implementations is security. Schorling said European IoT service providers are well positioned to lead in the area of cyber security as well.

Bain said US companies, whose IoT plans are "extremely ambitious" could still catch up with European competitors. They intend to draw level with Europe in pilot projects and critical implementations in the next 10 years.

Oliver Straehle, head of Bain's advanced manufacturing & services practice in Europe, said the right IoT strategy requires companies to connect plants, machinery and products and use the resulting data to enhance profitability.

Said Straehle: "In the next two to three years the winners in the IoT space will become clear."

-By Arjen Bongard

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