

Internet of Things Critical to Industrial Firms' Success, Yet Many Still Unclear on Execution Strategy, Says Genpact Research Institute

Study reveals disconnect between business goals and implementation strategy; Security and legacy systems key concerns

NEW YORK, June 1, 2016 /[PRNewswire](#)/ -- An overwhelming majority of business executives (81 percent) believe that successful adoption of the Industrial Internet of Things (IIoT) is critical to their company's future success, but only 25 percent have a clear IIoT strategy, according to a [study released today](#) by the Genpact Research Institute and *IndustryWeek*, in collaboration with GE Digital and the Industrial Internet Consortium.

The Industrial Internet of Things leverages the interconnectivity of machines and systems with sensors, intelligent data, and analytics to provide increased visibility and better insights into the performance of equipment and assets. IIoT transforms the way people and machines interact, with the potential to drive significant process improvements; enhance quality, productivity, and overall operational efficiency; as well as increase growth and profitability in manufacturing and other sectors.

Security the top obstacle; possible cyberattacks also a concern

The key obstacles businesses face when leveraging IIoT technology include data security and privacy concerns (cited as problematic by 37 percent and 33 percent of respondents, respectively), insufficient skills of technology staff (35 percent), use of legacy systems (34 percent), and data quality (34 percent). Additionally, half of the business executives surveyed feel that the IIoT increases their company's susceptibility to cyberattacks.

"This survey shows just how critical the IIoT is for the future success of industries such as medical equipment, consumer packaged goods, manufacturing, and many others," **said Richard Soley, executive director, Industrial Internet Consortium.** "The next hurdle for many companies is to develop a clear IIoT strategy, and one that includes protection for sensitive data from cybersecurity attacks. Successful IIoT adoption is expected to have a significant impact on business growth."

Growth and agility viewed as primary benefits

The majority of all respondents (77 percent) see the ability to spur growth as the top opportunity from an effective IIoT implementation. Agility is also a top expected benefit from the IIoT, cited by 75 percent of the respondents.

"This study underscores the tremendous potential of the Industrial Internet—GE's [Predix](#) platform and partner ecosystem are key elements in helping companies develop smart, practical, and scalable solutions," **said Denzil Samuels, head of global channels and alliances, GE Digital.** "We will continue to work with Genpact to help our customers implement Industrial Internet technologies and achieve better business outcomes."

Despite the acute awareness of IIoT's importance, underscored by nearly half of respondents who say their companies are currently developing a clear strategy, it is surprising that almost 30 percent will not have an IIoT strategy in the next 12 months. Moreover, 13 percent believe they never will use such technology or capabilities.

Leaders have clear strategy and more holistic view than strivers

To probe deeper on the qualities needed to achieve effective digitization transformation with IIoT, the research also examines what differentiates the leaders (the top 25 percent of respondents who state their IIoT strategy is ahead of competitors) from everyone else (the strivers). More than half of leaders (56 percent) have a clear

strategy compared to only 14 percent of strivers, and leaders are three times more likely to rank execution of their strategy as excellent.

Leaders also have a more holistic view of impact that IIoT can deliver. For example, despite the concerns about data security for all respondents, half of leaders believe interconnectivity helps proactively manage risk of cyberattacks compared to only a third of strivers.

"The why of Industrial Internet of Things seems clear and solid," **said Gianni Giacomelli, senior vice president and head of the Genpact Research Institute**, "but the what and how aren't. This is not unusual with all new technologies that need interoperability with established operations and systems, and is particularly true where technologies use big data to make operations 'intelligent'—able to sense, act, and learn, at scale. Our research shows that success typically requires the ability to work cross-functionally – across IT, analytics, and business groups – to drive process transformation not just at the front end, such as in the field, but all the way across the middle and back office that support the front in scalable ways. We use this approach in what we call Lean DigitalSM, as it harnesses Lean principles and a deep understanding of industrial manufacturing, as well as human-centered design. Genpact's new [Silicon Valley innovation center](#) brings Lean Digital to life with our clients."

Genpact will present a webinar on the research on **June 22 at 2:00 p.m. EDT**. For more information, [click here](#).

About the Study

The study was developed by the Genpact Research Institute and *IndustryWeek*, and conducted by Penton Research in March-April 2016 via a survey that resulted in 173 responses from C-suite (executive vice president and above), senior executives, managers, and other professionals at a variety of businesses, predominately based in North America. The research examines how businesses are implementing an Industrial Internet of Things (IIoT) strategy, expectations of IIoT, strategies for success, and obstacles faced. The report is available at <http://www.genpact.com/lp/industrial-internet-and-business-transformation>.

About the Genpact Research Institute

The Genpact Research Institute is a specialized think tank harnessing the collective intelligence of Genpact – as the leading business process services provider worldwide – its ecosystem of clients and partners, and thousands of process operations experts. The Institute examines new trends that influence the evolution of strategically important operating models, helping our client's business. The Institute combines Genpact's deep expertise in process management, analytics, and technology with the insights of our research partners and clients. Projects are led by leaders and subject matter experts from Genpact's offices around the world. These teams also draw on a global network of external partners and industry experts, and benefit from our extensive connection with hundreds of large clients globally. For more information, see <http://www.genpact.com/home/about-us/research-institute>.

About Genpact

Genpact (NYSE: G) stands for "**generating business impact**." We are a global leader in digitally-powered business process management and services. We architect the **Lean DigitalSM** enterprise through our patented Smart Enterprise Processes (SEPSM) framework that reimagines our clients' operating model end-to-end, including the middle and back offices. This creates Intelligent OperationsSM that we help design, transform, and run. The impact on our clients is a high return on transformation investments through growth, efficiency, and business agility. For two decades, first as a General Electric division and later as an independent company, we have been passionately serving our clients. Today, we generate impact for a few hundred strategic clients,

including approximately one-fifth of the Fortune Global 500, and have grown to over 70,000 people in 25 countries, with key offices in New York City. The resulting business process and industry domain expertise and experience running complex operations are a unique heritage and focus that help us drive the best choices across technology, analytics, and organizational design. For additional information, visit www.genpact.com. Follow Genpact on [Twitter](#), [Facebook](#), [LinkedIn](#), and [YouTube](#).

For more information:

Danielle D'Angelo

(Genpact Media Relations)

danielle.dangele@genpact.com

+1 914-336-7951

Abby Trexler

(for Genpact)

atrexler@peppercomm.com

+1 212-931-6179

Jaana Ijäs

(For Genpact Europe)


ijjas@peppercomm.com

+ 44 (0)20-7680-7116

Logo - <http://photos.prnewswire.com/prnh/20160321/346273LOGO>

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/internet-of-things-critical-to-industrial-firms-success-yet-many-still-unclear-on-execution-strategy-says-genpact-research-institute-300277562.html>

SOURCE Genpact Research Institute

Additional assets available online:  [Photos \(1\)](#)

<https://media.genpact.com/2016-06-01-Internet-of-Things-Critical-to-Industrial-Firms-Success.-Yet-Many-Still-Unclear-on-Execution-Strategy.-Says-Genpact-Research-Institute>