Pathfindr

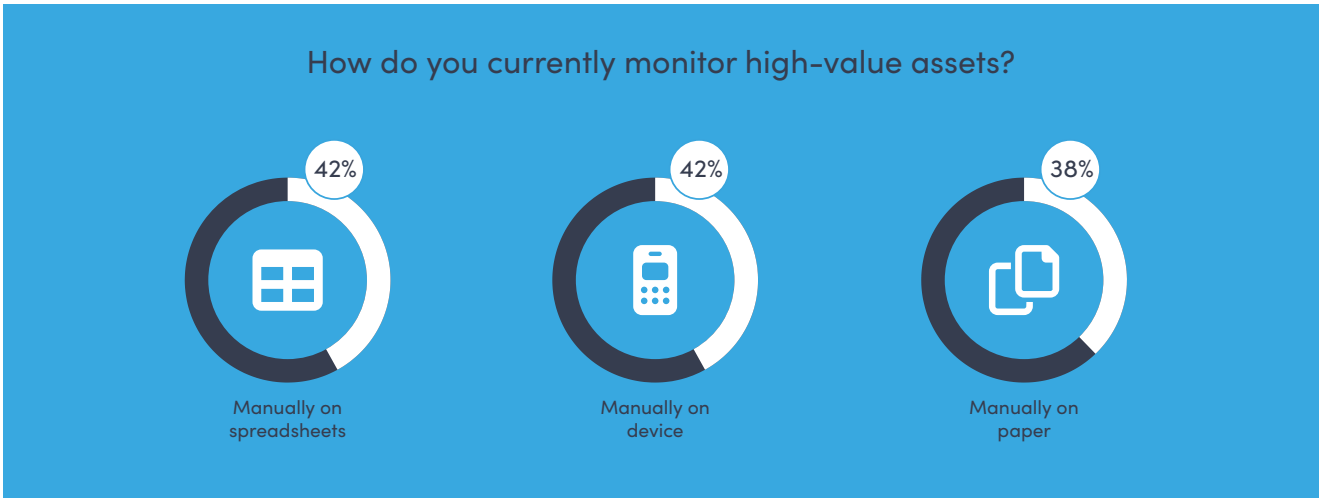
THE BLIND SPOT

Our new research has found the vast majority of manufacturers are still using spreadsheets and manual processes to track their most valuable assets. This is leading to huge sums of money being wasted on loss, breakage and underutilisation.

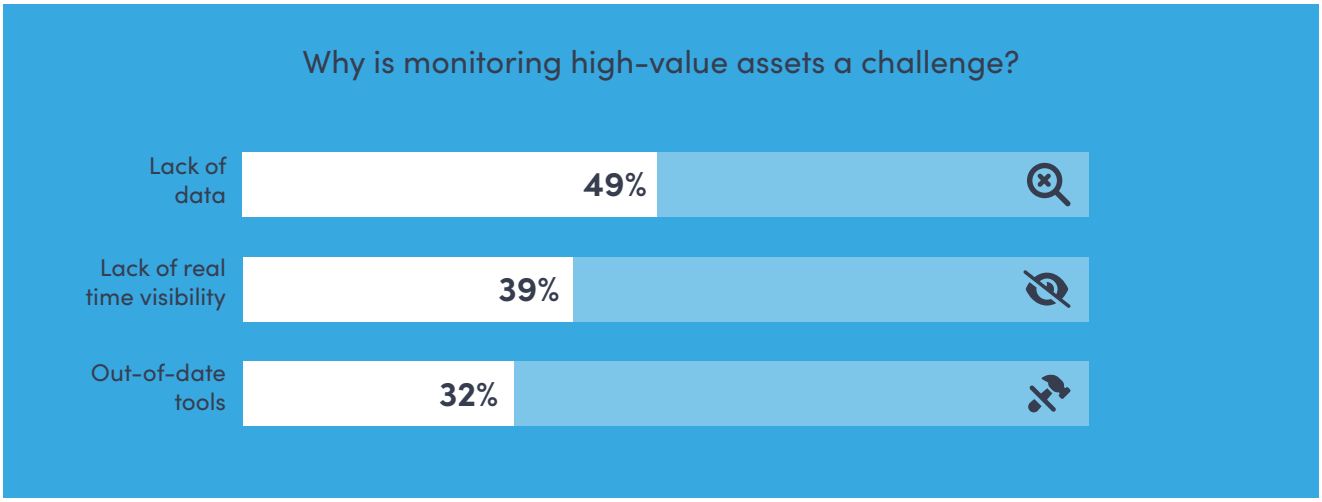
Exec summary

We interviewed 250 senior leaders in UK engineering and manufacturing firms across the UK to uncover how their most valuable assets were being monitored.

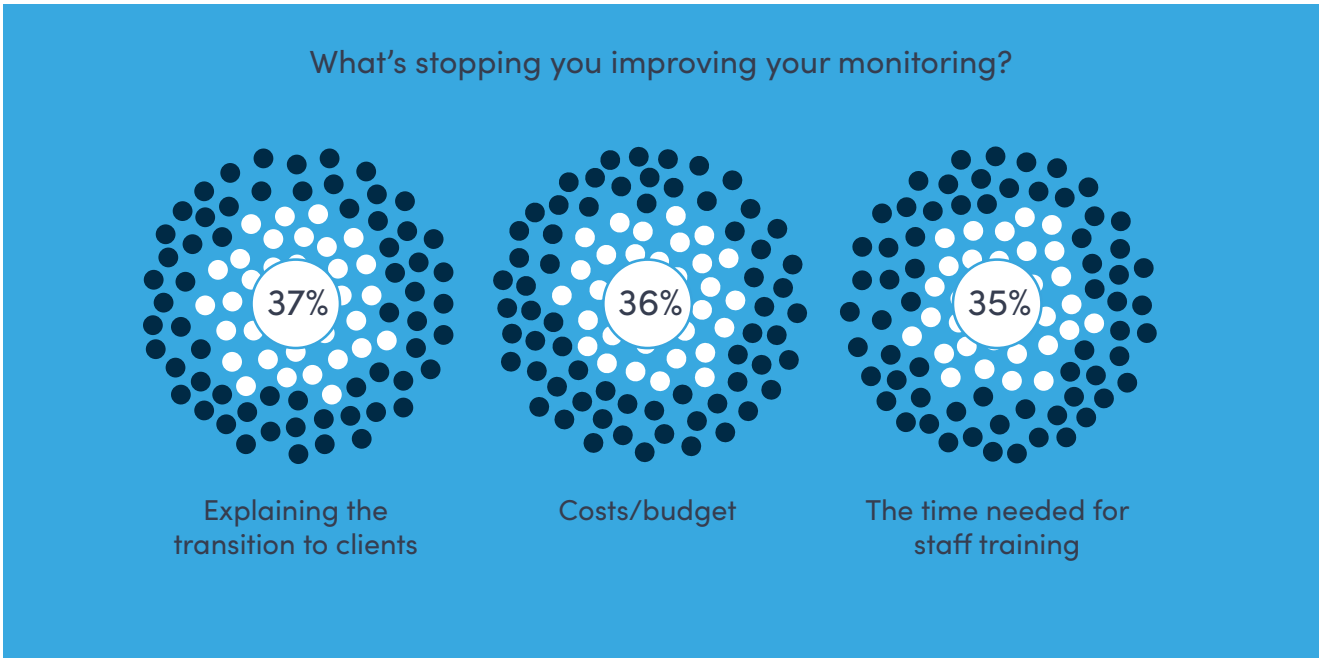
Our research found that the majority of these firms are still using spreadsheets and manual processes to monitor high-value assets.



As a result, these firms are losing huge sums of money on breakage, loss and inefficiency. The key reasons for this were lack of data, poor visibility and out-of-date tools.



Almost four in ten (38%) businesses cite digital transformation as the top challenge they'll face within the next five years. The key barriers to the implementation of new technology are explaining the transition to clients (37%), the cost of new equipment (36%) and the need to retrain staff (35%).



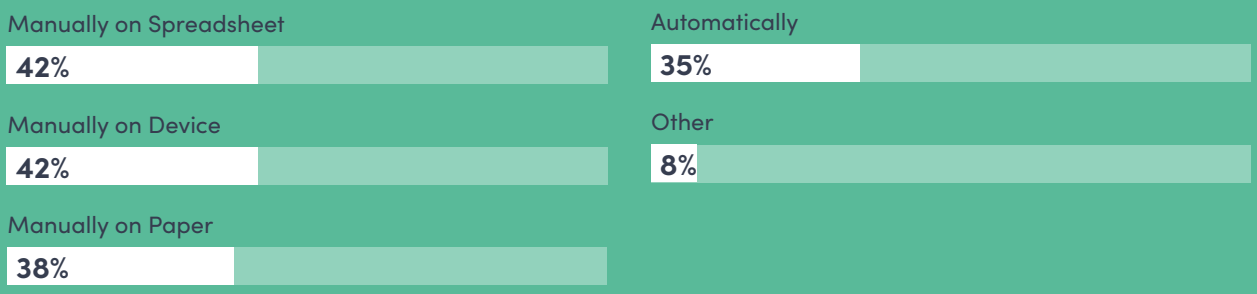
Business-critical assets. Outdated monitoring.

We asked engineering and manufacturing leaders how they monitor the location, environment, activity and performance of their most valuable tools, including machinery, materials, components, vehicles and infrastructure.

We found spreadsheets and manual processes were the most common monitoring systems across the board.

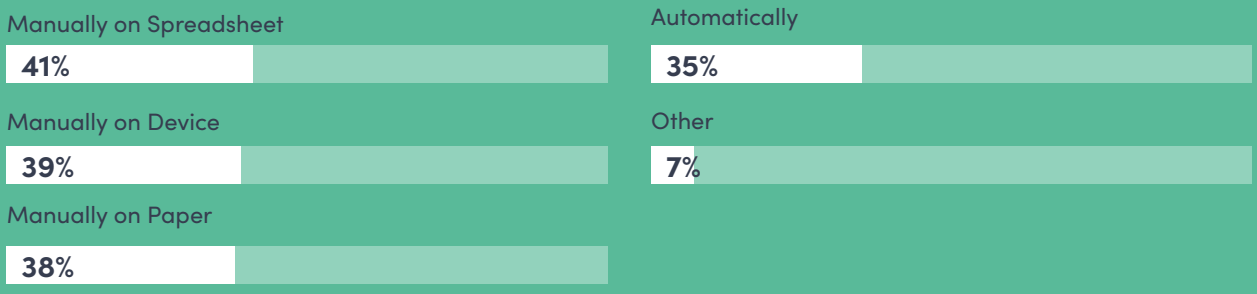
Locations*

How do they track the location of an asset?



Environment

How do they track the environmental conditions of an asset?



Activity

How do they track how often an asset is used?

Manually on Spreadsheet
43%

Automatically
33%

Manually on Device
39%

Other
12%

Manually on Paper
33%

Performance

How do they track how often an asset is used?

Manually on Spreadsheet
43%

Automatically
33%

Manually on Device
41%

Other
11%

Manually on Paper
38%

What is this data telling us?

Despite being absolutely central to productivity and throughput, critical assets are being monitored using manual processes and even spreadsheets.

Valuable assets are getting lost, broken and underutilised.

Our research found that outdated monitoring systems are causing firms to misplace items, sacrifice throughput and waste money on inefficient servicing and repairs.

We found spreadsheets and manual processes were the most common monitoring systems across the board.

Assets are being lost

Almost one in three (29%) businesses are regularly misplacing items on-premises or in transit to other locations.

This is down to:

- Lack of data **43%**
- Lack of real-time visibility **39%**
- Out-of-date tools **32%**
- Having poor processes in place **28%**
- Other **10%**

Efficiency is suffering

29% of organisations also report that velocity of work in progress is not maintained due to a lack of visibility and control.

This is down to:

- Lack of data **43%**
- Lack of real-time visibility **39%**
- Out-of-date tools **36%**
- Having poor processes in place **33%**
- Other **10%**

Efficiency is suffering

Thirdly, 27% of businesses often find that tools and equipment are serviced on a schedule - rather than based on use or need. This usually leads to either overspending on repairs and maintenance, or not servicing assets or equipment as often as is needed.

This is down to:

- Using out-of-date tools **39%**
- Lack of data to monitor **38%**
- Lack of real-time data **38%**
- Having poor processes in place **32%**
- Other **5%**

What is this data telling us?

Lack of visibility and monitoring is having an impact on engineering and manufacturing firms' profitability and efficiency.

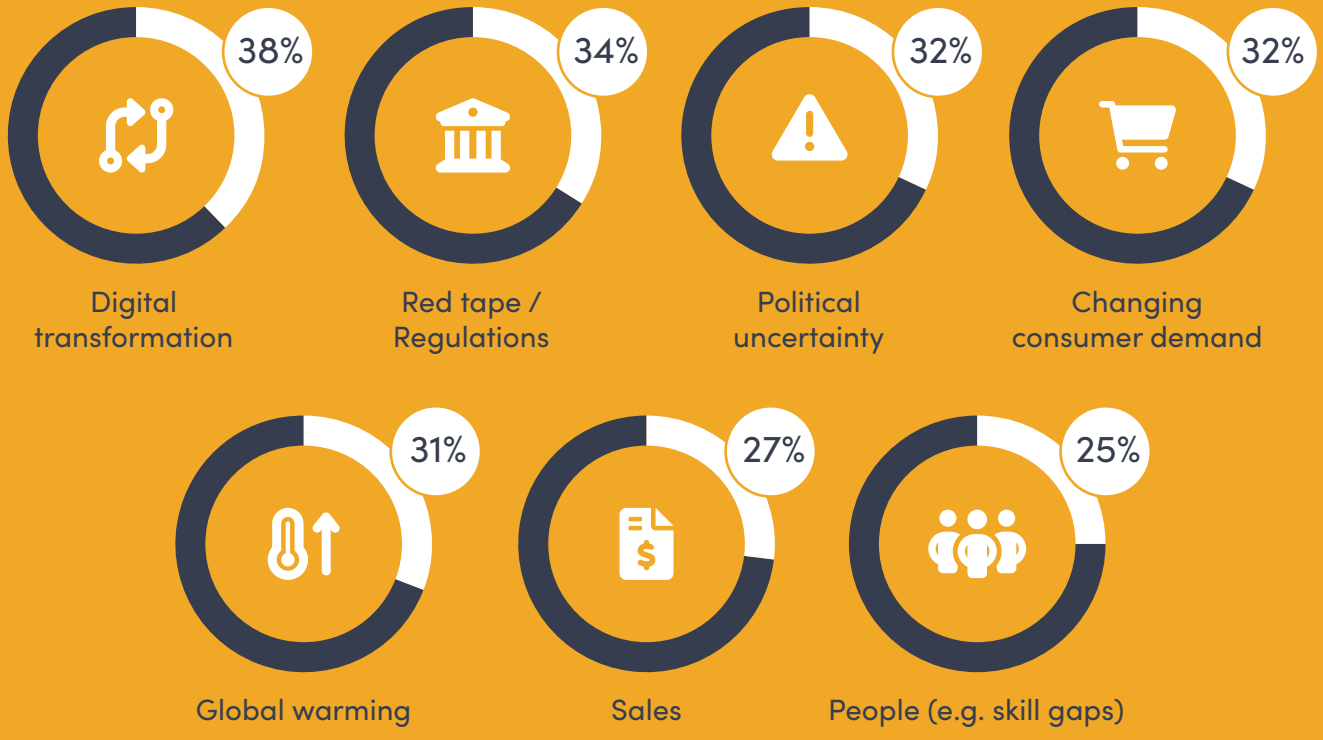
The biggest challenges for manufacturing in 2022

Digital transformation is the #1 priority

Almost four in ten (38%) businesses cite digital transformation as the top challenge they'll face within the next five years.

This is closely followed by regulations (34%), political uncertainty (32%), changing consumer demand (32%), global warming (31%) and sales (27%).

Q1: What do you anticipate the biggest challenges will be to your business over the next five years, if anything?



Our research has found that adoption of key digital technologies associated with engineering and manufacturing is low. In fact, the majority of the following technologies have been implemented by fewer than one in five organisations.

- Remote services **21%**
- Inter-platform integration **20%**
- Demand forecasting **19%**
- Condition-based monitoring **18%**
- IT/OT integration **18%**
- Predictive maintenance **18%**
- Self-optimising systems **18%**
- Workflow integration **18%**
- IoT digital marketplace **18%**
- Energy management **17%**
- Digital products **17%**
- Asset health **16%**
- Process modelling **16%**
- Process optimisation **16%**
- Performance monitoring **15%**
- Inventory management **14%**
- Servisation **14%**
- Asset tracking **13%**
- Geofencing **12%**

"Almost four in ten (38%) businesses cite digital transformation as the top challenge they'll face within the next five years."

These technologies are the building blocks of digital transformation in manufacturing - yet, most businesses have not yet adopted them.

That said, respondents clearly see the need to invest. Here's the full list of technologies that businesses plan to implement by 2026:

- Inner-platform integration **78%**
- Self-optimising systems **77%**
- Asset tracking **76%**
- Process optimisation **76%**
- Workflow integration **76%**
- Performance monitoring **75%**
- Digital products **73%**
- Condition-based monitoring **72%**
- Remote services **72%**
- IoT digital marketplace **72%**
- Asset health **71%**
- Energy management **70%**
- Process modelling **70%**
- Demand forecasting **70%**
- Inventory management **69%**
- Predictive maintenance **68%**
- Servisation **67%**
- Geofencing **65%**
- IT/OT integration **62%**

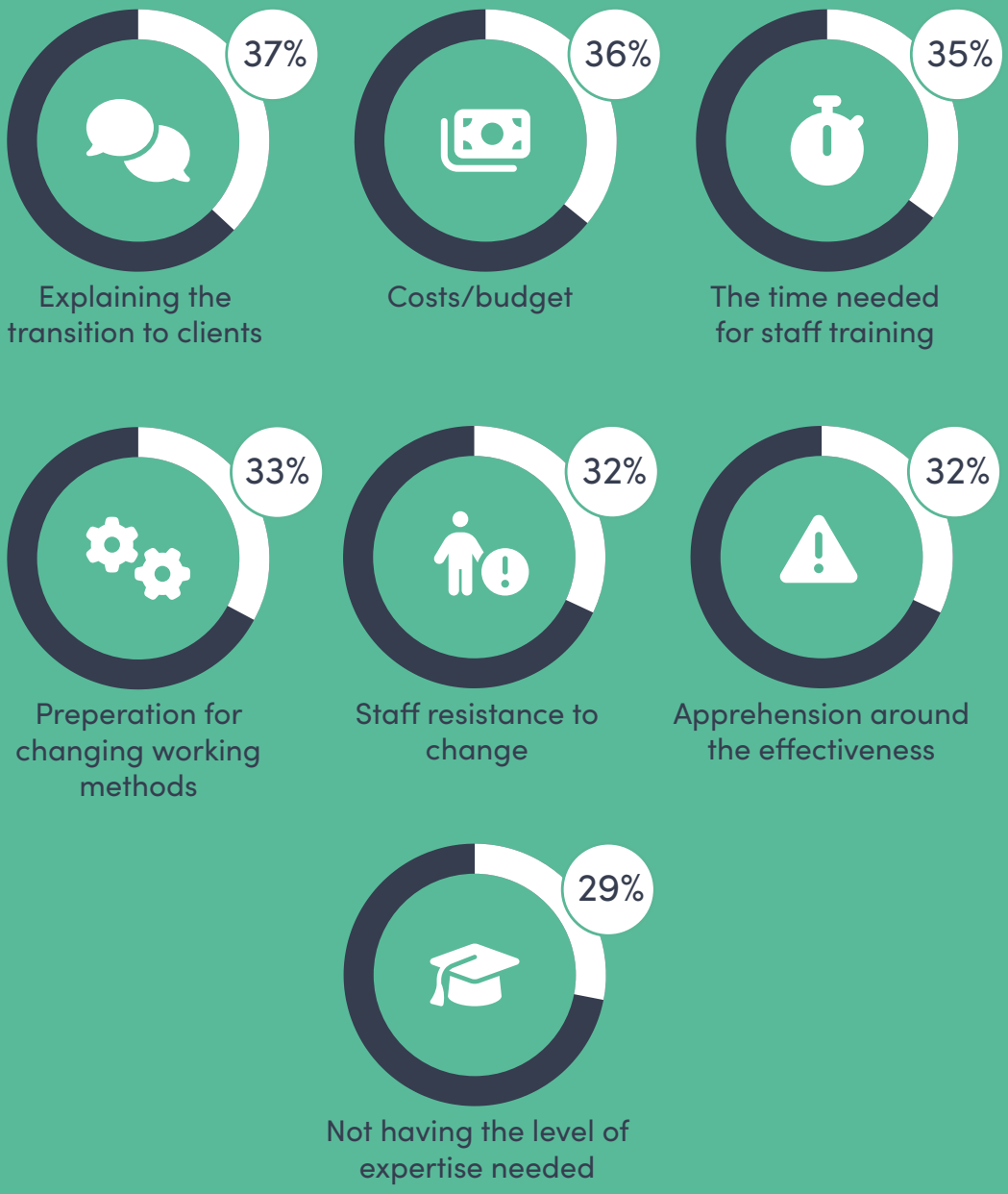
What is this data telling us?

Digital transformation is the number one priority for engineering and manufacturing firms. However, the adoption of new technologies is low at present. This is set to change over the next few years as the majority of firms upgrade their digital capabilities.

What are the barriers to transformation?

The key barriers to the implementation of new technology are explaining the transition to clients (37%), the cost of new equipment (36%) and the need to retrain staff (35%).

Q4: Why, if for any reason, have you not implemented the above mentioned points in your organisation yet?



Where do you rank?

Our research has found that the majority of UK engineering and manufacturing firms are still using outdated technology to monitor business-critical assets.

How does your business compare?

Our assessment tool will help you understand your level of digital transformation maturity. It will only take about three minutes of your time, and you'll get an accurate snapshot of how mature your operation is and how it compares with other firms.

TAKE TWO-MINUTE QUIZ

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