

The M4.0 Tidal Wave is Coming-Are You Ready?

written by Lauri Moon | June 13, 2016

(Manufacturing Leadership — Paul Tate: 6-7-16) “Industry is about to experience more change, across more aspects of the business of manufacturing, and in a shorter time than perhaps any period of transition in the history of manufacturing”, predicted David Brousell, Co-Founder and Global Vice President of the Manufacturing Leadership Council in his opening address at the *2016 Manufacturing Leadership Summit* earlier today.

Hosted by international research and consultancy company Frost & Sullivan at the Omni La Costa Resort in Carlsbad, CA, the theme of this year’s 12th Annual Summit focuses on ***Manufacturing 4.0: The New Rules of Leadership***, and has brought together over 200 senior industry leaders from across multiple sectors of the global manufacturing sector.

Citing the results of the Manufacturing Leadership Council’s recent research study on *Factories of the Future*, Brousell continued that over the next five years the research suggests that a “tidal wave of digital change is coming” for manufacturing. This will engulf production and assembly processes, the devices and equipment on plant and factory floors, how design relates to production, how companies interact with customers and suppliers, and, perhaps most importantly, how and where leadership teams will pilot their companies in the years ahead.

On a broader scale, the impact of this digital transformation across society will be profound, he added. For example, until about 1900 observers suggest that human knowledge doubled around every 100 years. But today, he noted, IBM estimates that the build out of the Internet of Things alone will cause human knowledge to double every 12 hours!

Yet the digital transformation that is inherently part of M4.0 for the manufacturing sector, is still in its early stages in most companies, he explained. What’s more, any manufacturing company that believes M4.0 is simply about investing in new digital

technologies alone is missing the point.

Digital tools are critically important, of course, but M4.0 is also about “cultural change and organizing differently – understanding and successfully implementing such things as flatter organizational structures and a collaborative innovation model – as well as re-tooling leadership teams with non-traditional skills sets,” he added.

The problem is that many manufacturers appear to be struggling today to fully absorb and get into position to drive and lead this new industrial revolution.

Citing another recent Council research project on *Next-Generation Manufacturing Leadership*, Brousell reports that, “While manufacturers expect to receive significant benefits from digitization, they also say their leaders have not yet fully adjusted their mind-sets, behaviors, and skills in ways that will be necessary to take advantage of the possibilities of digitization.”

Perhaps that’s where the biggest challenge along the journey to M4.0 may lie for many manufacturing organizations in the years ahead. Time, however, is not on the side of those who delay.

“You will not have 25 years to get on board with M4.0,” advised Brousell. “You are going to have to act fast – and with as much precision as possible.”

(Paul Tate is Research Director and Executive Editor with Frost & Sullivan’s Manufacturing Leadership Council. He also directs the Manufacturing Leadership Council’s Board of Governors, the Council’s annual Critical Issues Agenda, and the Manufacturing Leadership Research Panel.)