The Importance of Adopting Cloud-Based Platforms in Manufacturing

Outdated legacy systems have been holding manufacturers back. Competing in the digital economy requires a platform approach. Impact of COVID-19 on the Industry

Disruption has highlighted the need for change:

- 84% of manufacturers have had to adjust their 2020 technology roadmaps, with manufacturing bearing the greatest portion of this loss
- 48% of manufacturers have made business operations resiliency programs their top priority
- 33% of manufacturers have made investments in business continuity, increasing security and digital technology like cloud

Goals for Cloud Investments

<table>
<thead>
<tr>
<th>Rank 1</th>
<th>Rank 2</th>
<th>Rank 3</th>
<th>Rank 4</th>
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<tbody>
<tr>
<td>Optimize operations</td>
<td>Create business resiliency</td>
<td>Innovation</td>
<td>Crisis management</td>
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<tr>
<td>Cost reductions</td>
<td>(no downtime, availability, etc.)</td>
<td>(business continuity, increasing security)</td>
<td>(datacenter exits, lift and shift migration)</td>
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<td>(new apps for external facing interactions and customer experience, etc.)</td>
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Modernization Efforts Impact the Top and Bottom Line

<table>
<thead>
<tr>
<th>Digitally enabled manufacturers</th>
<th>Non-digital manufacturers</th>
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<tbody>
<tr>
<td>Revenue performance index (RPI)</td>
<td>Decrease by 29%</td>
</tr>
<tr>
<td>Profit performance index (PPI)</td>
<td>Decrease by 27%</td>
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</tbody>
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Digital Technology Like Cloud Cannot be Overlooked:

- 26% of digitally enabled manufacturers saw increases in revenue performance index (RPI) over a 5-year period
- 27% of digitally enabled manufacturers saw increases in profit performance index (PPI) over a 5-year period
- 27% of non-digital manufacturers experienced decreases in revenue performance index (RPI)
- 26% of non-digital manufacturers experienced decreases in profit performance index (PPI)

Embracing resiliency has become the new imperative in manufacturing. For this to occur, companies must view cloud as a platform to drive tangible business outcomes.

Message from Sponsor

The benefits of cloud-based modernization can only be realized by seeing cloud services as a core part of both business and technology operations. The key drivers of these benefits are:

- Focus on tangible business benefits, going beyond short-term technology costs.
- Modernize applications as part of cloud migration to reduce time, risk, and value erosion.
- Integrate cloud services into end-to-end orchestration, automation, management, and optimization of services.

Find out more at www.nttdataservices.com/go-digital

Leverage cloud-native best-of-breed services to enhance business capabilities of core applications.

Source: IDC Digital Manufacturing Study, 2020