

# 4 Factors Driving the Emergence of Digital Manufacturing

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The powerhouse combination of mobility, cloud computing, security and predictive analytics is becoming the ‘holy grail’ across the manufacturing industry, according to Kevin Martin and Michael Kotelec with Verizon’s manufacturing practice.

With an empowered consumer base now dictating supply and demand, accelerated time to market pressures, intense global competition and the continual rise of the Internet and mobile economies, manufacturers need to be able to make production decisions on the spot by leveraging the latest supply chain information at their fingertips.

### First Mover Advantage

First mover advantage in today’s climate, says Martin, is going to the manufacturers whose ecosystems are set up so that a plant manager on her iPad in Shanghai can halt an assembly line mid-

cycle based on intelligence from a colleague in Europe who, through data analysis, has determined that current inventories will exceed customer demand.

Similarly, the manufacturers’ pricing division can simultaneously adjust pricing based on daily performance and trends from retail stores that carry its products.

“All of this business intelligence,” Martin adds, “is being viewed on a virtual dashboard that is available to all of these decision-makers via a business app which is accessible across their mobile devices.” Martin and Kotelec discuss four reasons that digital manufacturing will take off in the coming years:

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1. The rise of the demand-driven supply chain where consumers are in control. Long gone are the days when an auto manufacturer could set annual production schedules by model and color and then lower prices at year's end to sell off remaining inventory. In today's climate, fierce price wars, a soft global economy and a crowded marketplace have made the consumer king. Manufacturers must continually monitor consumer buying trends and adjust R&D and production cycles accordingly.
2. Mobility is becoming a necessary management tool for competing with today's Internet and mobile marketplaces. Efficient management of inventories, production schedules, supply chain operations, distribution channels and customer engagement is critical to survive and thrive. Leveraging the Internet of Things (IoT) for smarter automation and mobilizing operations will increase agility for manufacturers says Kotelec.
3. The future workforce will be made up of Millennials that have grown up in a mobile and digital era. Raised in a social, immediate and collaborative environment, coordinating schedules and convening a meeting in a single physical location to discuss production cycles, logistics and business needs will be an antiquated concept. Millennials will continue to leverage mobility in all areas of their lives and the workplace will be no exception says Martin.
4. Adoption of advanced technologies will be 'do or die' to remain competitive. Both agree that the rise of secure clouds for storing data, 'smart machines' for accelerating automation, predictive analytics for staying in front of consumer trends and cybersecurity initiatives for safeguarding critical business intelligence and customer data will determine who wins the manufacturing race. As legacy systems age out, manufacturers will increasingly embrace today's advanced technologies to create and maintain a competitive edge in the marketplace.

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