

Industry 4.0: SA gets digital

 By [Danette Breitenbach](#)

26 Apr 2016

In South Africa, a surge is expected in digital in five years' time, with the current level of digitisation and integration expected to rise from 27% to 64%.

Already there is a doubling of digitalisation and investment into areas that will create very different companies in the future.

This is according to PwC's Industry 4.0 digital operations survey 2016 South Africa Country Report, presented recently in Melrose Arch in Gauteng. It is the biggest survey of its kind in studies of Industry 4.0 to date. The Report comprises over 2,000 companies in 9 industries across 26 countries. South Africa is one of the biggest participants.

The fourth industrial revolution has started, creating the Digital Enterprise. Industry 4.0 is the digitisation and integration of value chains and products/services (Internet of Things/Services) and this has given rise to new digital business models. A core capacity to becoming a digital enterprise is integrated data analytics.



© Sergey Khakimullin – [123RF.com](#)

Pieter Theron, PwC South Africa, partner/director: advisory – technology, emphasises that it is the application of these elements, not the elements themselves, that make up Industry 4.0. “Applying it is the augmenting of your physical offering with a digital service, inventing new digital services and reinventing your business.”

Industry 4.0 focuses on the end-to-end digitisation of all physical assets and processes as well as integration into digital ecosystems with value chain partners. Data and analytics is a core capability for Industry 4.0, as its applications are fueled by key enabling technologies.

Digital integration

In South Africa, the percentage of companies surveyed reporting high degrees of digitisation. Of the total percentage of companies, 87% said they were planning to introduce at least one of the presented digital products and services.

“Nine of ten companies surveyed plan to expand their digital portfolio. What is interesting about this is their plans to provide other digital services to existing customers. A large portion of innovation is also planned to where customers will be going,” adds Theron.

“The reasons why companies are investing in digitalisation is efficiency gains, lower costs and additional revenue,” explains Theron. Besides substantially improved efficiency and costs, most decision makers expect double digit revenue gains from this strategy. Three out of four companies also anticipated up to two years until amortisation of their investment.

Of the companies surveyed in the country, two out of five decision makers consider their companies to be cutting edge. “Establishing digital culture is seen as one of the biggest challenges in South Africa. People do not think digitally to change their model,” says Theron. The biggest challenge to achieving this is a lack of digital culture and training followed by insufficient talent.

He adds that if companies do not change to think and act digital, they will miss the opportunity to change and then go out of business. “It is only a matter of time, especially as the number one perceived risk is hacker attacks, with operational disruption due to cybersecurity breaches.

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

- Under Armour, challenger brand, shows up, launches icon brand house in Sandton City - 29 Apr 2024
- Sabre EMEA 2024 Awards: Razor PR, Retroviral top SA agencies - 18 Apr 2024
- McKinsey restructures, 3% of workforce to go - 15 Apr 2024
- SpendTrend 2024: Resilient South Africans adapt to challenging economic conditions - 9 Apr 2024
- Albany Bread Girl joy sours to disappointment for content creator and brands - 5 Apr 2024

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>