

2022-23 Global Network Report: Manufacturing

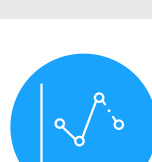
Enable the connected future through smarter networks

Key findings: **Manufacturing sector**

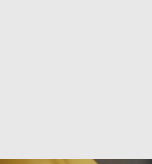
The manufacturing sector is **accelerating network spend** faster than all other industries



75.6% of manufacturers are increasing their network spend, indicating a huge shift in attitude towards the **importance of networks**



Almost two-thirds agree very strongly that networks are **vital for enabling business growth**



However, **68%** say **network maturity** is negatively impacting business delivery

We went deeper to understand this better...



99%

of manufacturers agree that **technology investment and progress** will be instrumental to **future success**

94%

agree that **innovation** is driving new requirements and a move towards **modern, more agile networks**

95%

agree that **evolving work and employee engagement models** are driving new technology demands

The need to drive growth, digitally innovate and enable employee productivity is driving significant change

There is a deepening disconnection between **business strategies and network capabilities**

Manufacturers indicate that these strategies and key business objectives do not align:

48%

say their **network strategy** is not fully aligned with their business strategy

54%

recognize that their **security strategy** is not fully aligned with their business strategy

59%

say their **managed-services strategy** is not fully aligned with their business strategy

1 Importance and value of the network

To combat industry challenges and align various technology strategies, manufacturers recognize the importance of the network in achieving their business objectives

9 out of 10

agree that networks are vital for enabling outcomes related to EX, CX and cost management

but just 42%

are fully satisfied with their network capability

and only 39%

are in advanced stages of modernization and digital optimization

Over 2 in 3

say network maturity is negatively impacting business delivery

93%

still need more consistent and reliable availability, scale and performance

2 To stay ahead of the curve,

manufacturers must **look ahead** and understand how the **network landscape will transform**

98%

agree hybrid working is driving increased network connectivity requirements

75%

believe lack of skills and resources to drive network innovation is a challenge

9 in 10

expect the convergence between the digital and physical worlds to introduce new requirements

Various factors will impact future network architecture requirements

1

Greater network automation

2

Support for IoT connectivity technologies

3

Increasing cloud connectivity

3 How manufacturers will manage and buy networks

The struggle for most manufacturers is how to find the right partner. The results indicate they are somewhat disgruntled with current arrangements

96%

are increasingly looking to partner with managed service providers, ideally with a single provider

86%

would prefer to outsource their end-to-end network to a single (strategic) partner rather than multiple vendors

but 88%

currently buy in silos and/or default to buying from an incumbent



70%

say most of their network infrastructure is **currently managed by an external service provider**, and expect this to rise to **75% in the next 2 years**



92%

agree **strongly** that their organization preference is a **network-as-a-service (NaaS) model**



Top 3 motivators for considering a NaaS model:

- Flexibility to scale and match consumption with business demands
- Supply chain certainty
- Ability to balance opex and capex

4 How networks will be delivered

Manufacturers are reevaluating their security solutions and embracing 5G and cloud while expanding automation

94%

require AIOps, automation and improved analytics to further optimize network operations

Top 3

infrastructures that are planned to be deployed in the next 2 years:

- 5G
- Software-defined Cloud Interconnect
- Multicloud networking

Tools available on current network management platforms include:



Secure connectivity



Secure identity, access & privilege management



Monitoring campus technologies



Inventory management



Service management

Top performing manufacturers* have not only executed most of their priorities effectively but are also **ahead of the curve**

Top performers

ALL

align their **technology strategy to their business goals** compared to 52% in the rest of the industry

90%

are **accelerating investment in digital transformation** compared to 59% of the rest

80%

are in **advanced stages of modernization and digital optimization** compared to 37% of the rest

Top performers are more likely to have implemented **new technologies**

88%

private 5G (vs 47% of the rest)

75%

virtual private LAN (vs 61% of the rest)

88%

edge networking (vs 53% of the rest)

*Top performers are categorized as having >10% year-on-year revenue growth and >15% operating profit margin in the last financial year

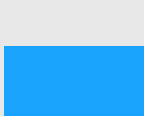
Manufacturers need to act fast to future-proof their network



Unite business and IT goals to achieve your desired ROI



Invest in a partner who moves you away from legacy network assets and helps you stay ahead



Move to an NaaS model to add the flexibility you need to meet changing needs

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