



# Market Analysis

IT Services

## Industry 4.0

### Report Abstract

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58 pages

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Appendix I – Vendors Researched

## Who is This Market Analysis For?

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NelsonHall's Industry 4.0 report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within industrial IT and digital transformation
- Vendor marketing, sales and business managers developing strategies to target Industry 4.0 opportunities
- Financial analysts and investors specializing in the IT services and engineering and R&D (ER&D) services sectors.

## Key Findings & Highlights

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The Industry 4.0 IT services market (\$2.2bn in 2023) is a growing market (2023-2027 CAGR of 11%) initially driven by IoT use cases. The market is driven by clients willing to gain visibility on their plants through analytics and IoT, and deploy AI models, without having to modernize their full plants.

Most contracts are small, ranging from consulting to PoCs leading to relatively small systems integration and deployment contracts. Enterprises award these contracts as independent ones, with few organizations awarding mega-deals. The market will shift to a higher number of systems integration and deployment contracts, as buyers look to progress from their PoCs. Mega-deals will remain scarce, but mid-sized deals will be more frequent, with buyers structuring their spending with a few preferred partners.

IoT (including track-and-trace) is the primary technology used in Industry 4.0. It is complemented by data collection, analytics, and AI. Within AI, computer vision gains in adoption. Other technologies include AR/VR.

IoT continues to play a key role and gets supplemented by other sources of data, mostly internal data from back-end and manufacturing applications. External data such as traffic and weather data become more important for track-and-trace based use cases. AI gains further in strength led by computer vision and across industrial automation & robotics, and 5G.

## Scope of the Report

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The report analyzes the worldwide market for industrial IT services looking at the subset: Industry 4.0 services, i.e., IoT uses relevant to production plants, and use cases related to emerging technologies, such as AR/VR, digital twins, and AI.

It addresses the following questions:

- What is the current and future market for Industry 4.0 IT services?
- What are the client segments for Industry 4.0 and their characteristics? What are the drivers, benefits, and inhibitors for each segment?
- What is the size and growth of the Industry 4.0 markets by geography, service line, and activity?
- How did spending grow in 2020 and how will it increase in 2021 and onward?
- How is the market organized? Who are the main vendors? How can they be assessed and compared? What are vendor challenges and critical success factors by market segment?
- What are the Industry 4.0 offerings and use cases available in the market? Which one has highest growth potential?

## Industry 4.0 Vendor Assessments Available for:

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- Cyient
- DXC Technology
- Eviden/Atos
- Expleo
- LTIMindtree
- LTTS
- Sopra Steria
- Tata Elxsi
- TCS
- Tech Mahindra.

## About The Author

Eric is a Principal Analyst and a member of NelsonHall's IT Services research team.

Prior to joining NelsonHall, Eric's career was in the global IT Services industry, working for EDS, HP, and British Telecom (BT America). His initial experience was in Finance and Accounting, managing financial analysts, and as the controller of HP division Consumer Network Services. Subsequent experience centered on global bid management of strategic deals with over \$50m TCV and complex pursuits involving multi-country and/or multi-service lines. The scope of services in these deals included workplace services, data center, application development, cloud compute, and telephony.

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## About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the 'art of the possible' in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall's research is based on rigorous, primary research, and is widely respected for the quality, depth and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at [guy.saunders@nelson-hall.com](mailto:guy.saunders@nelson-hall.com)

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