

Enterprise 5G: is the Industry 4.0 growth opportunity being overlooked?

EY Reimagining Industry Futures Study 2022

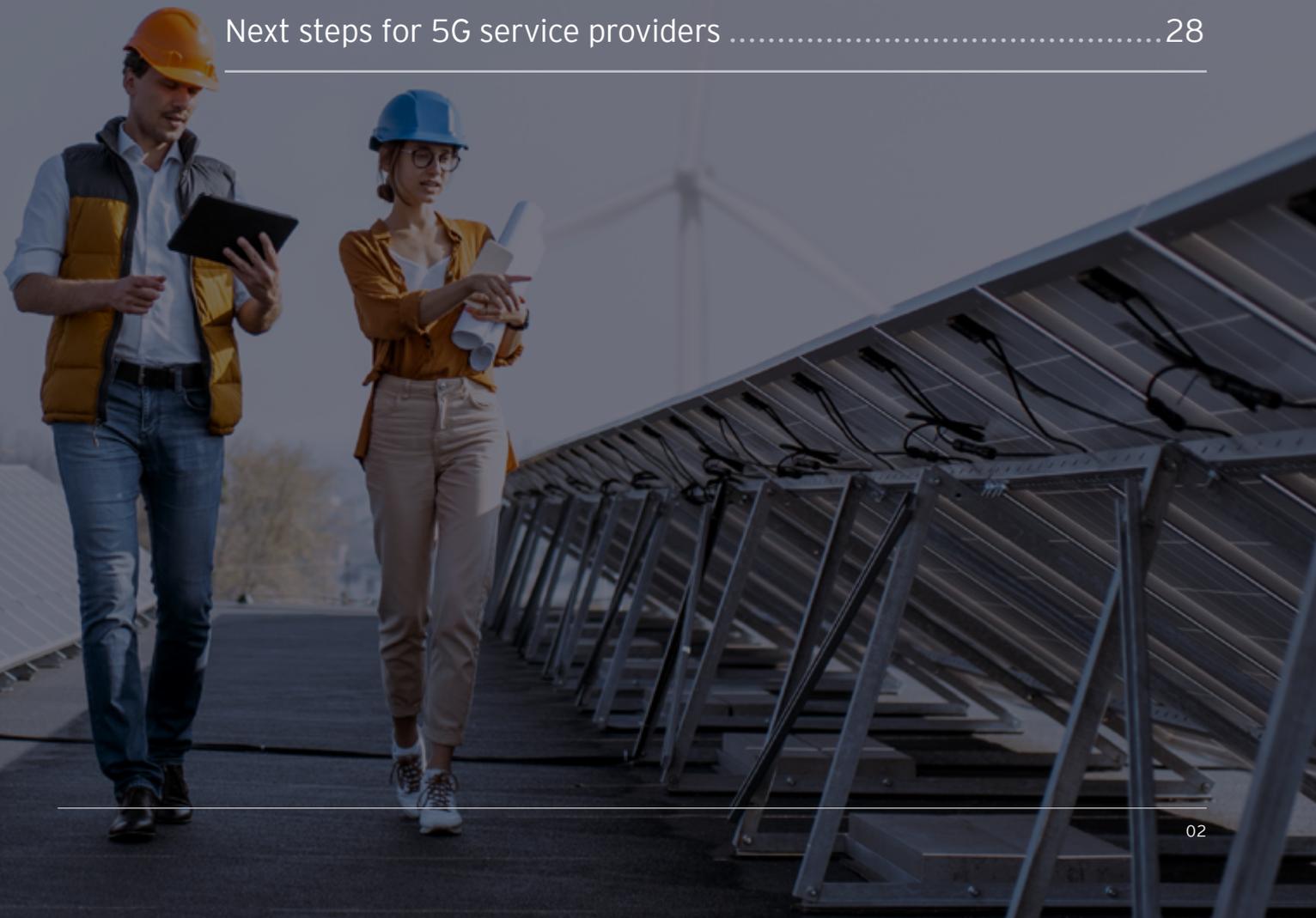


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About this study

The EY Reimagining Industry Futures Study 2022 is based on an online survey of 5G and Internet of Things (IoT) perceptions among 1,018 enterprises worldwide in November and December 2021 – the third time we have conducted this now-annual survey. Respondents were drawn from multiple industry verticals and geographies, with only the responses from those who self-selected as “moderately knowledgeable” or above about IoT or 5G initiatives within their organizations included in the results.

The survey explored executives’ attitudes and intentions toward emerging technologies, with a specific focus on IoT and 5G-based IoT. Themes examined include emerging technology spending intentions and Industry 4.0 use cases delivered by 5G, as well as business’ attitudes to suppliers and collaborative ecosystems. Building on the survey results, this report provides additional insights and recommendations based on enterprises’ usage of 5G-IoT and their evolving relationships with 5G-IoT providers.

Figure 1. Location of survey respondents

% of total respondents

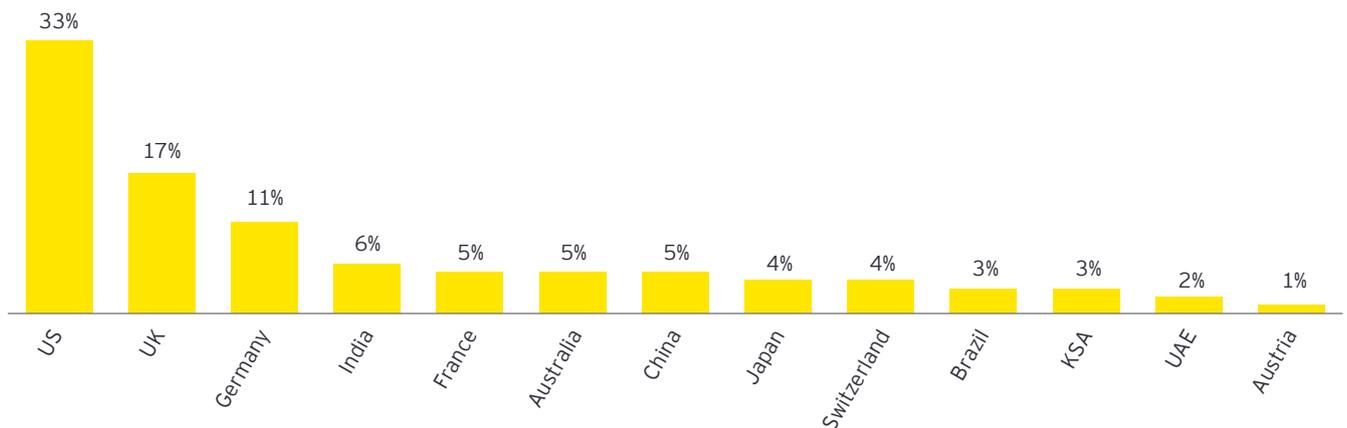
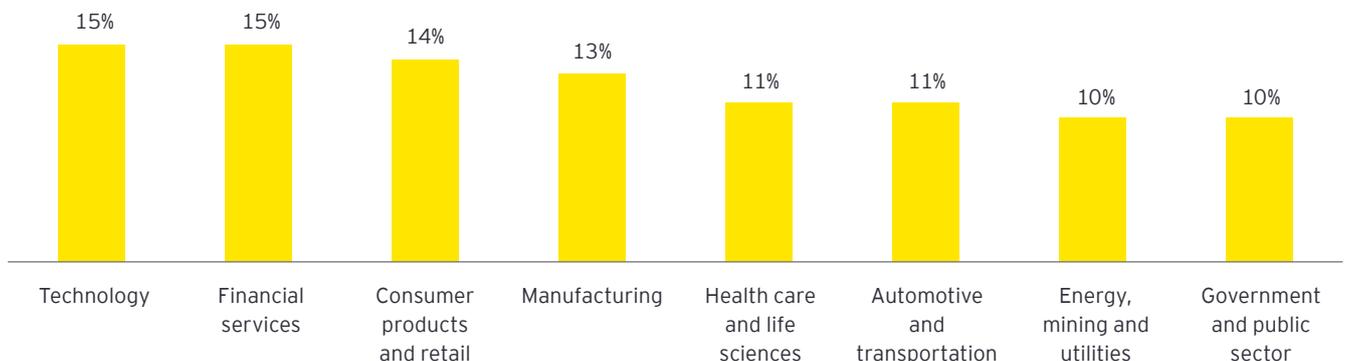


Figure 2. Primary industry of survey respondents

% of total respondents

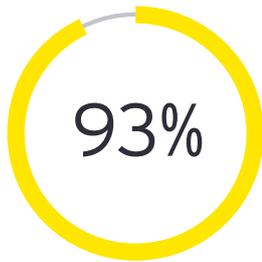


Executive summary

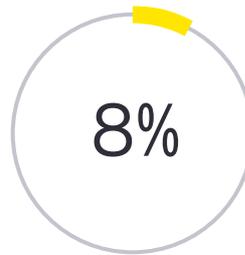
Technology spending intentions are strong but 5G adoption is not guaranteed

The outlook is bright for enterprises' adoption of emerging technologies over the next three years. EY research finds that current and planned investments are rising in five out of eight emerging technology categories, with only automation and blockchain showing a decline of just one percentage point.

5G leads in terms of future spending intentions, with growing enterprise interest spurred by interrelated external factors including the health crisis, supply chain disruption and environmental, societal and governance (ESG) issues. However, long-term adoption of 5G is not guaranteed. Our research shows 70% of Asian companies have intentions to invest in 5G, down from 78% last year. Technology providers should recognize that, even as 5G becomes more mainstream, some organizations may become less not more receptive to it.



of enterprises are currently investing – or planning to invest – in analytics or artificial intelligence (AI).



year-on-year decline in the proportion of Asian companies currently investing or planning to invest in 5G technology.



Efficiency and resilience needs dominate enterprise 5G-IoT strategies

When asked about their 5G and IoT strategies, enterprises say they're focusing more on reaping efficiency and optimization benefits and less on driving positive top-line impact. Increasing IoT's contribution to operational efficiency is organizations' top IoT priority, while "systems and process optimization" is the leading 5G-IoT application scenario.

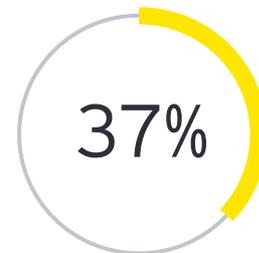
Mirroring these findings, fewer enterprises compared with last year regard new products and service creation as a rationale for spending on IoT, while sophisticated 5G use cases featuring virtual reality (VR) or augmented reality (AR) are rated as a key application by only 28% of respondents, against 49% favoring process optimization.

Meanwhile, the same factors that are fueling greater interest in 5G – ESG considerations, for example – are also translating into new demands on technology providers. Among respondents, 47% of businesses don't think the use cases offered by vendors adequately meet their sustainability needs. Altogether, these attitudes signal a more defensive approach toward 5G-IoT, with enterprises most interested in its ability to deliver greater organizational effectiveness and efficiency.

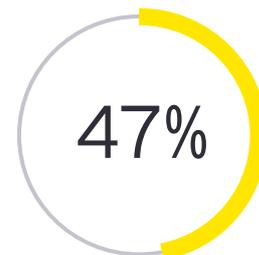
Enterprises are receptive to new ways of purchasing and deploying 5G

Enterprises are becoming receptive to 5G solutions that are delivered through disruptive business models. Half of our respondents rate the purchase of private network capabilities as an important 5G investment strategy for their business, citing a range of benefits led by greater network control and improved network reliability. Private network capabilities now ranks alongside low latency as a perceived benefit of 5G technology, cited by 43% of enterprises globally.

Even more – 71% – would be interested in buying 5G through an intermediary such as a mobile virtual network operator (MVNO), while 64% say that directly acquiring 5G spectrum could be important. Taken together, these disruptive customer signals suggest that telcos' traditional relationships with enterprise customers are under pressure – and that more agile go-to-market strategies are essential in a 5G-IoT world.



of enterprises cite increasing IoT's contribution to operational efficiency as an IoT priority, up from 30% last year.



of enterprises don't think the 5G or IoT use cases offered by vendors adequately address their organization's sustainability needs.



of enterprises rate the purchase of private network capabilities as an important 5G investment strategy.

5G's relationship to other technologies is in focus but potential cyber risks receive less attention

Businesses cite poor understanding of 5G's relationship to other emerging technologies as their number one internal challenge, up from fifth last year. At the same time, organizations' top 5G priority is exploring its relationship to other technologies, underlining that companies are looking to exploit the mutually beneficial combination of a range of "frontier" technologies. The focus on understanding and exploring these linkages is telling, implying that organizations require ongoing education around the basics of new technologies.

Turning to external challenges – those outside organizations' control – the lack of clarity around national 5G policies and regulations emerges as this year's top concern, having ranked sixth last year. However, mitigating cybersecurity risks relating to 5G ranks only sixth as an enterprise priority this year. Enterprises should ensure that "security by design" principles underpin their deployment of 5G and related emerging technologies.

Network vendors are gaining trust as transformation experts, while telcos are lagging

As enterprises look to their technology and telecoms providers to support their 5G journeys, our findings cast an interesting light on the selection criteria they apply. Competitive pricing dominates as the top attribute currently sought by enterprises in vendors, overtaking speed of execution. And looking to the future, enterprises rate suppliers' ability to co-create and customize solutions as the two most desirable attributes.

The importance of co-creation and customization underlines how enterprises are looking for transformation partners, not just technology suppliers. However, enterprise opinions are divided on which suppliers have the digital transformation expertise they need. Application and platform vendors lead on 55%, narrowly ahead of professional services firms (53%), while network equipment vendors (30%) are gaining ground year on year.

Yet, telcos lag behind: only 19% of enterprises regard them as digital transformation experts. Although they top score as IoT experts (54%), they are much less trusted to deliver transformation through new forms of connectivity.



39% of enterprises cite exploring 5G's relationship to other emerging technologies as a future 5G priority, the number one response.

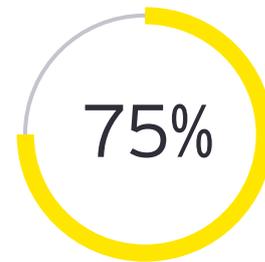


30% of enterprises trust network equipment vendors as digital transformation experts – up from 19% last year.

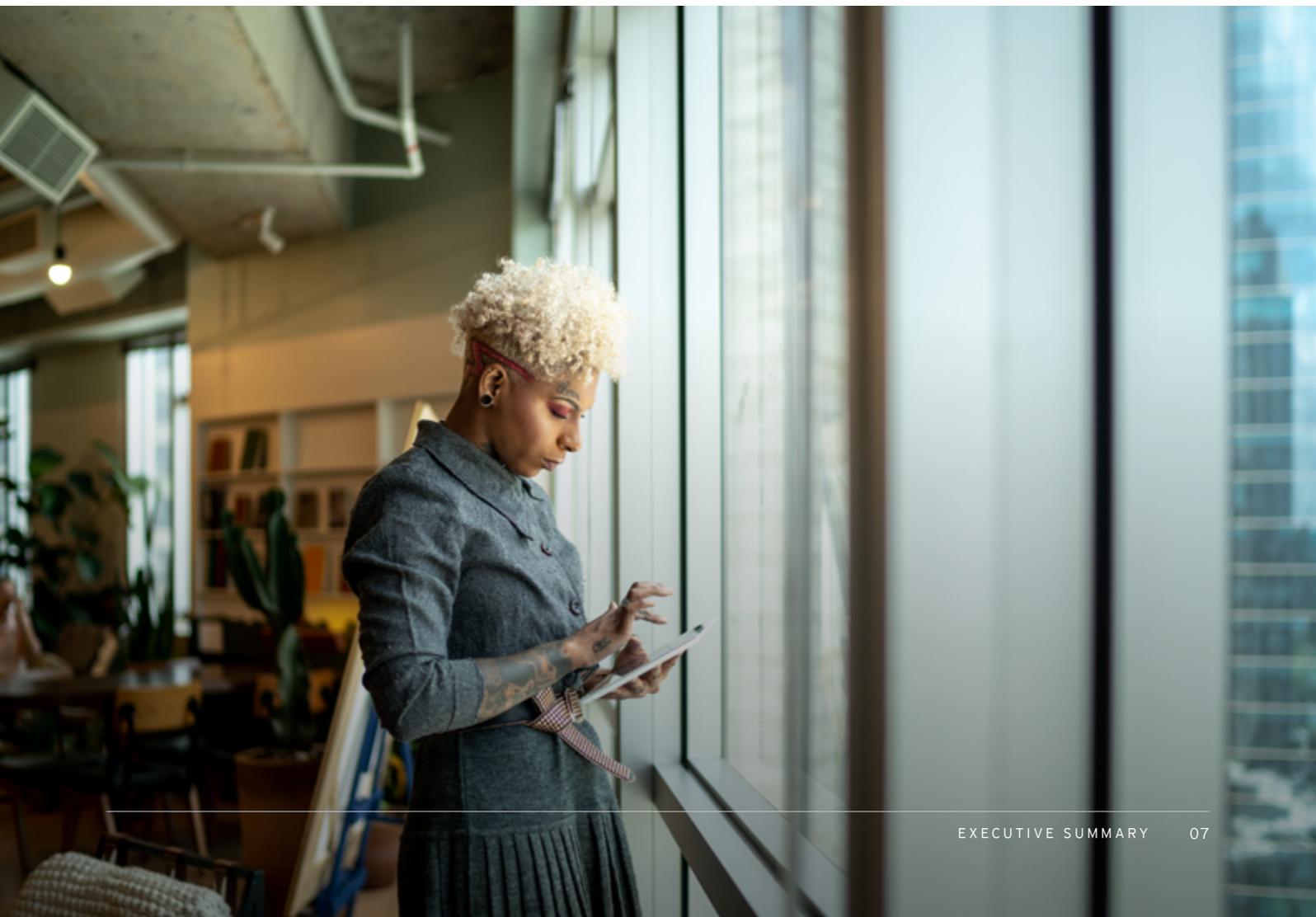
Enterprises' ecosystem strategies are becoming more ambitious: 5G providers that can meet these needs will thrive

Ecosystem collaboration stands out as an essential route toward new skills and knowledge among enterprises. 69% already collaborate with other organizations within business ecosystems, and three-quarters believe ecosystem strategies will be central to their five-year growth outlook.

Crucially, the drivers of ecosystem strategies are becoming more ambitious, with a growing emphasis on rationales such as developing cross-sector partnerships and shortening time-to-revenue for new products and services. With 73% of respondents saying they'll prioritize suppliers that can offer relevant ecosystem relationships as part of their 5G capabilities, it's clear that 5G providers must tap into fast-changing corporate ecosystems if they are to meet their enterprise customers' expectations.



believe that ecosystem strategies will become a significant driver of their organization's growth in the next five years.



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DETAILED SURVEY FINDINGS

Emerging technologies: adoption outlook

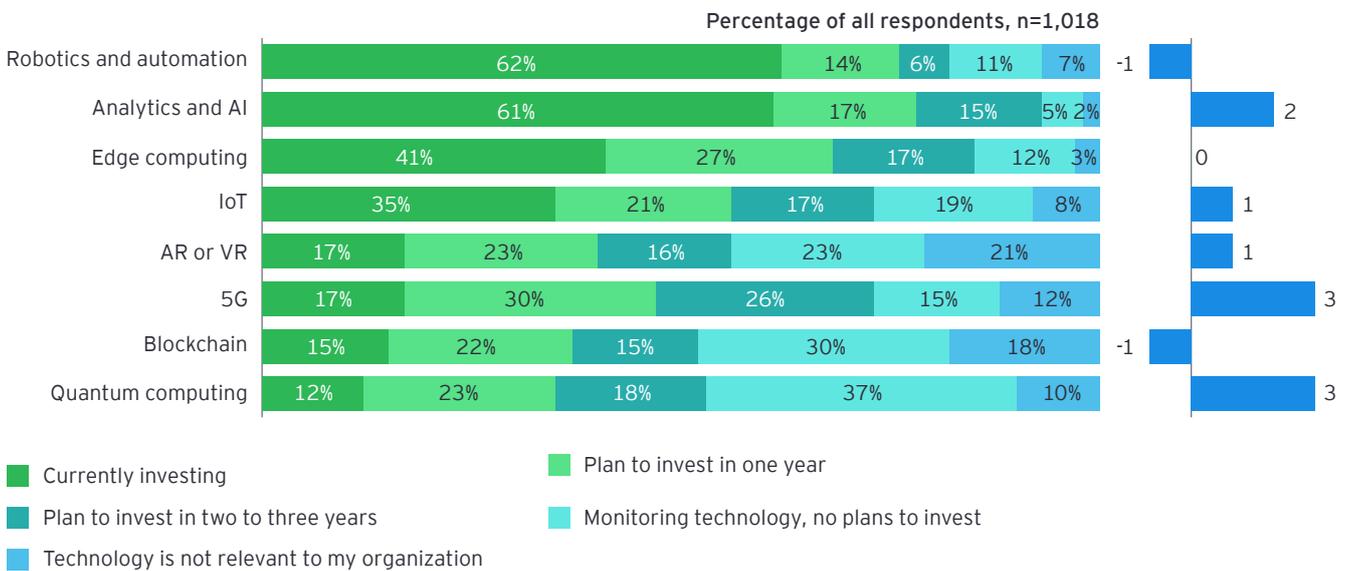
Emerging technologies are penetrating more deeply into the enterprise

Enterprises are continuing to invest strongly in emerging technologies. Aggregate levels of current and planned investment have risen year on year in five of eight emerging technologies tracked in our study. AI remains the best-placed of all emerging technologies in terms of current and future investment, with 93% of organizations open to investment. Considering planned investment only, 5G has the best profile – with 56% aiming to invest in it over the next one to three years – followed by edge computing on 44%.

Figure 3. Investment in emerging technologies

Which of the following emerging technologies is your organization investing in?

Year-on-year change in current or planned investment (%)



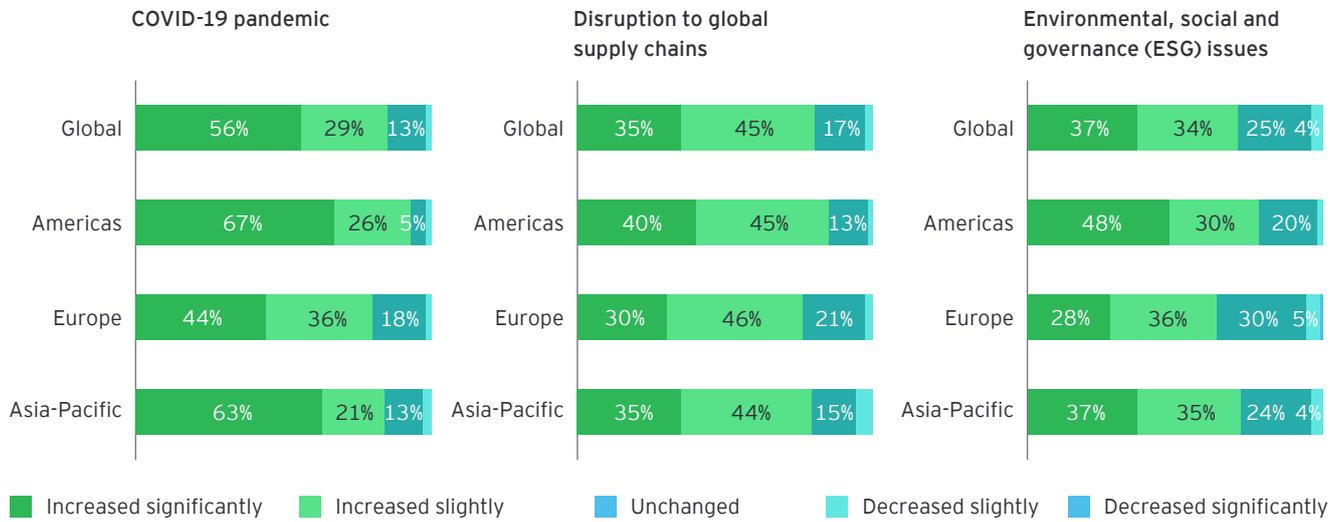
A range of external factors are driving greater interest in 5G and IoT

Enterprises' rising interest in 5G and IoT is being fueled by a range of external developments – with ESG issues and supply chain disruption compounding the pervasive impacts of the health crisis. In our study last year, 52% of respondents cited the COVID-19 pandemic as driving higher interest in 5G, and that figure has leapt to 85% this year, as shown in Figure 4. Meanwhile, 80% of organizations say disruption to global supply chains has spurred their interest in 5G, and 71% cite growing corporate focus on ESG issues as a driver. Interestingly, respondents in the Americas are the most likely to say each of these factors has made their organization significantly more interested in 5G.

Last year, 52% of respondents cited the COVID-19 pandemic as driving higher interest in 5G, and that figure has leapt to 85% this year

Figure 4. External factors impacting enterprise interest in 5G and IoT

How have the following external factors affected your organization's interest in 5G and IoT?



All industries expect an acceleration in 5G investment relative to legacy IoT

A breakdown by industry of current and planned investment levels in IoT and 5G shows that companies in all sectors are anticipating that 5G investment will accelerate relative to legacy IoT in the next three years. The gap between current investments in 5G and IoT is widest in energy and manufacturing, reflecting these industries' established positions in IoT. Looking forward, investment intentions in 5G are set to continue to outpace those in IoT, with the uplift most pronounced in manufacturing and government. Among respondents in these sectors, 59% are planning 5G investments in the next one to three years.

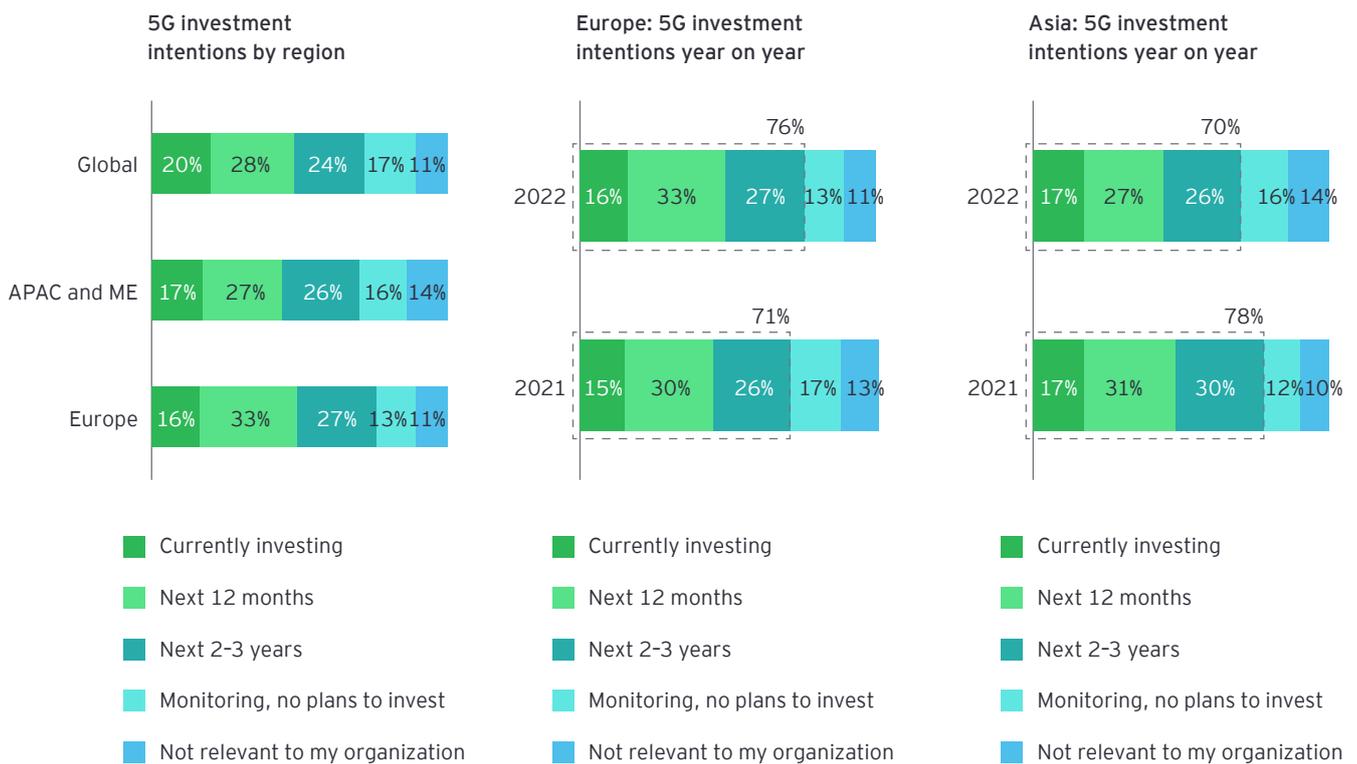


5G investment intentions have dropped year on year in Asia-Pacific and the Middle East: 70% of enterprises are investing or will invest in 5G, a year-on-year decline of eight percentage points

5G investment intentions vary by region, with Asia lowering its sights

While 5G investment intentions remain strong across sectors, a breakdown by region reveals a more mixed picture. Enterprises in the Americas are leading the way on current 5G investment, with one in five investing today (see Figure 5). However, future spending intentions over the coming three years are highest in Europe, marking a turnaround from last year when Europe's 5G investment plans lagged other regions. Conversely, 5G investment intentions have dropped year on year in Asia-Pacific and the Middle East: 70% of enterprises are investing or will invest in 5G, a year-on-year decline of eight percentage points. This is instructive, suggesting that continuing 5G adoption is not a foregone conclusion in all regions.

Figure 5. Current and future 5G investment



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DETAILED SURVEY FINDINGS

Enterprise IoT: current drivers and future priorities

Efficiency and optimization benefits are driving IoT spend

EY research indicates that interest among enterprises in IoT's potential to support and drive innovation is not being mirrored by a focus on using it to create new services or business models. The top drivers of IoT spend remain unchanged from previous years, with the main goals being to improve data management, boost workforce productivity and optimize systems and processes. Enhancing energy efficiency also ranks prominently as an IoT rationale, especially among respondents in Asia-Pacific.

However, organizations are less focused on realizing top-line benefits from IoT spend. That said, the proportion of respondents citing improved R&D and innovation capabilities as a driver of IoT investments has risen to 38%, up from 33% last year. While IoT is clearly relevant to the innovation agenda, enterprises are less confident about the direct role it can play in new products and services.

IoT's future contribution to top-line growth takes a back seat

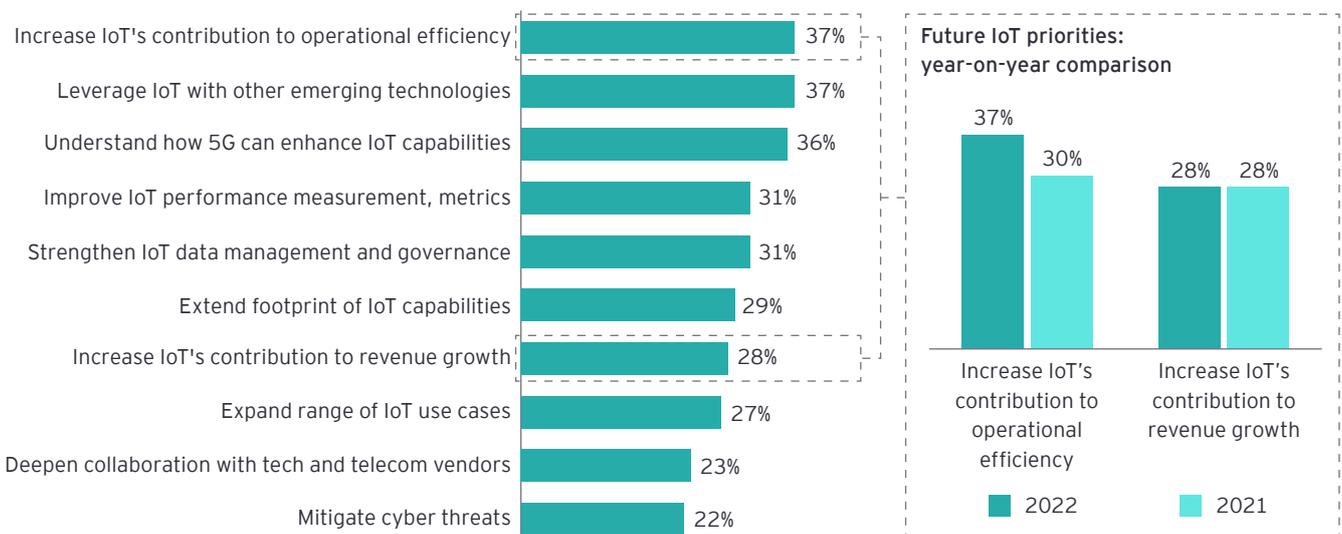
Turning to enterprises' future priorities for IoT, there is a greater focus on IoT's potential to enhance operational efficiency than its ability to help drive growth in the top line. Among respondents, 37% of companies with IoT investment plans are looking to increase IoT's contribution to operational efficiency objectives, up from 30% last year. By contrast, improving IoT's contribution to top-line growth has slipped to seventh in the ranking of priorities from fourth last year. Combined with the findings on the rationales for IoT spend, these responses suggest the IoT's role as an engine of new revenue streams and business models is a lower priority compared with previous years.

Improving IoT's contribution to top-line growth has slipped to seventh in the ranking of priorities from fourth last year

Figure 6. Future IoT priorities

What are your organization's most important IoT priorities in future?

Percentage of respondents, n=746 (enterprises currently investing or planning to invest in IoT)



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DETAILED SURVEY FINDINGS

5G-based IoT: trends and takeaways

Planned and live 5G deployments are trending up

The organizations participating in our study report a growing adoption of 5G both in terms of live services and planned deployments. The proportion engaged in live deployments has risen from 3% in 2020 to 8% in 2021 and 11% in 2022, while the percentage planning adoption is up from 22% last year to 25% today. However, the share of respondents engaging in trials and testbeds has declined, and almost one-third (31%) are still only at the discussion stage with suppliers. European enterprises are more likely (36%) and those in the Americas less likely (29%) to be currently involved in testbeds. Looking across industry verticals, automotive leads on testbeds (43%), with manufacturing the least involved (27%).

Enterprises are open to disruptive purchasing models

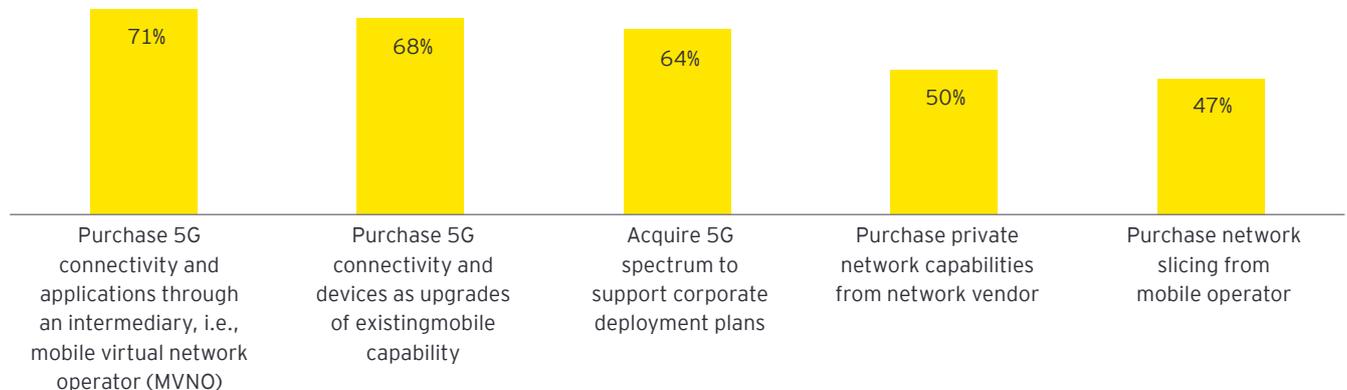
With 5G deployments ramping up, enterprises are open to a range of purchasing models. 77% are interested in using private networks to support 5G and IoT use case implementation. When asked about their most important 5G investment strategies, 71% cite buying connectivity and applications via an intermediary such as an MVNO, with direct acquisition of spectrum and purchase of private network capabilities also prominent. With a range of different options under consideration, the traditional relationship between mobile network operators and their enterprise customers is under pressure.

The traditional relationship between mobile network operators and their enterprise customers is under pressure

Figure 7. Enterprises' preferred purchasing models for 5G

What would be your organization's most important 5G investment strategies?

Percentage of respondents currently investing or planning to invest in 5G, n=744



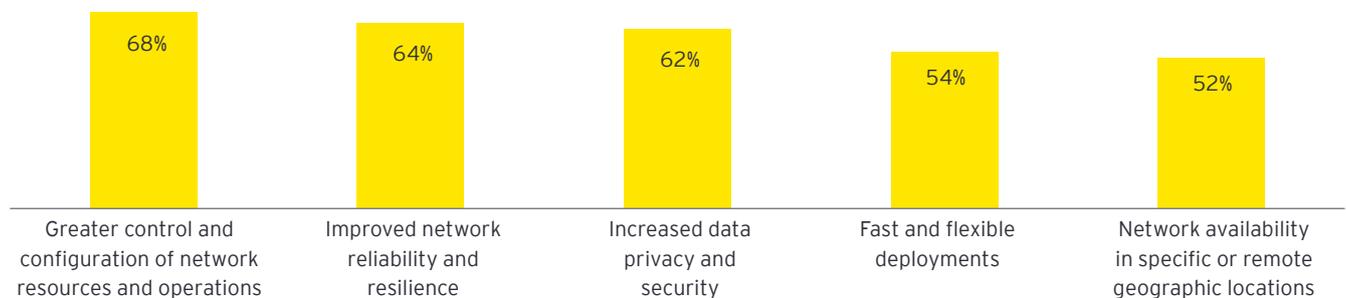
Private network deployments hold a number of attractions

When asked to rate the overall benefits of 5G, private network features rank alongside low latency capabilities – each are cited by 43% of respondents. Zeroing in on the specific advantages offered by private networks, more than half of respondents cite greater control of network operations through to increased reliability, security and agility (see Figure 8). Enterprises in the Americas particularly value private networks' increased data privacy and security – cited by 68%, their top response – while those in Asia are the most likely to emphasize their greater control and configuration of network resources and operations (74%). These findings point to a relatively defensive mindset, with enterprises keen on reliability and control.

Figure 8. Benefits of private mobile networks

What do you see as the most important benefits of private mobile networks for your organization?

Percentage of respondents that select "purchase private network capabilities" as a leading investment strategy n=372



More sophisticated 5G applications hold less appeal

When it comes to 5G-IoT application types, enterprises have a range of use case clusters in their sights. As Figure 9 shows, solutions offering systems and process optimization rank first (49%), ahead of critical infrastructure and control (46%), the leading application scenario last year. Remote working is cited by 27% of respondents, up sharply from 13% last year and reflecting the growing importance of remote and hybrid workforce models in the wake of the COVID-19 pandemic.

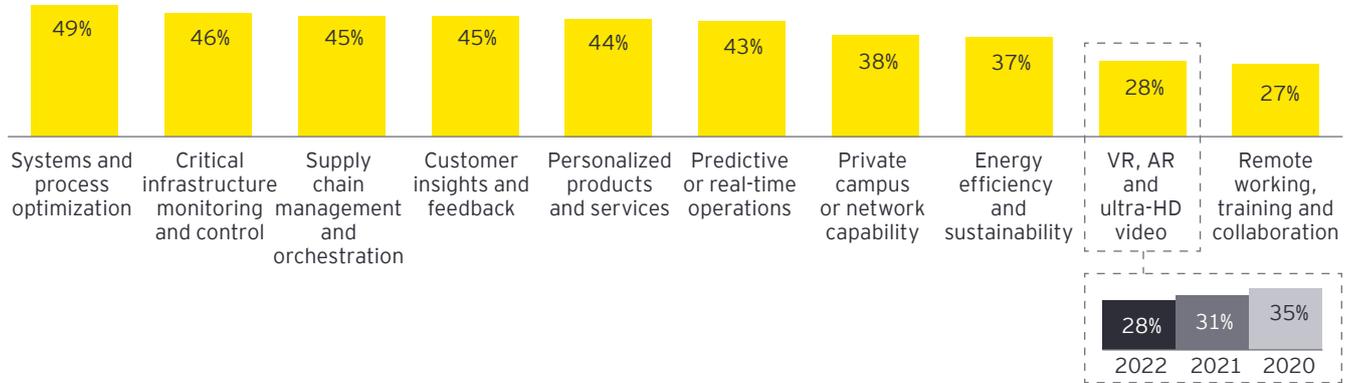
More sophisticated use cases with greater
ultra-low latency and edge processing
requirements hold lesser appeal to enterprises

However, VR, AR and ultra-HD video are rated as significant by just 28% of respondents, trending downward year on year, while predictive services are not among the front-running applications. More sophisticated use cases with greater ultra-low latency and edge processing requirements hold lesser appeal to enterprises.

Figure 9. Demand for 5G-based IoT by application type

Which are or will be the most significant 5G-based IoT application scenarios for your organization?

Percentage of respondents, n=746 (enterprises currently investing or planning to invest in IoT)



Enterprises are seeking 5G and IoT cases that meet their real-world needs

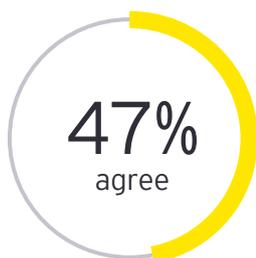
While the transition to 5G and IoT capabilities is a long-term journey, enterprises expect these technologies to help them meet their current corporate priorities and stakeholder demands. Indeed, the majority of businesses are more interested than before in use cases that can help meet sustainability goals (68%) or deliver supply chain improvements (65%).

While the transition to 5G and IoT capabilities is a long-term journey, enterprises expect these technologies to help them meet their current corporate priorities and stakeholder demands

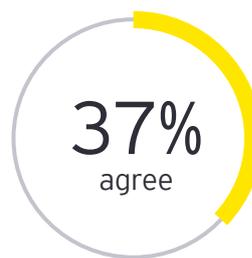
However, many businesses are not satisfied that vendors' current offerings cater to these real-world needs: 47% think the 5G and IoT use cases on offer don't adequately address their business's sustainability requirements, rising to 56% of automotive respondents. Meanwhile, 37% of all enterprises don't believe that vendors' current use cases meet their business resilience and continuity needs, a view taken by 47% of manufacturing companies.

Figure 10. Attitudes to vendor 5G and IoT solutions

5G and IoT use cases offered by vendors do not adequately address my organization's sustainability needs



5G and IoT use cases offered by vendors do not adequately address my organization's business resilience and continuity needs



4

DETAILED SURVEY FINDINGS

Enterprise 5G: pain points and priorities

Poor understanding of 5G's relationship to other emerging technologies and national 5G policies lead the list of worries

Asked to cite their main internal challenges around 5G, organizations point first to poor understanding of 5G's relationship to other emerging technologies – a pain point that has leapt from the fifth position in last year's ranking (see Figure 11). Concern around the complexity of integrating 5G with existing technologies still features prominently, slipping from first to second.

When it comes to external factors beyond their control, businesses are most sensitive to limited clarity on 5G policy or regulations, an issue cited by 38% of organizations compared with 30% last year

When it comes to external factors beyond their control, businesses are most sensitive to limited clarity on 5G policy or regulations, an issue cited by 38% of organizations compared with 30% last year. Health and environmental concerns also remain in the top five. Taken together, these views appear to reflect the ongoing drip-feed of news about governments' policies toward some network vendors and the growing importance of ESG frameworks.

Figure 11. Top five internal and external 5G challenges

Which are the most critical internal challenges informing your organization's view of 5G?

2021	2022	
5	1	Poor understanding of 5G's relationship to other emerging technologies
1	2	Complexity of integration with existing technology and processes
4	3	Limited relevance of 5G to overall business or technology strategy
3	4	Limited awareness of 5G supplier ecosystem
2	5	Uncertainty on organizational deployment scenarios and timing

Which are the most critical external challenges informing your organization's view of 5G?

2021	2022	
6	1	Lack of clarity on national 5G policy or regulations
1	2	Perceived immaturity of 5G technology
2	3	Increased vulnerability to cybersecurity and data protection risks
3	4	Increased reliance on technology partners
5	5	Health and environmental concerns

5G's impact on organizations' cyber profile ranks further down the list of priorities. Given the wider range of potential attack surfaces in a 5G-based IoT environment, this could become a dangerous blind spot going forward in some regions

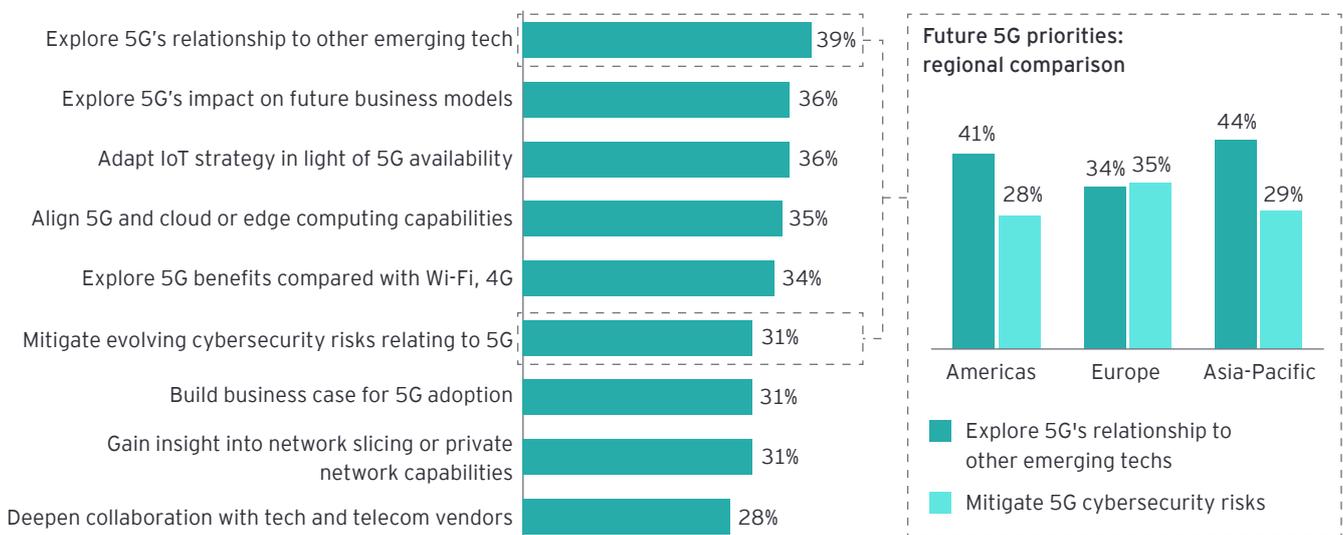
Technology alignment leads as a 5G priority with cybersecurity concerns less prominent

Given respondents' high level of concern over understanding 5G's relationship to other emerging technologies, it's little surprise that exploring this issue remains enterprises' top priority going forward, cited by 39% of organizations. However, 5G's impact on organizations' cyber profile ranks further down the list of priorities. Given the wider range of potential attack surfaces in a 5G-based IoT environment, this could become a dangerous blind spot going forward in some regions, particularly for enterprises in Americas and Asia.

Figure 12. Future 5G priorities

What are your organization's most important 5G priorities in future? (Please select three).

Percentage of respondents, n=744 (enterprises currently investing or planning to invest in 5G)



Businesses believe AI has the most to offer as a complement to 5G

As enterprises weigh up which emerging technologies can best complement their investments in 5G and IoT, AI top scores (73%). Lower down the list, VR/AR (at 42%, up from 33% last year) and blockchain (37%, up from 30%) are gaining mindshare as technologies with a beneficial relationship with 5G and IoT. The uptick is interesting in the case of VR/AR since the perceived positive relationship is not mirrored by a growing focus on 5G use cases making the most of VR/AR capabilities.

5

DETAILED SURVEY FINDINGS

The view of the vendor

Co-creation and customization: the winning vendor capabilities of the future

The leading attributes that enterprises are seeking in their technology providers are evolving. Competitive pricing and professional services capabilities have risen to first and third place respectively as current attributes. In contrast, service co-creation and customized solutions lead as attributes that will be valued in years to come.

Figure 13. Top five desired vendor attributes – now and in the future

What are the most important attributes sought in your ICT vendors now? (Please select three).

2021	2022	
2	1	Competitive pricing or pricing model
1	2	Speed of deployment and execution
8	3	Professional service capabilities
7	4	Understanding of broader business or industry needs
5	5	End-to-end solution capabilities

What are the most important attributes sought in your ICT vendors in the future? (Please select three).

2021	2022	
3	1	Ability to co-create new products and services
7	2	Ability to customize and tailor offering
1	3	End-to-end solution capabilities
6	4	Competitive pricing or pricing model
2	5	Speed of deployment and execution

Network vendors are increasingly trusted as transformation experts – with telcos still lagging

Asked which types of ICT supplier they regard as the most capable of providing them with new technology use cases and measurable outcomes, the enterprises in our study rank

IT services providers ahead of types of ICT suppliers for both capabilities. In terms of specific expertise accorded to technology providers, perceptions are changing year on year. As Figure 14 shows, telcos continue to enjoy the highest customer trust for IoT expertise (54%), but others are gaining ground, including network equipment vendors (32%) and application or platform vendors (27%).

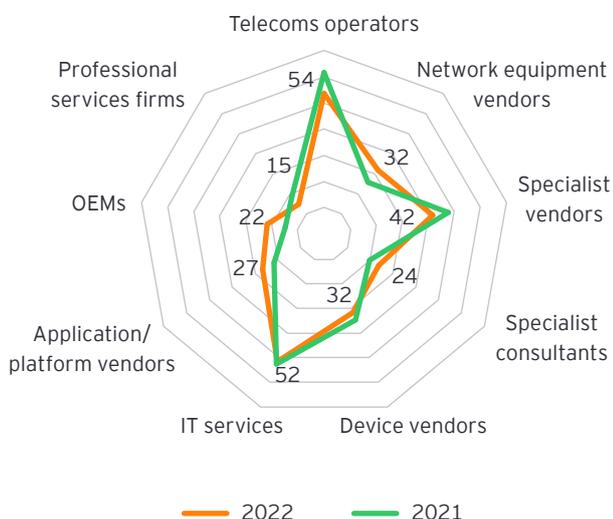
Enterprise views of technology providers' digital transformation capabilities are shifting even more sharply. Both specialist vendors (34%) and network vendors (32%) are viewed more positively than before, while perceptions of expertise among IT services providers and specialist consultants have declined year on year. Notably, telcos still face a significant credibility gap: only 19% of enterprises view them as digital transformation experts, with no tangible improvement year on year.

Telcos still face a significant credibility gap: only 19% of enterprises view them as digital transformation experts, with no tangible improvement year on year

Figure 14. Enterprise perceptions of supplier expertise in IoT and digital transformation

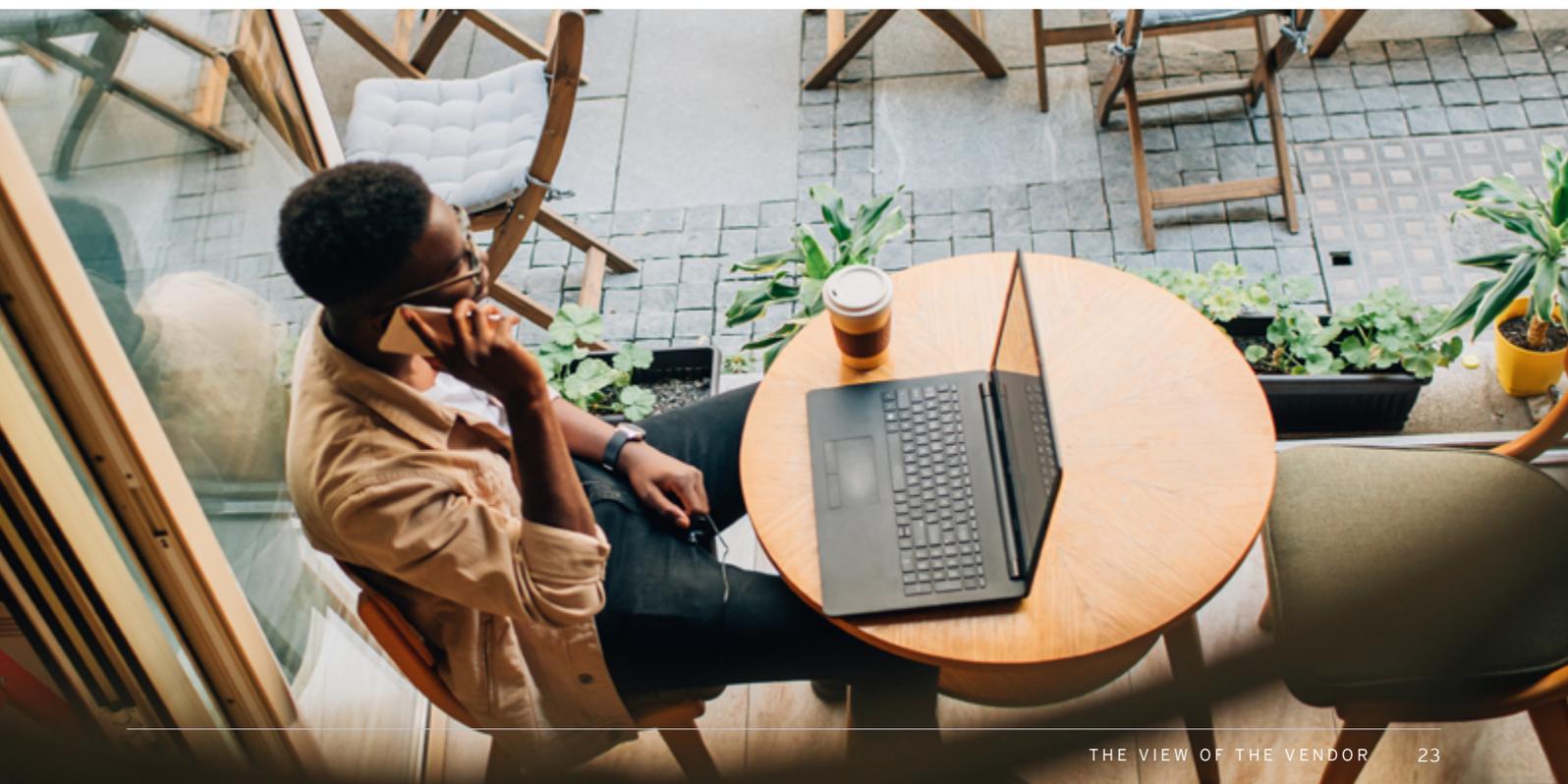
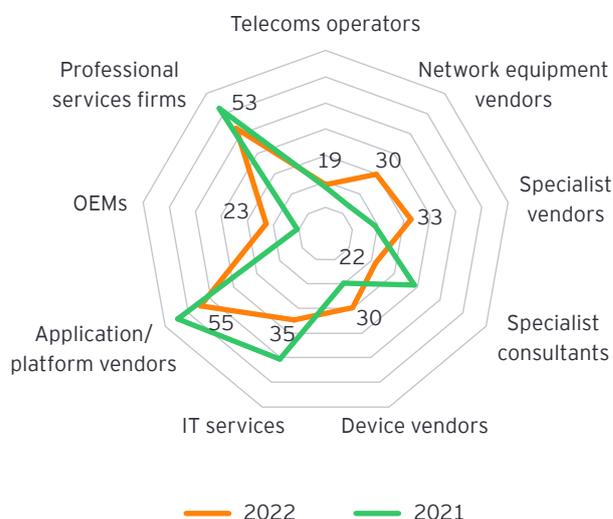
Which types of ICT supplier are most trusted as IoT experts by your organization?

% all respondents



Which types of ICT supplier are most trusted as digital transformation experts by your organization?

% all respondents



6

DETAILED SURVEY FINDINGS

Ecosystem engagement and outcomes

Collaborative ecosystems: central to the enterprise growth agenda

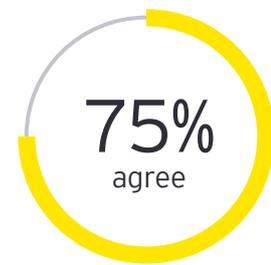
69% of the enterprises in our study collaborate with other organizations as part of a business ecosystem, unchanged from the previous year. Nevertheless, the expectation is that ecosystems will become even more important in the future. An even higher proportion (75%) agree that ecosystem strategies will become a significant driver of their organization's growth over the next five years, led by enterprises in the Americas (87%).

The drivers of ecosystem collaboration are becoming more ambitious

When enterprises are asked about their reasons for collaborating within ecosystems, access to new skills and knowledge remains the top rationale, although this objective was less popular than last year. Other rationales are rising substantially in importance – notably vertical partnerships with companies in other sectors (36%), reducing the costs of innovation (33%) and shortening the time to revenue for new services (30%). Taken together, these findings show that enterprises are laying greater stress on collaboration across sector boundaries and are more cognizant of the financial advantages that ecosystems confer. At a regional level, enterprises in the Americas are particularly looking to use collaboration to achieve reduced innovation costs (37%), while shortened time to revenue ranks second as a driver of ecosystem collaboration for companies in Europe (37%).

Figure 15. Enterprise views on the relationship between ecosystems and growth

Ecosystem strategies will become a significant driver of my organization's growth over the next five years

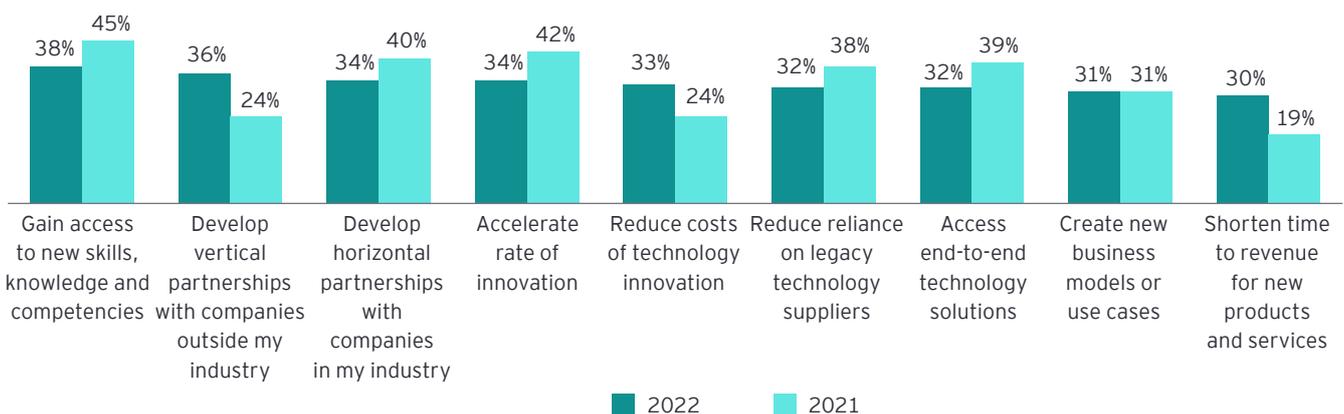


Enterprises are laying greater stress on collaboration across sector boundaries and are more cognizant of the financial advantages that ecosystems confer

Figure 16. Drivers of ecosystem collaboration among enterprises

What are the drivers of your organization's collaboration with other organizations as part of an ecosystem?

Percentage of respondents, n=698 (enterprises collaborate with others as part of an ecosystem)





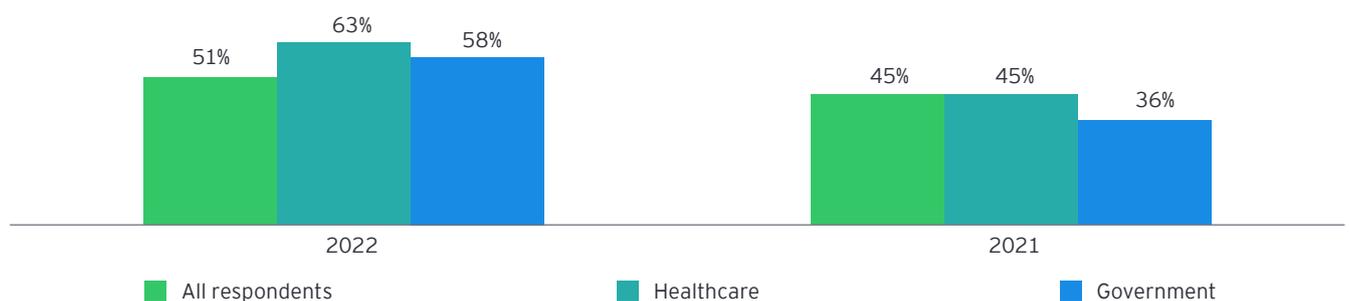
Many organizations fear ecosystems strategies lack prioritization

According to our respondents, the biggest inhibitor of ecosystem collaboration is a lack of strategic alignment between participants – a barrier that’s cited by 40% globally and rated as the number one inhibitor in each of the three regions. It also ranks as the top inhibitor in six of eight sectors, with automotive (48%) and health care companies (46%) the most exposed. However, EY research also highlights growing internal pain points. 51% of respondents agree that their organization views collaborative innovation as merely “nice to have,” up from 45% a year ago. Enterprises in the Americas are most concerned about this issue – at 56% – while the year-on-year increase in concern is most pronounced among healthcare and government respondents.

Figure 17. Prioritization of innovation through collaborative ecosystems

My organization currently views innovation through collaborative ecosystems as “nice to have” rather than mission critical

Percentage of respondents, agree



Enterprises will prioritize 5G suppliers that deliver ecosystem-based benefits

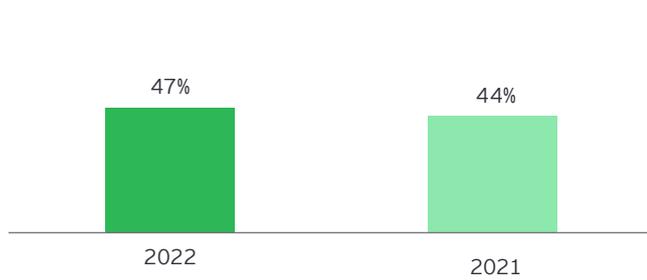
Ecosystem collaboration is not only increasingly central to enterprises’ future growth – but also a more important consideration when they select technology providers. Suppliers that can clearly articulate their role within industry ecosystems stand to gain an edge in the marketplace: 47% of enterprises would prioritize them as a result. What’s more, 73% of enterprises are even more likely to prefer suppliers that offer ecosystem relationships as part of their 5G capabilities. In both instances, enterprise receptivity is rising year on year and respondents with IT roles over-index.

Suppliers who can clearly articulate their role within industry ecosystems stand to gain an edge in the marketplace

Figure 18. Enterprises attitudes to suppliers' ecosystem capabilities

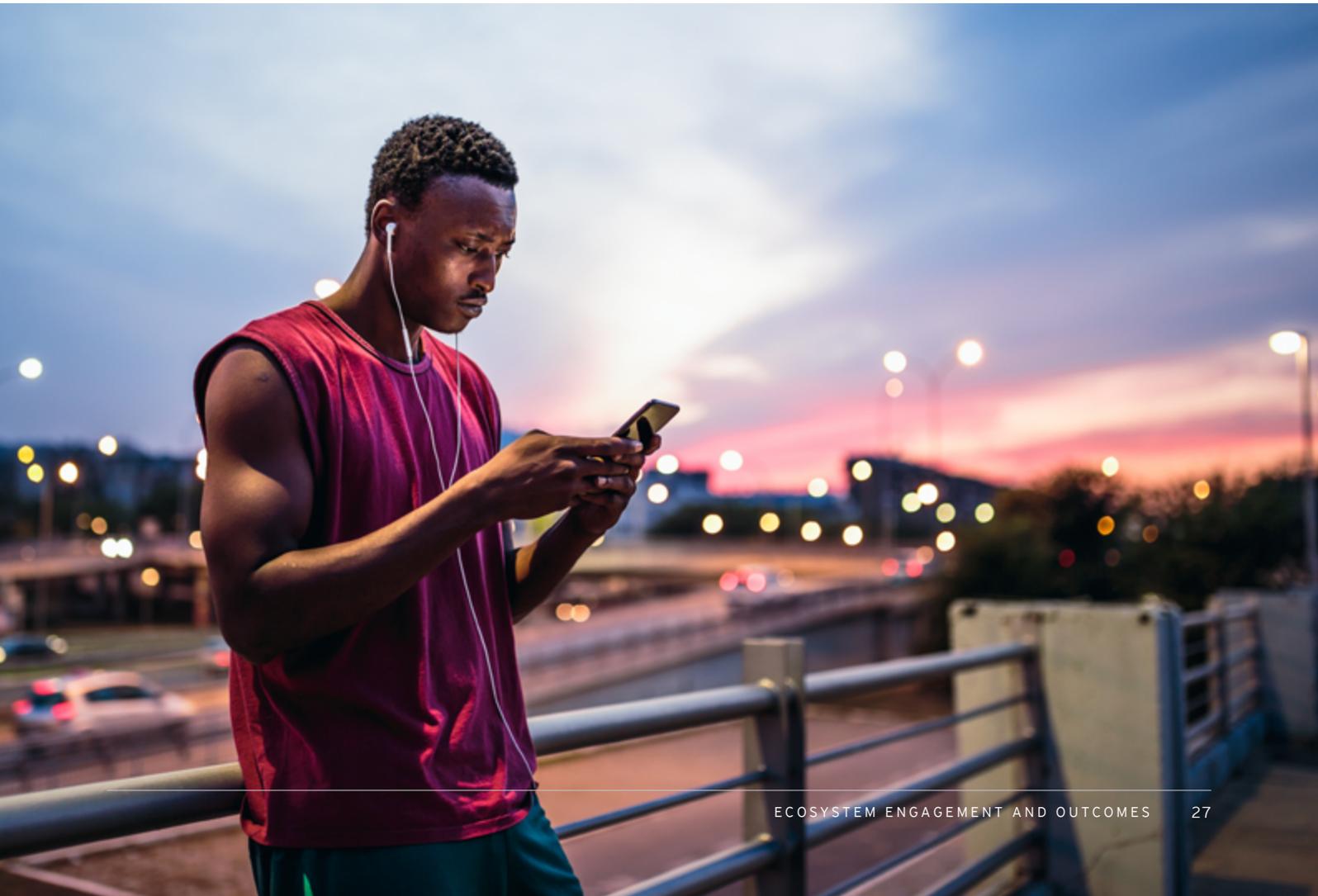
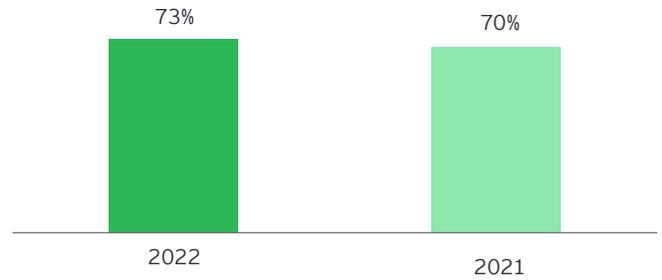
My organization will prioritize vendors that can clearly articulate their role in changing industry ecosystems

Percentage of respondents, agree



My organization will prioritize vendors that can provide relevant ecosystem and executive relationships as part of their 5G capabilities

Percentage of respondents, agree



Next steps for 5G service providers

Enterprises' confidence in their 5G implementations is stalling

Despite healthy levels of current and future spending on a range of emerging technologies, and growing interest in Industry 4.0 applications in the wake of the COVID-19 pandemic, the world of industrial 5G faces some significant challenges. The degree to which enterprises are convinced about the 5G opportunity is in question: as Figure 19 shows, only 24% of respondents are very confident that their organization has the ability to successfully implement 5G, a marginal decline on last year, albeit up from 2020.

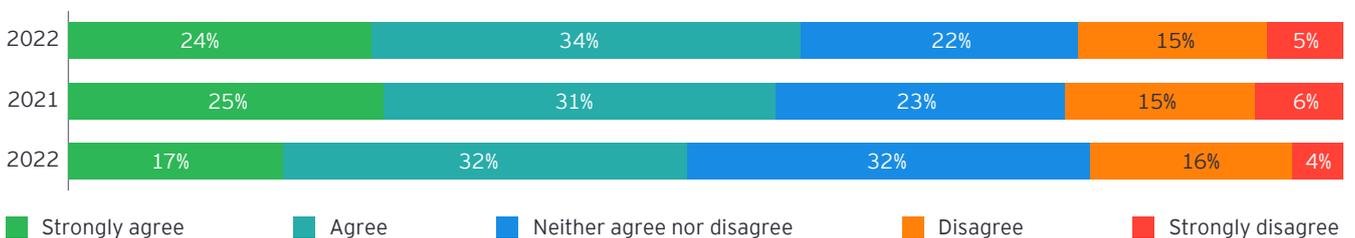
A more defensive mindset toward 5G and IoT has taken hold – one that prizes efficiency and optimization ahead of entering adjacent markets and driving top-line growth

It seems that a more defensive mindset toward 5G and IoT has taken hold – one that prizes efficiency and optimization ahead of entering adjacent markets and driving top-line growth. Combined with this shift of mindset, there are still fundamental anxieties around how 5G and IoT can and will function alongside other emerging technologies. It's vital that 5G providers take all of these factors on board and adapt their customer messaging and engagement accordingly.

Figure 19. Enterprises' confidence in their own 5G implementation capabilities

I have confidence on my organization's ability to successfully implement 5G

Percentage of respondents



Three key steps 5G providers can take to help enterprises realize the next wave of industry

Taken together, we believe our findings point to three key steps that 5G suppliers can take to strengthen their value proposition and appeal to enterprise customers.



1

2

3

Adapt your 5G solutions to the changing needs of Industry 4.0

Help ensure that your 5G offerings can meet new and increasingly pressing needs relating to business resilience and continuity, alongside ESG issues.

Build a clearer sense of your customers' long-term operational efficiency and agility needs, so that your solutions road map is fit for the future.

Address the critical pain points that enterprises are experiencing

Educate and reeducate your customers on how 5G aligns with – and can be harnessed by – other emerging technologies.

Prioritize the data governance and cybersecurity credentials of your solutions, and take steps to underline their importance to enterprises.

Strengthen your ecosystem position to become the engine of industry transformation

Leverage your ecosystem partners to help address any gaps in your digital transformation expertise and end-to-end solution capabilities.

Ensure that your ecosystem strategy can help to deliver the positive financial outcomes enterprises are seeking through collaborative innovation.

These three steps will help to position you to win out in the 5G-IoT world now taking shape. But the window of opportunity will not stay open for long, and the fastest movers will have the best chance of seizing it. The choice is clear: respond now to enterprises' changing expectations, priorities and concerns – or face playing catch-up. There's no time to lose.



How EY can help

EY IoT consulting services

Acting as the bridge between the physical and the digital world, IoT offers a huge opportunity for companies. EY teams help clients effectively capitalize on IoT technology and solutions, linking technology, vendors and customers through a holistic business model.

Future Network Now

Intelligent networks are essential for organizations and societies to thrive. EY teams have developed Future Network Now to help you to make informed business decisions through scenario planning and network investments and operational excellence across service provisioning and customer experience, supported by the right technology foundations. Through Future Network Now, you can achieve cost effective, resilient and secure networks that help you to disrupt, innovate and differentiate.

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