

INDUSTRIAL

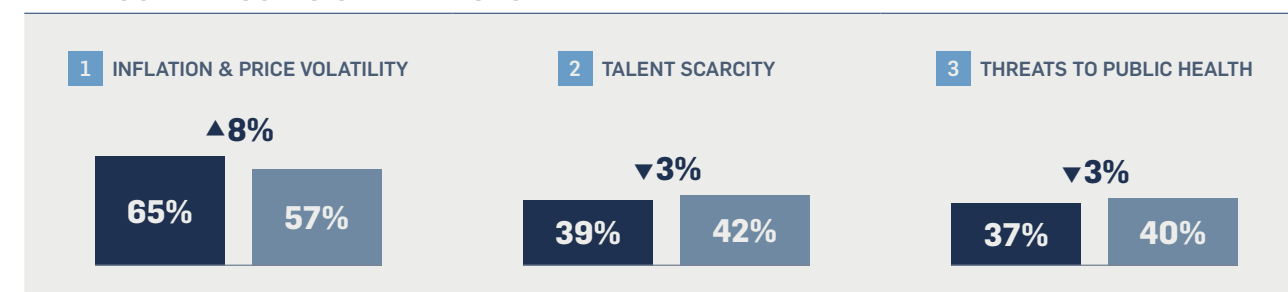
Inflation, supply chain instability spurred by the pandemic, and increasing consumption of technology products have converged in the industrial sector to create a difficult, volatile operating environment. To weather the storm, CEOs are turning to sustainable business models powered by strong sustainability talent and responsible supply chain practices.

“My understanding of a resilient business is ‘responsive to change’. There are two types of responsive to change; one is abnormal (challenging) time and the another is normal (quiet) time. Resilient business must be able to respond to both, but I think that resilience is more on how to deal with it in normal times in order to prepare for the challenges ahead.”

Hiroaki Shinya, Representative Director and President of Nippon Koei Co., Ltd.

THE MOST PRESSING CHALLENGES

■ INDUSTRIAL ■ CROSS INDUSTRY



CURRENT LANDSCAPE

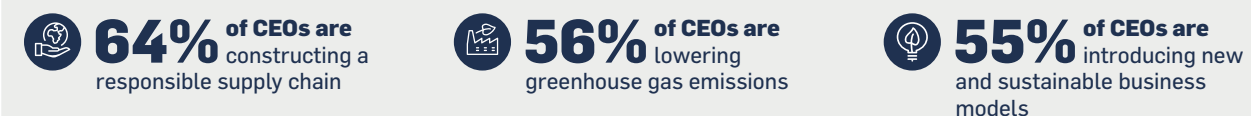
TOP RESILIENCE ACTIONS FOR INDUSTRIAL CEOs



Industrial CEOs were severely impacted by the pandemic. Shortages of key raw materials, compounded by limited slack in the system and price volatility, shed light on the weak spots of the industry's value chains. CEOs are, therefore, reshaping their business models to reduce their dependency on volatile markets by embracing sustainability, and launching new products while simultaneously improving existing products and processes. To support these new business models, CEOs are investing in skills development opportunities for the workforce. In addition, many CEOs are focusing on building a responsible supply chain, harnessing renewables for industrial manufacturing processes, and increasing transparency in supply chains through real-time tracking and data monitoring to predict capacity issues.

WHERE IS THE INDUSTRY GOING?

TOP SUSTAINABILITY PRIORITIES FOR INDUSTRIAL CEOs



To build the future of the industry, industrial CEOs believe in the transformative power of sustainable product design – reimagining their products to reduce environmental impact across the product lifecycle. To enable the development of these sustainable products, some industrial CEOs are investing in artificial intelligence (AI) and digital twin capabilities to understand where there may be sustainable improvements across the production chain. This end-to-end approach does not just focus on sourcing sustainable materials that reduce environmental impact, but also allows CEOs to understand product performance across the lifecycle down to product remanufacturing and recycling at the end of life.

TRANSFORMATIVE INNOVATIONS

