Companies across the world are ready to embrace 5G, but 5G’s disruptive features will take more than a year to develop. Industrial companies* consider 5G an attractive proposition and are actively looking at how they can bring this technology to their operations. Once 5G becomes available, the majority are willing to implement 5G for operations (see Box 1, page 8). However, telco players will need at least three years to provide all the anticipated benefits.

To overcome delays, some industrial companies are considering applying for local 5G licenses. Those that are keen on applying for licenses, by geography:

- United States: 75%
- Canada: 65%
- United Kingdom: 46%
- Germany: 45%
- France: 45%
- Sweden: 43%
- South Korea: 42%
- Spain: 33%
- Belgium: 27%

This demand is in line with the need for new business models and a more efficient digital transformation. According to our Industrial Companies’ Survey on 5G, 62% of industrial companies believe a range of 5G features are critical for digital transformation, but 5G’s disruptive features will take more than a year to develop. Industrial companies* are focusing on building a 5G strategy for telecom operators, which includes building a 5G enablement team and setting up a strategy to define a 5G path to market. The 5G ecosystem is highly fragmented, with many different players involved, and the diverse needs of telecom operators and industrial companies need to be taken into account. Industry 4.0, which we refer to as industrial companies throughout, stands to benefit from the new capabilities offered by 5G. We refer to the coming together of 5G and Industry 4.0 as 5G in industrial operations.

Industries such as manufacturing, transport hubs (harbors, airports, train stations), utilities, and telecommunications are seeing the benefits of 5G, with industrial companies* referring to the new capabilities offered by 5G.

5G ranks higher than most other enablers for digital transformation, with 65% of industrial companies* saying 5G will help them achieve the most value from their digital transformation. However, 5G presents some challenges for industrial companies* to consider:

- Security: 45%
- Quality of service: 45%
- Reliability: 47%
- Data analytics: 60%
- Costs: 30%
- Latency: 45%

When asked about the path to market, 65% of industrial companies* say they are working on a 5G implementation plan and 60% say they set up a strategy to work on this topic. 5G in industrial operations is a new and emerging market, but the potential use cases and business cases are already in place. The new capabilities offered by 5G will help industrial companies* to optimize their production, supply chain, and operations. 5G will provide increased real-time functionality, increased capacity, and improved reliability. Some industrial companies* believe that 5G will increase their productivity by 26% and improve their quality of service by 23%.

To overcome delays, some industrial companies are considering applying for local 5G licenses. Though there are regulatory barriers, some industrial companies have already applied for licenses and are willing to pay for the privilege of early access to 5G.

*Industrial companies include 806 companies from industry verticals such as manufacturing, transport hubs (harbors, airports, train stations), utilities, and telecommunications. Copyright © 2019 Capgemini. All rights reserved. Download Report.