

How digital is your industry?

Posted on September 29, 2016 by Matthew Spaur



Jeff Bezos, founder and CEO of Amazon, famously wrote in 1997 that it was “[Day One of the Internet.](#)” Now nearly 20 years later, he still feels that we’re at Day One, and early in the morning to boot. How can that be, given how pervasive and transformative digital technology seems these days?

This [Harvard Business Review video](#) describes a McKinsey Global Institute survey about just how digital various industries are today.



The survey examined 27 digital characteristics about assets, usage, and labor across more than 20 industry sectors. It uncovered plenty of room to bring digital technology and approaches into vast areas of our economy.

A few sectors such as IT, media, finance, and professional services, are heavily digital. Other industries such as real estate and chemicals have adopted an ad hoc or tactical approach to digital, but have not converted their value and supply chains to digital from end to end. There remain large portions of the economy, including key functions such as government, healthcare, construction and agriculture, that have very little digitization.

The video points out that the Industrial Internet of Things gives capital intensive industries such as utilities, manufacturing, and transportation significant opportunity for improvement by connecting physical assets to data and communications networks.

The video also notes that possibly the biggest area for improvement lies in

providing workers with digital tools and processes. Providing analytics across the enterprise, instead of keeping it the sole province of IT or data science, is an empowering step industries can take for more productive workers.

Many emerging and developing countries have [skipped telephone landlines](#) and moved directly to mobile technology. Can the digital laggards of the economy similarly leapfrog previous digital stages and move directly to end-to-end digital processes with connected, digital assets and advanced analytics?

To my mind, [situational intelligence can help government](#) leapfrog from laggard to leader. Many government applications center on documents, payments, and professional services, tasks that are already heavily digitized in other sectors. Government also involves a lot of transportation and real estate functions, sectors that are ahead of government digitally and poised to benefit from the Industrial Internet of Things.

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