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Smart finance helps manufacturers capitalize on Fourth Industrial Revolution

- **Research from Siemens Financial Services (SFS) highlights five key drivers of success for manufacturers in the Fourth Industrial Revolution**
- **Finance is now considered one of those principal drivers of competitiveness**
- **Smart finance solutions offer sustainable means of investing in fourth-generation manufacturing technology**

Continuing last week's discussion on Industry 4.0 at Hannover Messe 2016, Siemens Financial Services (SFS) has conducted a global qualitative study of Chief Financial Officers (CFOs) in the manufacturing sector. The study shows that intelligent financial management is now seen as one of the five key drivers of success by manufacturing companies. The other key drivers are: new-generation technology; increased operational efficiency; raised production capacity and/or flexibility; and more competitive pricing; all of which drives improved competitive positioning in the marketplace.

Manufacturing CFOs, however, face a major financing challenge to upgrade their operations to adopt new-generation manufacturing technologies in order to grasp the benefits of the Fourth Industrial Revolution. As a consequence, intelligent financial management, focused on smart investments to strategically develop the business, has now become a decisive factor for competitive positioning in the global manufacturing sector.

Against this background, smart finance is seen as a key driver for success in Industrie 4.0. Respondents describe the main required attributes of finance for the new-generation manufacturing environment with the following terms: diverse; easy and flexible; expert, appropriate and transparent; and reliable and sustainable.

Manufacturing CFOs are, therefore, already using a wide range of financing techniques over and above traditional sources of finance such as loans. These techniques include asset finance, invoice finance, inventory finance, and private equity. Of these, the most widely used non-loan finance technique is asset finance, utilized by 70% of respondents interviewed in the study.

“By enabling their companies to acquire essential new-generation technology, manufacturing CFOs are at the forefront of managing a major shift in the industry,” comments Gary Amos, Head of Americas, Commercial Finance at Siemens Financial Services. “Against this backdrop, smart financing techniques have now achieved strategic status for forward-thinking businesses aiming to establish competitive success in increasingly demanding, fast-paced global markets.”

As shown at Hannover Messe, manufacturing companies across the globe are using smart finance to improve their competitive positioning in the Fourth Industrial Revolution. To learn more about this study and the important discussions from Hannover, interviews are available with Gary Amos.

Methodology:

Chief Financial Officers of leading manufacturing companies were interviewed by phone in a qualitative research study during the period from November to December 2015 in the following countries: China, Finland, France, Germany, India, Norway, Poland, Russia, Spain, Sweden, Turkey, UK and USA. Respondents were asked to give their views on the key drivers of success in fourth-generation manufacturing, the repercussions of the Fourth Industrial Revolution for their businesses, and the use of smart finance to enable technology acquisition.

The paper is available at [\[LINK\]](#)

For further information on Siemens Financial Services, please see www.siemens.com/finance

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