



European Research

# Breaking Down the Barriers to Digital Transformation



# Foreword

There is no doubt that European business leaders understand that technology and digital transformation is the key to boosting productivity across their businesses. They predict that digital transformation projects can provide an average productivity boost of 38% within just three years and that investment will payback in just under five years.

So, with confidence high in this type of significant business benefit, why aren't organisations moving even faster towards digital transformation? It seems there are a number of barriers in the way of faster progress. Alongside the ever-present challenge of investing more money, more quickly, there appears to be even bigger barriers. A lack of knowledge, skills and resource is getting in the way.

Senior decision makers feel that they lack the skills and resource internally to complete many of these digital transformation tasks and they are unsure who to turn to externally to assist them.

This is a clear signal to the technology industry that it is failing to get its message across to the business community. It is also precisely the reason that we created Panasonic Connect Europe just over one year ago.

Our role as Panasonic's business-to-business solutions business is to provide new value to our customers. We do this by combining advanced hardware and intelligent software solutions, with our business consulting and process optimisation skills based on our wealth of experience in technology and manufacturing accumulated over our 100-year history.

We use this experience to help organisations digitally transform their operations in the areas of communications and streaming technologies, collaboration technologies, automated production, supply chain solutions and mobile workforce transformation.

If you are on your own business digital transformation journey, I hope you find this research helpful and please, do not hesitate to reach out if you are facing any of the barriers identified by the research.

**Jan Kaempfer,**

Marketing Director  
Panasonic Connect Europe



## Research details

This survey, carried out by independent research company Opinion Matters and commissioned by Panasonic Connect Europe, questioned 300 senior decision makers with responsibility for business digital transformation across the UK, France and Germany.

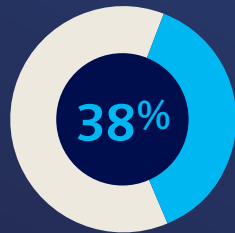
**Sample:** 300 in total (100 per country: UK / France / Germany). 300 respondents total x 50 per industry sector equally split across the UK, France and Germany x senior decision makers responsible for digital transformation within companies with an annual turnover of 50 million+ Euros.

**Industry sectors:** Retail; Logistics & Supply Chain; Manufacturing; Education; Location Based Entertainment (e.g., venues, museums, etc); and Public Sector (including Government and Emergency Services).

## Executive Summary

Our research shows that businesses have faith in technology to boost their productivity but are facing major budget, knowledge and skill barriers to the completion of their digital transformation projects.

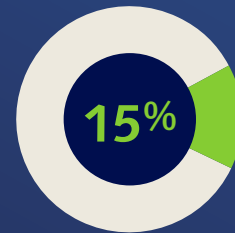
### At a glance



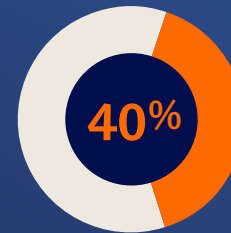
Boost productivity  
in just 3 years

5  
years

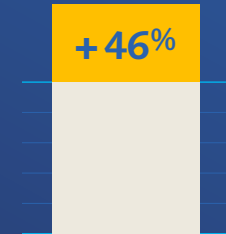
Overall return on  
investment (ROI)  
expected



Only 15% completion  
rate of digital  
transformation  
projects

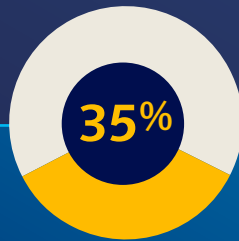


Almost 40% felt their  
organisation was lagging  
behind competitors



Budget boost of 46%  
would be required  
to complete their  
projects faster  
and more effectively

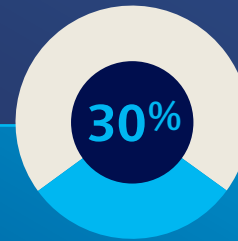
The major barriers to deploying digital transformation technologies were:



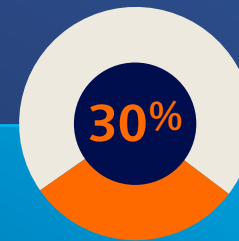
Lack of internal knowledge



Lack of internal IT resource and skills



Concerns about the interoperability with existing IT infrastructure



Lack of external specialist IT support or awareness of specialist providers



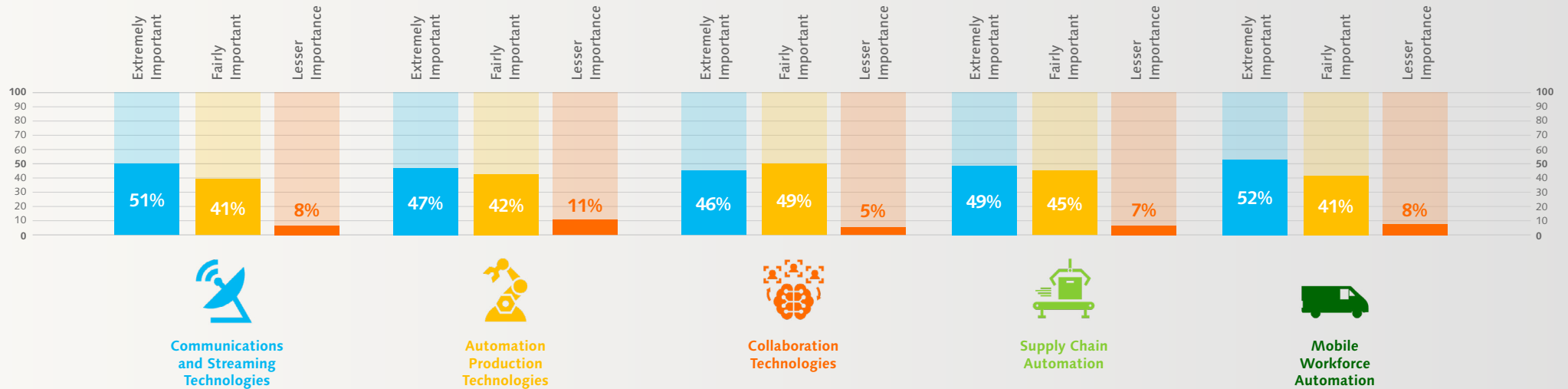
# Full summary of findings

**1 “ Which types of digital transformation technologies, if any, do you see as important for increasing productivity in your company?**



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## Priority technology areas driving transformation





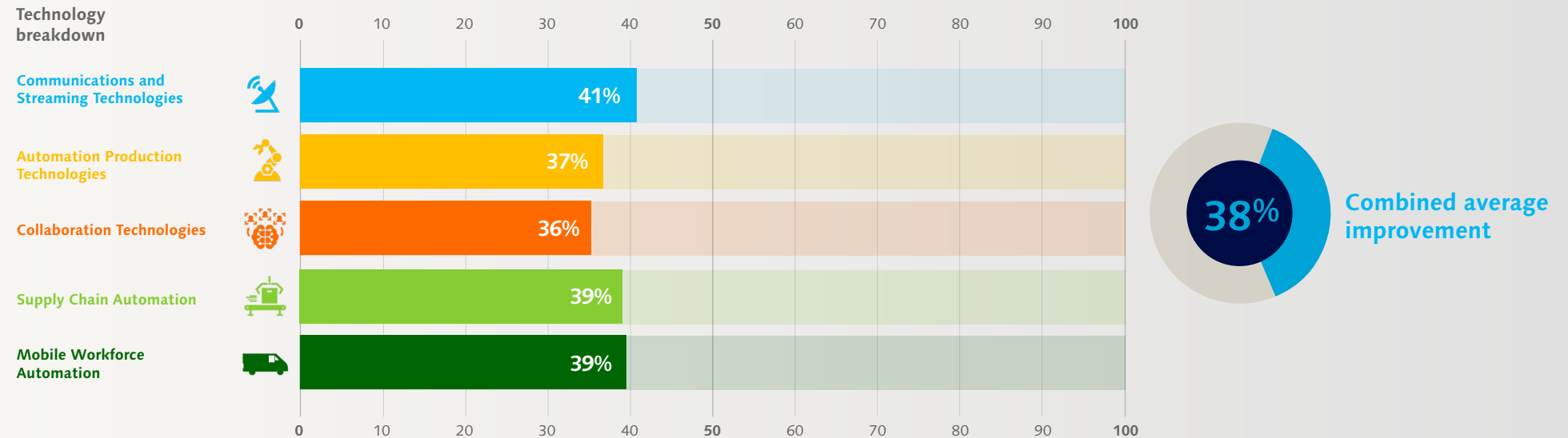
2 “ Once complete, how much, if at all, does your company expect to improve its productivity over the first three financial years?



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## Productivity boosts

European businesses expect digital transformation projects to boost their productivity by an average of 38%.



3 “How soon do you expect to see a full return on investment?”

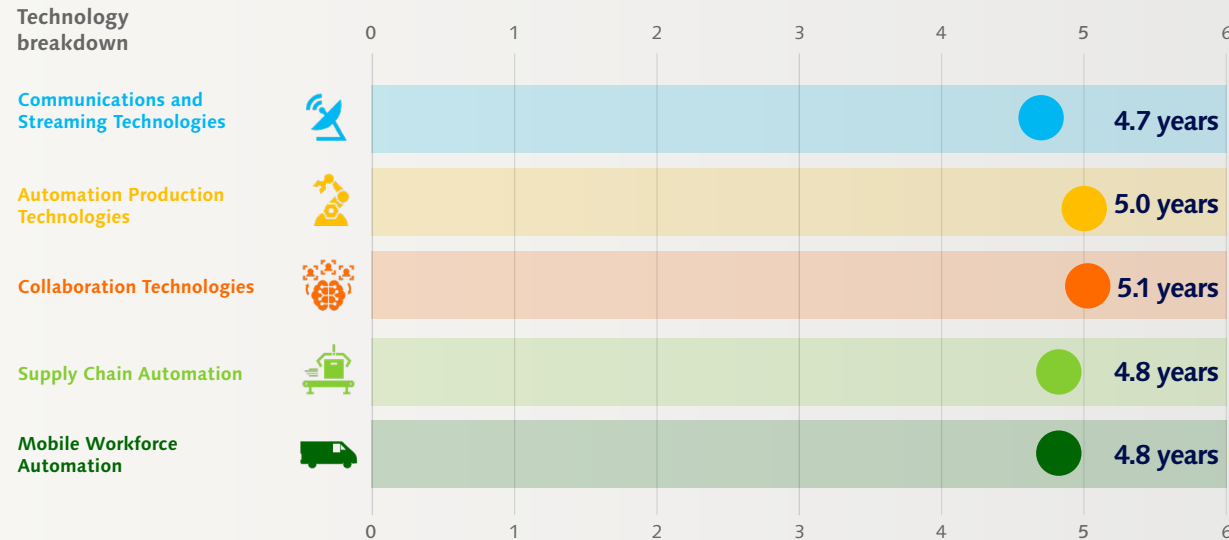




How soon do you expect to see  
a full return on investment?

## Return on investment (ROI)

On average, ROI from digital transformation projects  
is expected in just under 5 years.



**4.9**  
years

Combined  
Average ROI



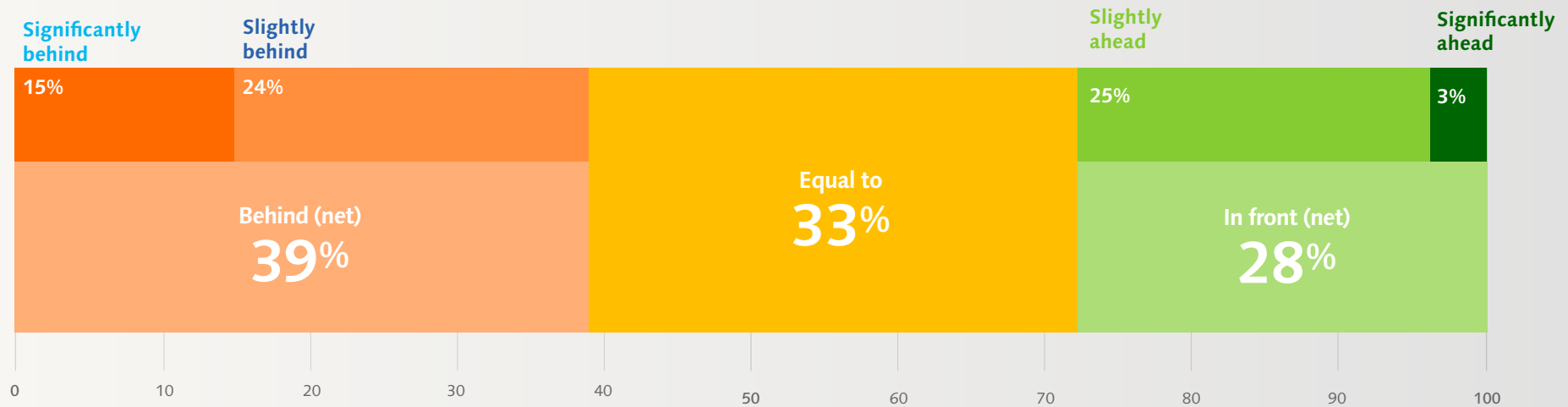
**4** “How do you think the digital transformation progress of your company typically compares to other companies in the same sector?”



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## Fear of falling behind

Almost **40%** of respondents said they felt their organisation was lagging behind competitors when it came to digital transformation.





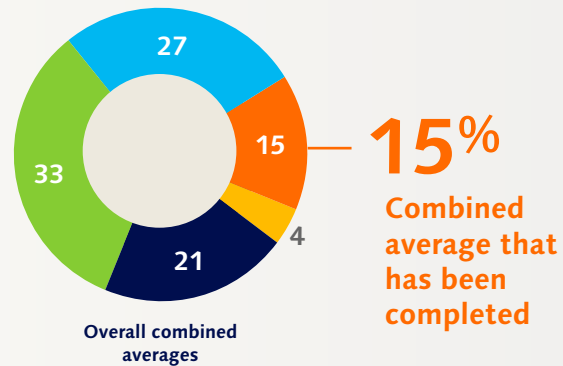
5 “ How much progress have you made in terms of your digital transformation timeline?



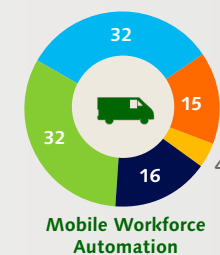
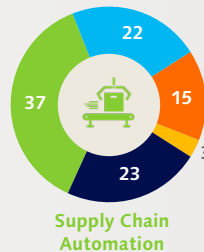
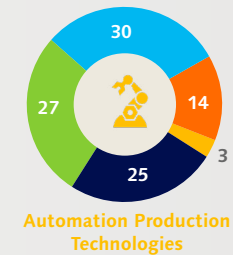
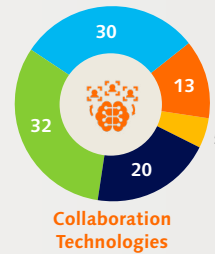
How much progress have you made in terms of your digital transformation timeline?

## Digital transformation progress

Only **15%** of organisations, on average, have completed their digital transformation projects.



Transformation technology breakdown



- Considering whether to go ahead
- Going ahead and in planning process
- In the process of implementing
- Already completed
- Not considering



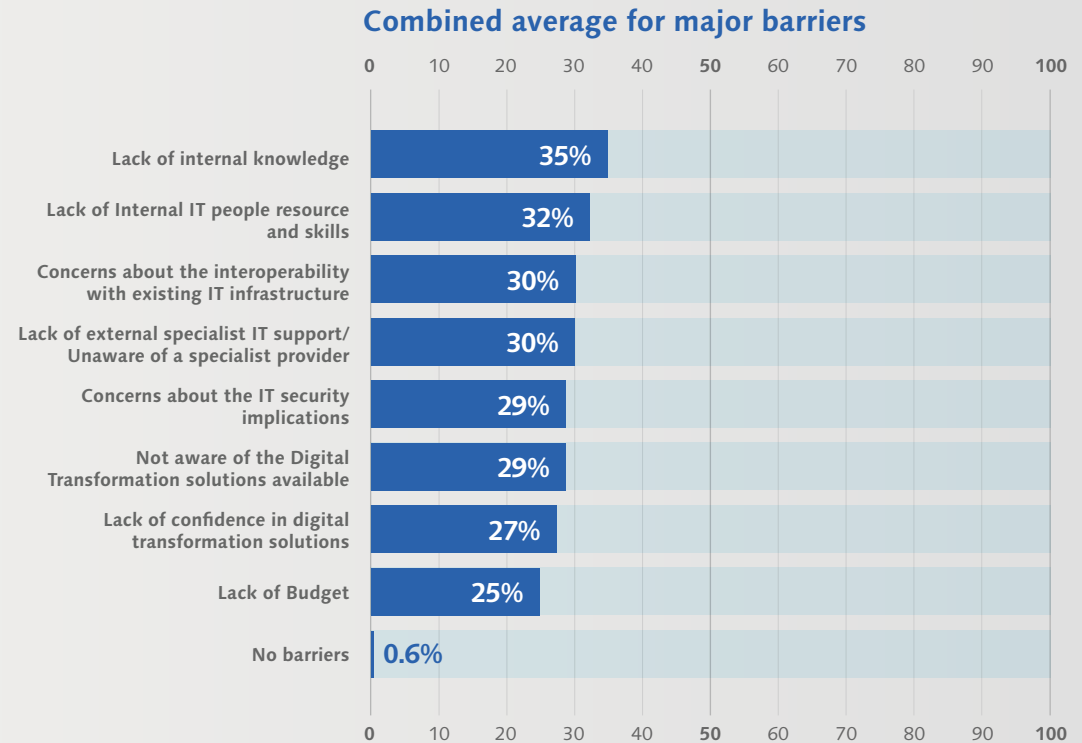
6 “What barriers are there, if any, to you deploying your company's digital transformation strategy more effectively or faster?”



What barriers are there, if any, to you deploying your company's digital transformation strategy more effectively or faster?

## Major barriers

The major barriers to deploying digital transformation technologies were: lack of internal knowledge (35%), lack of Internal IT people resource and skills (32%), concerns about the interoperability with existing IT infrastructure (30%), and lack of external specialist IT support/Unaware of a specialist provider (30%).

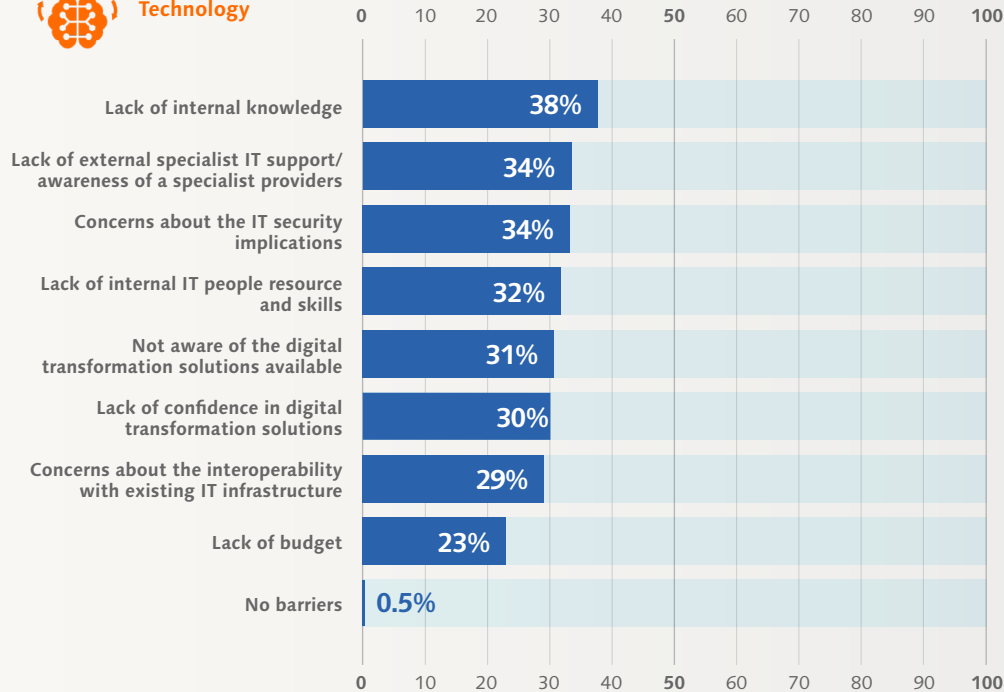


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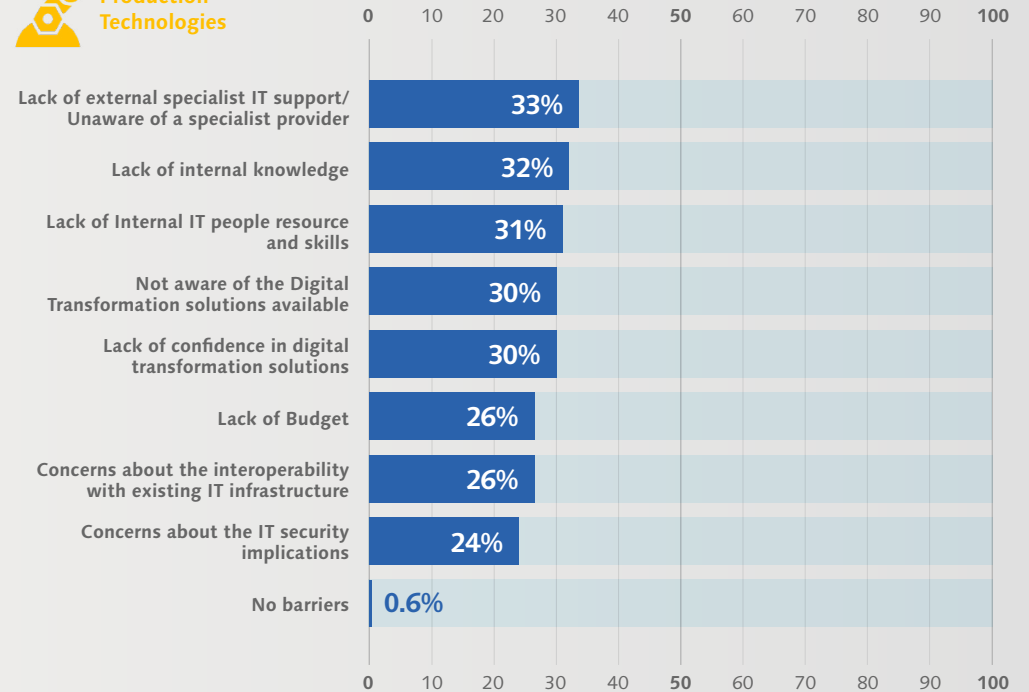
## Major barriers by technology



### Collaboration Technology



### Automation Production Technologies

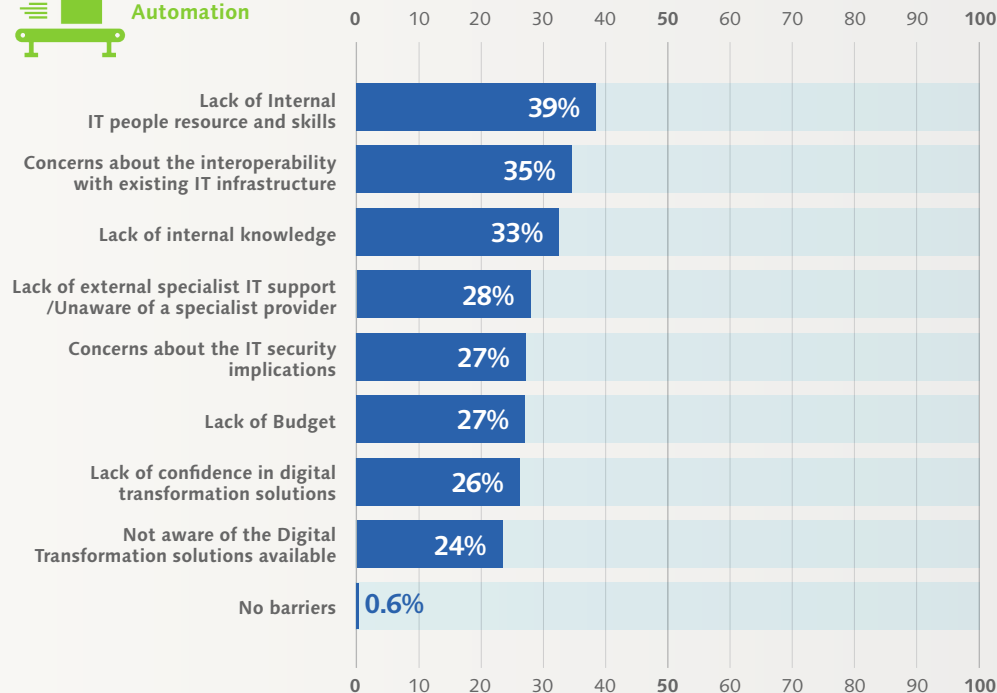


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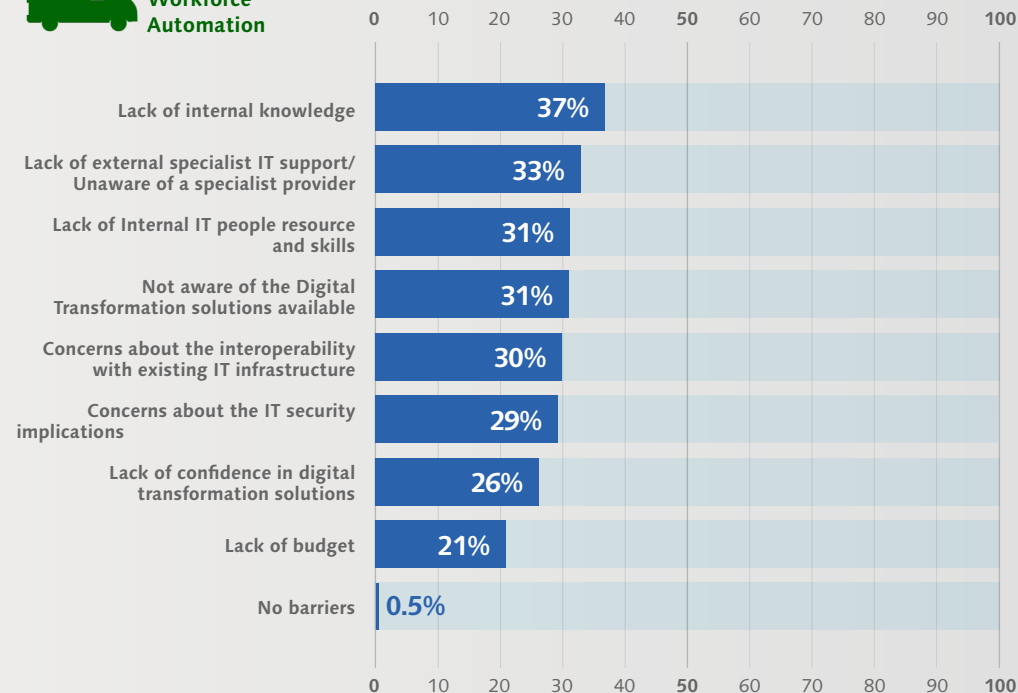
## Major barriers by technology



### Supply Chain Automation



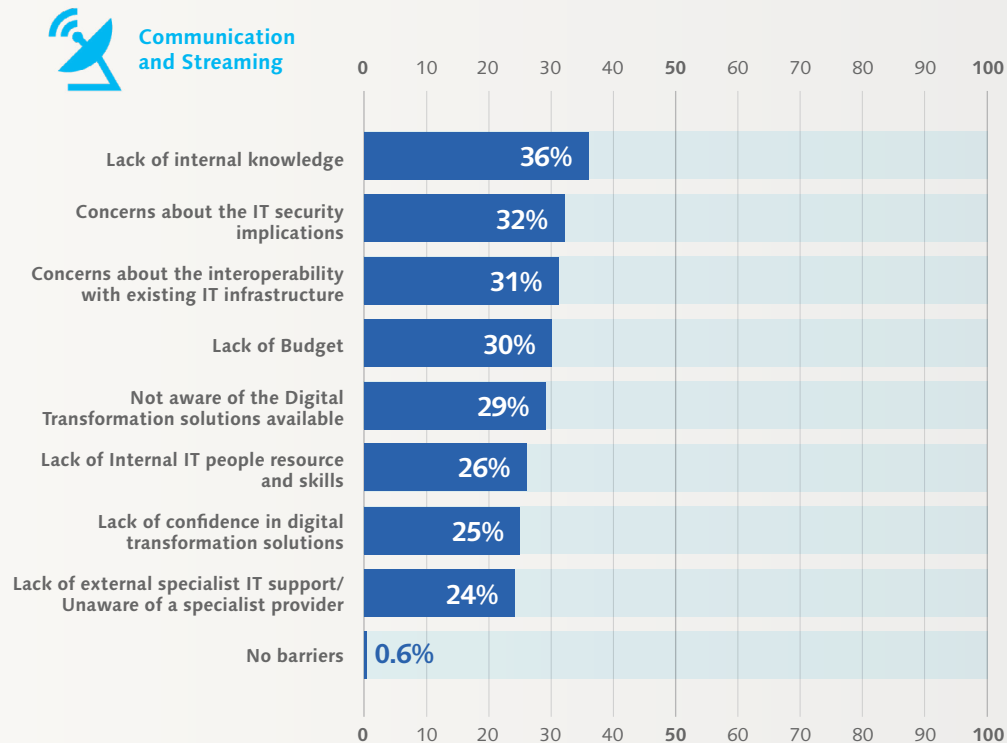
### Mobile Workforce Automation





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## Major barriers by technology



## Our view

This research shows that European businesses understand that the latest technology solutions can transform their business operations and help them take major strides forward in productivity, but for many there are still significant barriers to overcome.

Alongside the ever-present request for more investment to accelerate the speed of change, it seems the biggest barrier. Businesses have a lack of internal expertise and resource and are struggling to find the external specialist support they need to execute their plans.

Businesses may need to look beyond traditional consultants and systems integrators, towards organisations such as ours. Those that have a fundamental understanding of the technologies but also hands-on experience of analysing and optimising operational processes across a range of business sectors to bring about the transformational changes they desire.

**Panasonic**  
**CONNECT**

**Change Work,  
Advance Society,  
Connect to Tomorrow.**

## **Panasonic** **CONNECT**

Panasonic Connect was established on April 1, 2022, as part of the Panasonic Group's switch to an operating company system.

With roughly 28,500 employees worldwide and annual sales of ¥ 924.9 billion (≈ € 6.486 billion) the company plays a central role in the growth of the Panasonic Group's B2B solutions business and provides new value to its customers by combining advanced hardware, intelligent software solutions, and a wealth of knowledge in industrial engineering, accumulated over its more than 100-year history.

The company's purpose is to "*Change Work, Advance Society, Connect to Tomorrow.*" By driving innovation in the supply chain, public services, infrastructure, and entertainment sectors, Panasonic Connect aims to contribute to the realisation of a sustainable society and to ensure wellbeing for all.

# Panasonic Connect Europe

Panasonic Connect Europe began operations on October 1st, 2021, creating a new B2B-focused, and organisation. With over 400 employees, and led by CEO Hiroyuki Nishiuma, the business aims to contribute to the success of its customers through innovative products and integrated systems and services – all designed to deliver its vision to *Change Work, Advance Society and Connect to Tomorrow*.



**Hiroyuki Nishiuma**  
CEO,  
Panasonic Connect Europe

**Panasonic Connect Europe is headquartered in Wiesbaden and consists of the following business divisions:**

- **The Mobile Solutions Business Division** helps mobile workers improve productivity with its range of TOUGHBOOK rugged laptops, tablets and handhelds.
- **The Media Entertainment Business Division** (incorporating Visual System Solutions), offers a range of reliable high-brightness projectors and high-quality displays. Broadcast and ProAV offers smart live production solutions from an end-to-end portfolio comprising PTZ and system cameras, camcorders, the Kairos IT/IP platform, switchers and robotic solutions that are widely used for live event capture, sports production, television, and XR studios.
- **Business and Industry Solutions** delivers tailored technology solutions focused on Retail, Logistics and Manufacturing, using its unique Gemba Process Innovation approach. Its purpose is to increase operational efficiency and enhance customer experience, helping businesses to perform at their best, every day.
- **Panasonic Factory Solutions Europe** is helping to make smart factories a reality with its wide range of automated solutions, including electronics manufacturing solutions, industrial robots and welding systems, and software solutions engineering.

For more information please visit: [>> http://connect.panasonic.eu](http://connect.panasonic.eu)