



# Digital Manufacturing Services: From Concept to Reality

Market Analysis  
Abstract

January 2020  
[research.nelson-hall.com](http://research.nelson-hall.com)





## Who Is This Report For?

NelsonHall's "Digital Manufacturing Services: From Concept to Reality" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within industrial and manufacturing IT
- Vendor marketing, sales and business managers developing strategies to target digital manufacturing opportunities
- Financial analysts and investors specializing in the IT services and engineering and R&D (ER&D) services sectors.

## Scope of the Report

The report analyzes the worldwide market for industrial IT services looking at digital manufacturing services, i.e., IoT uses relevant to production plants, and use cases related to emerging technologies, such as AR/VR, digital twins, and AI.

It addresses the following questions:

- What is the current and future market for digital manufacturing services?
- What are the client segments for digital manufacturing services, and their characteristics? What are the drivers, benefits, and inhibitors for each segment?
- What is the size and growth of the digital manufacturing services markets by geography, service line, and activity?
- How did spending grow in 2019 and how will it increase in 2020 and onwards?
- How is the market organized? Who are the main vendors? How can they be assessed and compared? What are vendor challenges and critical success factors by market segment?
- What are the digital manufacturing offerings and use cases available in the market? Which one has highest growth potential?



## Key Findings & Highlights

The current digital manufacturing services market size stands at \$1.25bn. It will reach \$4.3bn by 2023, growing at 26% CAGR during the period. It will reach ~\$4.3bn by 2023. Growth will be driven initially by IoT use cases relevant to digital manufacturing.

Most contracts are of a small case, ranging from consulting to PoCs leading to relatively small systems integration and deployment contracts. Clients award these contracts as independent ones, with few clients awarding mega-deals. The market will shift to a higher number of systems integration and deployment contracts, as clients look to progress from their PoCs. Mega-deals will remain scarce, but mid-sized deals will more frequent, with clients structuring their spending with a few preferred partners.

Clients are currently buying predictive equipment maintenance; remote monitoring and control; and, to a lesser extent, worker's security; digital instruction, remote assistance and training; and manufacturing operations improvement.

IoT (including track-and-trace) is the primary technology used in digital manufacturing. It is complemented by data collection, analytics, and AI, and, to a lower extent, by AR/VR.

Other technologies will play a more important part in digital manufacturing: advanced planning & scheduling (APS), MES, and digital twins, along with simulation software.

Analytics will continue to play a critical role. AR/VR will move from small pilots to rollouts but remain low in spending.

## Contents

1. Changing Shape of the Digital Manufacturing Services Market
  2. Customer Requirements
  3. Market Size and Growth
  4. Vendor Market Shares
  5. Delivery Trends and Vendor Delivery Capabilities
  6. Vendor Offerings and Targeting
  7. Vendor Challenges and Success Factors
- Appendix 1: Vendors Researched for Analysis

## Report Length

65 slides, consisting of seven chapters.

## Report Author

Dominique Raviart

[dominique.raviart@nelson-hall.com](mailto:dominique.raviart@nelson-hall.com)

## Vendors Researched

Altran, Atos, Capgemini, DXC Technology, HCL Technology, IBM Global Business Services, Infosys, L&T Infotech/LTI, L&T Technology Services (LTTS), Sopra Steria, TCS, and Tech Mahindra.