ISG Provider Lens®

Manufacturing Industry Services and Solutions

A research report comparing provider strengths, challenges and competitive differentiators



Customized report courtesy of:

Hitachi Digital

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Report Author: Srinivasan P N

Manufacturers are advancing connected transformation across products, operations and services

The manufacturing agenda in Europe is shifting from isolated digital transformation programs toward industrial resilience, intelligent operations and measurable business outcomes. Buyers are increasingly seeking services that connect engineering, shop-floor execution, supply chain, sustainability and product lifecycle data rather than optimizing each domain independently. The opportunity for service providers is, therefore, moving beyond implementation capacity toward industry-specific orchestration, scalable modernization and the ability to convert Europe's regulatory and industrial priorities into operational advantages.

Market context

European manufacturers are operating in an increasingly demanding environment shaped by energy costs, geopolitical fragmentations, supply chain exposures, decarbonization requirements and pressure to improve productivity. These factors are changing the nature of technology spending. Digital transformation is no longer viewed primarily as a modernization exercise; it is increasingly tied to competitiveness, resilience and the ability to manufacture closer to strategic markets. The European Commission's industrial agenda explicitly links advanced manufacturing to digitalization, sustainability, resilience and human-centric production.

The technology baseline is also becoming stronger. European manufacturers show comparatively high adoption of AI, big data technologies and robotics, indicating that the conversation is moving from basic adoption toward integration and industrialization. European Investment Bank (EIB) research found that 48 percent of EU manufacturing firms used AI and big data technologies, while 55 percent used robotics. Meanwhile, European

European manufacturers are **redefining growth** through **intelligent transformation.**

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firms still trail U.S. peers in embedding AI across multiple business processes, creating a substantial services opportunity around integration, workflow redesign and scaling.

The European context adds another layer: regulation and industrial policy are increasingly shaping technology architecture. Digital product passport requirements, sustainability reporting, data governance and evolving AI obligations are forcing manufacturers to treat product and operational data as strategic assets. The launch of the EU Digital Product Passport Registry had further advanced this agenda from policy discussion toward implementation.

For service providers, this shift creates a market where engineering knowledge, OT expertise, cloud and data capabilities, cybersecurity, sustainability and transformation consulting need to converge. The strongest opportunities are likely to emerge at these intersections rather than from standalone technology deployments.

Enterprise priorities

European manufacturers are prioritizing transformation programs that improve operational resilience while strengthening production economics. One visible shift is from plant-level automation toward connected industrial operating models. Buyers increasingly seek common data foundations across engineering, production, quality, maintenance and supply chain, with contextualized industrial data available for analytics, AI and decision support. The requirement is not simply to connect machines but to make operational data usable across functions and sites.

AI is consequently moving closer to the core manufacturing workflow. Predictive maintenance, production optimization, quality inspection and planning remain relevant, but enterprises are increasingly exploring AI-enabled decision support, engineering copilots, autonomous workflow orchestration and physical AI. Europe's robotics agenda is explicitly moving toward combining software AI, robotics and digital twins, while emphasizing the difficult transition from pilots to scalable industrial deployment.

This creates demand for services covering use-case discovery, industrial data engineering, model deployment, edge integration, validation and lifecycle management.

Another priority is software-defined manufacturing. Manufacturers are looking to separate production intelligence from rigid automation architectures where feasible, enabling more flexible control, faster configuration and greater reuse across production environments. This is increasing demand for industrial edge, cloud-native architectures, digital twins, simulation and orchestration capabilities.

Supply chain resilience is also becoming a technology-led discipline. European manufacturers are diversifying their supplier base, reassessing geographic dependencies and increasing visibility into critical materials, logistics and production capacity. Recent EIB analysis finds geopolitical risks and regulatory requirements to increasingly intensifying supply chain disruptions, making scenario modeling, network visibility, supplier intelligence and digital planning more critical.

Sustainability is becoming more operational. Instead of treating carbon reporting as a separate compliance exercise, enterprises are integrating data on energy consumption, production efficiency, materials, product design and circularity data. Digital product passport initiatives are accelerating the demand for traceable product information, interoperable data models and lifecycle data management.

Finally, European manufacturers are increasingly emphasizing workforce augmentation. The objective is to combine experienced operators and engineers with AI, robotics and digital tools rather than pursue technology substitution in isolation. This favors service providers that can combine change management, industrial engineering, technology deployment and workforce enablement within a single transformation program.

Another emerging priority is modernizing the engineering and manufacturing knowledge base. As experienced engineers and operators retire or move into new roles, manufacturers are looking to capture process knowledge, standard operating practices and engineering

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decisions in reusable digital form. Organizations are turning to AI assistants, simulation environments and contextual work instructions to capture expertise and accelerate onboarding, contingent on robust governance and validation.

Provider dynamics

The provider landscape is growing more dynamic as traditional boundaries between IT services, engineering services, industrial automation and consulting blur. European manufacturers increasingly need partners that can operate across the engineering-to-operations continuum, particularly where product engineering, industrial engineering, OT, cloud, data and AI intersect.

The first major shift is toward end-to-end industrial transformation. Providers are moving beyond ERP, manufacturing execution systems (MES), cloud migration and application modernization projects, positioning themselves around broader manufacturing value streams. The ability to connect engineering data with shop-floor execution and downstream supply chain processes is the key differentiator.

Providers with strong digital engineering roots have an opportunity to extend into manufacturing operations, while IT-centric providers are attempting to deepen their OT, industrial data and engineering capabilities.

The second dynamic is the industrialization of AI. Providers are packaging reusable accelerators for computer vision, predictive quality, maintenance, production planning, engineering knowledge assistants and industrial copilots. However, the market is becoming less receptive to generic GenAI propositions. Buyers are seeking AI embedded in specific workflows, supported by governed industrial data and integrated with existing automation environments. The EIB's data, indicating widespread AI use with significant scope for deeper process integration, supports the progression from experimentation to operationalization.

Physical AI and robotics are creating another competitive battleground. Providers are increasingly building capabilities around robotic perception, autonomous inspection, human-robot collaboration, simulation and digital twins. Europe's policy and innovation ecosystem is actively encouraging the shift from research and pilots to industrial deployment, creating room for providers that can bridge technology development and factory-scale implementation. The stronger propositions will combine robotics with industrial data, edge computing, simulation, safety engineering and change management rather than treat robotics as a standalone automation service.

Industrial data platforms are also becoming a strategic differentiator. Providers are developing data architectures that unify OT, IoT, engineering, quality and enterprise data, often using cloud and edge technologies. The emerging value proposition is less about building another data lake and more about creating a governed industrial data fabric that can support AI, digital twins, traceability and operational decision-making.

Europe-specific regulatory expertise is another potential differentiator. Digital product passport implementation, sustainability requirements, data sovereignty and evolving AI governance create demand for advisory and technology services that translate regulation into product architecture, data models, processes and controls. By combining compliance knowledge with engineering and technology implementation, providers can advance upstream in customer relationships.

At the same time, competition is broadening. Global IT service providers are investing in engineering and industrial capabilities; engineering specialists are expanding into digital manufacturing; hyperscaler ecosystems are bringing cloud, AI and data platforms deeper into factories; and industrial technology companies are extending their software and services portfolios. This makes ecosystem orchestration increasingly important. Providers will need partnerships across cloud, industrial automation, robotics, semiconductor, engineering software and specialized AI rather than relying entirely on proprietary assets.

The most credible providers are therefore likely to distinguish themselves through measurable industrial outcomes: faster engineering cycles, reduced unplanned downtime, improved first-pass yield, greater production flexibility, lower energy intensity, stronger supply chain visibility and faster deployment across plants. Capability breadth counts, but the ability to

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industrialize repeatable use cases across Europe will increasingly matter more than simply presenting a large technology portfolio.

Outlook

The next phase of European manufacturing services will be defined by convergence. Engineering, operations, supply chain, sustainability and digital technologies are becoming interconnected parts of a broader industrial transformation agenda. AI will remain important, but the competitive question will increasingly be where AI is embedded, what proprietary industrial data it can access and whether it can influence real operational decisions.

Service providers should expect demand to move toward scalable transformation platforms, industrial data foundations, software-defined automation, digital twins, physical AI, resilient supply chains and product traceability. Europe's continuing emphasis on technological sovereignty, advanced manufacturing and industrial resilience should reinforce investment in these areas. The European Commission and EIB are already integrating robotics, AI, deep tech, energy resilience and advanced manufacturing within broader competitiveness initiatives.

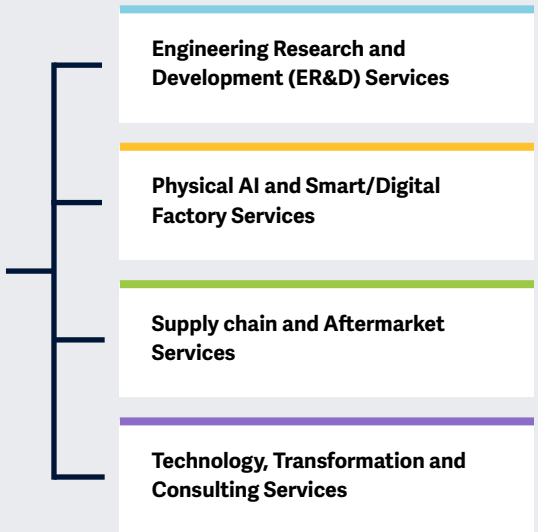
This also creates a clearer role for advisory-led services. Manufacturers will need help sequencing investments, rationalizing overlapping platforms, defining target architectures and establishing governance for AI and industrial data. Providers that can bring a pragmatic transformation roadmap, industry benchmarks and implementation depth will be better positioned to support multi-site programs rather than isolated pilots. The emphasis should remain on business cases that can survive the realities of European plants: heterogeneous legacy environments, local operating practices, stringent safety requirements and the need to demonstrate value before scaling.

For providers, the whitespace remains increasingly in orchestration: connecting engineering and IT with OT, connecting plant initiatives to enterprise strategy and turning regulatory requirements into commercially useful data and operating models. The winners in this market will not necessarily be those with the largest catalog of technologies, but those that can repeatedly convert complex European manufacturing requirements into deployable, measurable and scalable outcomes.

> European manufacturers are advancing from isolated digital initiatives to enterprise-wide transformation programs that connect engineering, factories, supply chains and service operations. AI, automation, cloud and industrial data platforms are becoming foundational investments, while sustainability and resilience increasingly influence technology spending, operating models and partner selection decisions.

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This study explores the challenges faced by the **manufacturing industry** and assesses **provider capabilities** in addressing **enterprise needs.**



Simplified Illustration Source: ISG 2026

Definition

Global manufacturing in 2026 continues to be shaped by economic uncertainties, geopolitical fragmentation, evolving trade policies and supply chain restructuring. Manufacturers are navigating an operating environment characterized by region-specific strategies, regulatory pressures and persistent cost challenges. As they balance growth, resilience and profitability, the ability to adapt operations, supply networks and business models has become a key differentiator.

Manufacturers are accelerating investments in operational modernization. Advanced engineering, software-defined products, AI, digital twins and industrial IoT (IIoT) are helping them improve product development, manage growing product complexity and enhance manufacturing readiness. Engineering teams are adopting AI and model-based and simulation-driven development for efficiency, quality and speed-to-market.

Manufacturers are going beyond traditional Industry 4.0 initiatives toward more intelligent and adaptive operations. Investments in automation, robotics, computer vision, edge computing and industrial AI are improving production performance, asset utilization and operational resilience. Emerging physical AI capabilities are enhancing operations, enabling intelligent systems to suitably respond to real-world manufacturing conditions, supporting use cases such as autonomous inspection, adaptive production systems and intelligent robotics.

Manufacturers that can modernize engineering functions, optimize factory operations, strengthen supply chain ecosystems and leverage intelligent technologies to drive agility, productivity and long-term competitiveness are geared to see success.

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Scope of the Report

This ISG Provider Lens® quadrant report covers the following four quadrants for services/solutions: Engineering Research and Development (ER&D) Services, Physical AI and Smart/Digital Factory Services, Supply Chain and Aftermarket Services and Technology, Transformation and Consulting Services.

This ISG Provider Lens® study offers IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers/software vendors
- A differentiated positioning of providers by segments (quadrants)
- Focus on the regional market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between $20 million and $999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above $1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens® quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens® quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

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Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

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Engineering Research and Development (ER&D) Services

Who Should Read This Section

This report is valuable for service providers offering **engineering research and development (ER&D) services** in Europe to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their offerings and market presence.

Digital leaders

such as CIOs and CDOs should read this report to identify providers with strong capabilities in R&D services. The report offers critical insights to help align technology partners with innovation goals, accelerate product development cycles and support digital engineering initiatives to stay competitive in a rapidly evolving industry landscape.

Senior technical leaders

should read this report to gather a detailed understanding of providers offering cutting-edge solutions tailored to manufacturing needs. The independent assessments and provider comparisons can help them make informed decisions to drive innovation and efficiency, and competitive advantage, ensuring they can identify partners that best support R&D strategies and engineering goals.

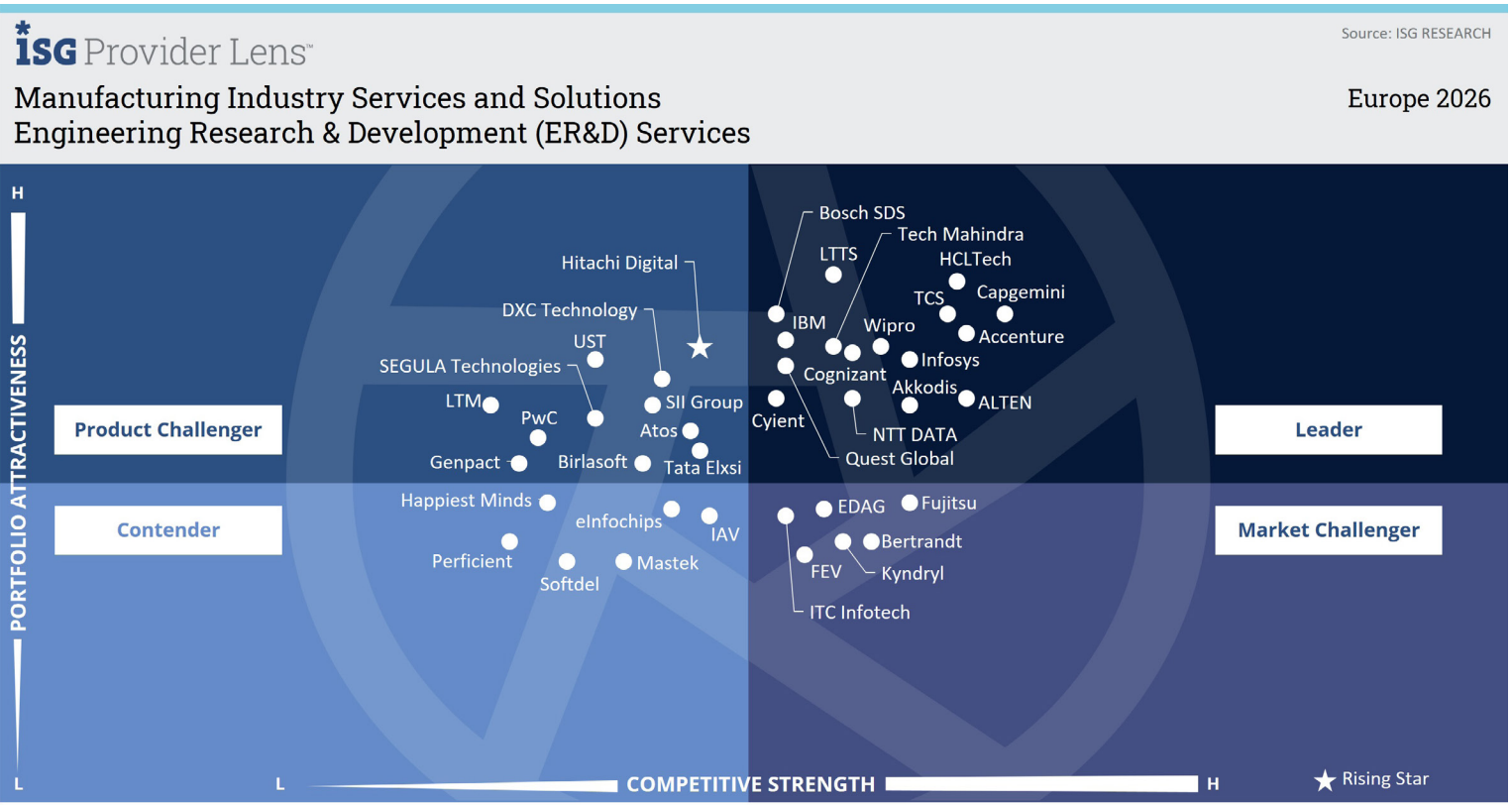
Technology leaders

such as CTOs should read this report to gather data-driven insights into providers' relative strengths, weaknesses and innovation capabilities. This comprehensive analysis can help them align technology adoption and strategic vendor relationships for operational efficiency and innovation speed. It can also equip them with actionable intelligence to make confident, forward-looking decisions in a competitive landscape.

Operations leaders

such as COOs should read this report for its comprehensive evaluation of providers that improve operational efficiency, supply chain effectiveness and process optimization in the manufacturing industry. This report can help them select partners that can support them in executing strategic goals, while ensuring resilient, compliant and high-performing operations.

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This quadrant evaluates providers for services across the product **engineering lifecycle, digital engineering, software-defined products, embedded systems, simulation, validation** and PLM. It assesses engineering depth, innovation and industry expertise.

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Definition

This quadrant focuses on providers offering services and solutions to help manufacturing companies design, develop, test, industrialize and manage production and engineering processes across a product lifecycle. It encompasses product engineering services, including product design, systems engineering, embedded and software engineering, testing, validation and lifecycle support, as well as process engineering services, including manufacturing engineering, industrial engineering, process design, tooling, commissioning and production readiness.

These services leverage technologies such as simulation, digital twins, AI-assisted engineering, product lifecycle management (PLM) systems and connected engineering platforms to improve innovation, product quality, engineering productivity and time-to-market. ER&D services help organizations bridge the gap between product development and manufacturing readiness, while accelerating industrialization and engineering transformation across manufacturing.

Eligibility Criteria

1. **Drive transformation and product innovation** through multi-disciplinary engineering and manufacturing expertise
2. **Apply engineering best practices,** including systems engineering, MBSE, requirements management, functional safety and multi-domain integration
3. **Demonstrate alignment of engineering and manufacturing operations** to accelerate product development and industrialization
4. Have offerings in **at least three of the following areas:**
   - Mechanical engineering
   - Electrical/electronic engineering
   - Embedded and firmware engineering
   - Design and development
   - Software engineering
   - Mechatronics and control systems
   - CAD/CAE
   - Testing/Simulation
   - Digital twins and virtual validation
   - AI-assisted engineering and testing
   - Manufacturing engineering and industrialization
   - PLM and digital thread
5. Show expertise in **AI-assisted engineering, generative engineering, digital twins and autonomous validation**
6. **Partner** with software engineering providers, technology firms, semiconductor ecosystem players, industrial manufacturers and industry associations
7. Demonstrate **referenceable case studies on** engineering-led manufacturing transformation, intelligent product development and industrialization initiatives across manufacturing processes

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Observations

European manufacturers are reshaping engineering organizations to address a market defined by sustainability mandates, software-driven innovation and growing product complexity. Across Germany's industrial sector, France's aerospace ecosystem, the Nordic region's sustainability leadership and emerging engineering hubs in Central and Eastern Europe, companies are accelerating investments in digital engineering to improve speed, resilience and product performance.

As a result, ER&D services are becoming increasingly strategic. Manufacturers are seeking partners that can offer beyond traditional design and testing support and can integrate product engineering, software development, data and manufacturing expertise. Demand remains particularly strong for software-defined products, embedded systems, digital twins, model-based engineering, simulation, validation and AI-enabled engineering. These capabilities help organizations reduce development cycles, improve quality and manage increasingly connected product portfolios.

The market is also witnessing greater convergence between engineering and operational functions. Product development decisions are increasingly informed by manufacturing, supply chain and field performance data, enabling faster innovation and better lifecycle outcomes. Service providers that can bridge these domains while offering industry-specific expertise across automotive, aerospace, industrial equipment, energy and high-tech sectors are gaining strategic relevance.

European clients continue to place significant value on providers with local engineering talent, regulatory understanding and proximity to innovation ecosystems. Beyond scale, the ability to combine deep domain knowledge with reusable engineering platforms, sustainability expertise and AI-driven productivity improvements is emerging as a key differentiator. As manufacturers balance cost pressures with innovation ambitions, ER&D services will remain central to enabling smarter, more connected and more sustainable products.

From the 61 companies assessed for this study, 39 qualified for this quadrant, with 16 being Leaders and a Rising Star.

accenture

Accenture's Industry X connects AI-assisted engineering, digital twins and lifecycle data, linking product development with manufacturing readiness across Europe.

AKKODIS

Akkodis differentiates through its product-to-production engineering model, combining digital engineering, industrialization and AI-enabled lifecycle acceleration capabilities.

ALTEN

ALTEN combines engineering-led delivery, specialized sector expertise and co-engineering engagement models to support product development, validation and industrialization across Europe.

BOSCH

Bosch SDS differentiates through its contextualized data products, semantic data backbone and digital thread approach that connects engineering, manufacturing and field insights.

Capgemini

Capgemini links digital continuity, AI-assisted knowledge reuse and multi-disciplinary engineering to carry complex products from concept into industrialization.

cognizant

Cognizant combines its design-make-service engineering model with digital thread, simulation and lifecycle capabilities to connect product engineering more closely with industrialization and manufacturing operations.

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Cyient differentiates through its Cy-iNGINE platform, combining engineering knowledge, AI-enabled workflows and digital-thread capabilities to improve engineering efficiency.

HCLTech combines AI-enabled engineering with digital thread and lifecycle integration, helping manufacturers accelerate innovation and product industrialization.

IBM combines engineering modernization, systems engineering and lifecycle integration with AI-led transformation delivered through a broad ecosystem.

Infosys integrates AI across engineering workflows, blending engineering expertise, consulting and domain capabilities to accelerate product development.

LTTS engineering-intelligence strategy combines AI-led engineering automation, lifecycle modernization and consulting frameworks to improve engineering productivity and transformation outcomes.

NTT DATA combines engineering consulting and implementation capabilities across MBSE, PLM and AI-enabled engineering, supported by a global engineering CoE and integrated delivery model.

Quest Global's silicon-to-systems-to-cloud approach, combined with MBSE, digital engineering and lifecycle expertise, supports complex engineering transformation.

TCS combines digital engineering, software-led product development and connected lifecycle processes through an integrated engineering model.

Tech Mahindra's engineering-led approach links product, software and operational domains through specialized manufacturing practices and transformation capabilities aligned to industrial priorities.

Wipro links engineering, manufacturing and operations through a design-to-operate approach supported by AI, simulation and digital twins.

Hitachi Digital

Hitachi Digital (Rising Star) integration of industrial domain expertise with digital product engineering enables manufacturers to connect product innovation, software development and operational requirements.

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Rising Star

"Hitachi Digital demonstrates strong engineering depth across hardware, software and connected products, supported by manufacturing experience and expanded scale through the GlobalLogic integration."

Srinivasan P N

Hitachi Digital

Overview

Hitachi Digital, headquartered in California, U.S., a wholly owned subsidiary of Hitachi, Ltd., is a global digital services company. It has approximately 38,000 employees across 27 countries. Formed by uniting GlobalLogic and Hitachi Digital Services, the company brings digital engineering and operations together. Hitachi Digital delivers digital consulting and technology services across cloud, data and IoT. Its ER&D portfolio blends industrial and digital product engineering capabilities spanning embedded systems, industrial software, AI and digital twins. These capabilities support manufacturers in connected product development and engineering transformation across the product lifecycle.

Strengths

Comprehensive engineering coverage: Hitachi Digital delivers silicon engineering, hardware design, embedded software, connectivity, IoT platforms, cloud-native applications and digital product engineering. These services enable manufacturers to access a largely end-to-end engineering partner across increasingly software-defined products.

Industrial engineering heritage: Hitachi Digital benefits from extensive operational and engineering experience across manufacturing, mobility, industrial equipment and automation. Its OT expertise and digital engineering capabilities align product engineering priorities with industrial operating environments.

Product-to-platform capabilities: The integration of GlobalLogic with Hitachi Digital has expanded the latter's capabilities from embedded and product engineering to cloud, AI and data services. The provider supports manufacturers seeking tighter connections between physical products, connected ecosystems and digital service offerings.

Manufacturing-specific use cases: References include industrial instrumentation, robotics, warehouse automation, flow meters, industrial communications, OEM engineering and product lifecycle solutions. These examples demonstrate repeatable experience across discrete manufacturing and industrial products environments relevant to Europe.

Caution

The combined ER&D narrative increasingly benefits from the integration of Hitachi Digital and GlobalLogic. Enhancing market visibility around a unified engineering value proposition and clearer articulation of integrated capabilities would further strengthen differentiation among manufacturing buyers in Europe.

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Physical AI and Smart/Digital Factory Services

Who Should Read This Section

This report is valuable for service providers offering **physical AI and smart/digital factory services** in Europe to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their offerings and market presence.

Digital leaders

such as CDOs and CIOs should read this report to gain an in-depth understanding of providers driving digital transformation and smart factory innovations in the manufacturing industry. The insights from this report can enable them to partner with the ones that excel in deploying IoT, AI, digital twins and cloud platforms to foster operational efficiency, improve data integration and support secure and scalable modernization.

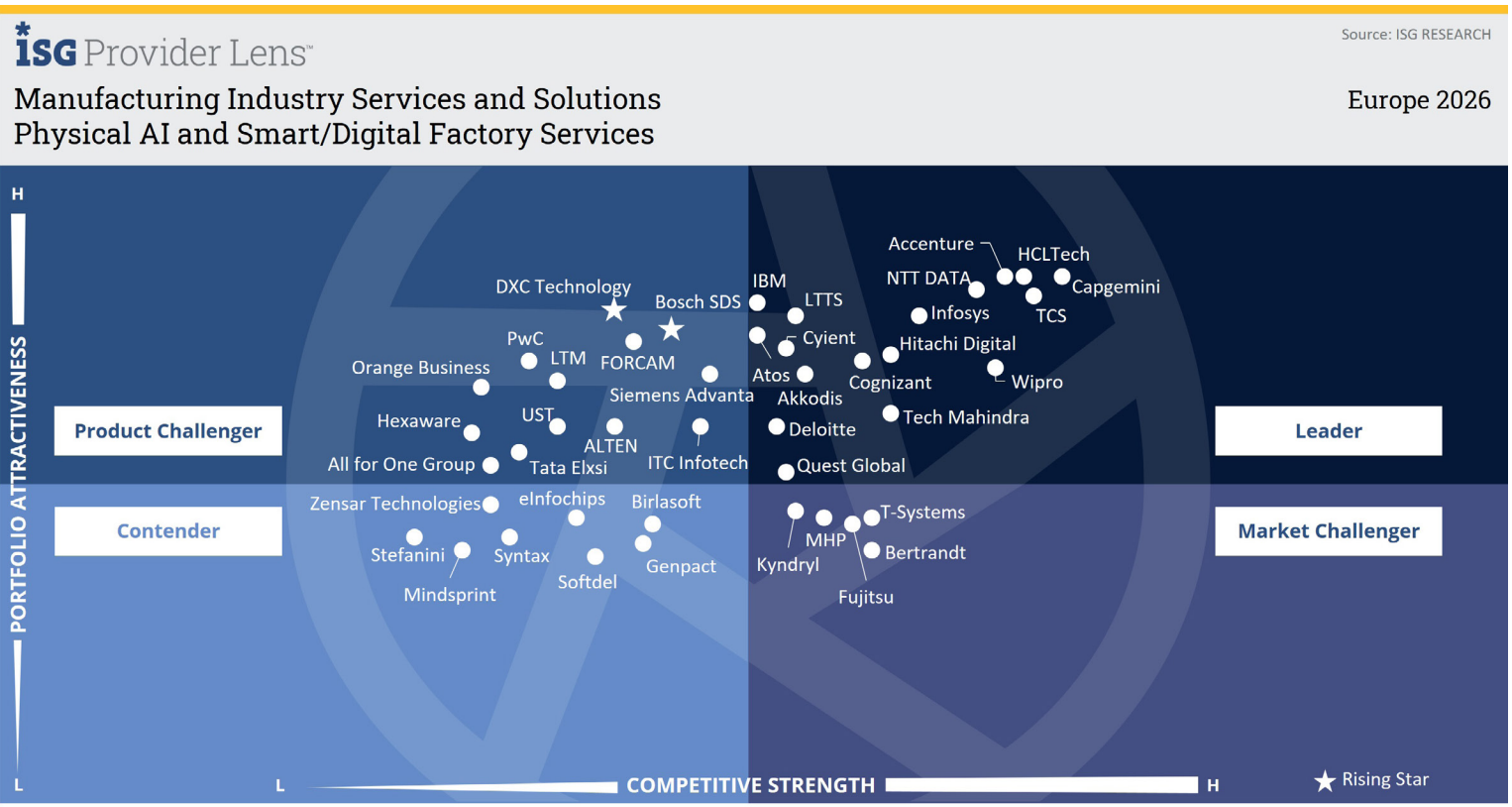
Technology leaders

such as CTOs should read this report to identify providers developing advanced digital and smart factory solutions in the manufacturing industry. The report enables technology leaders to partner with experts in automation, connectivity, cybersecurity and scalable cloud services that can support in driving technology innovation and digital transformation. The insights from this report enable strategic decision-making to enhance operational agility and future-proof the organization.

Operations leaders

such as COOs should read this report for a detailed understanding of providers supporting digital transformation and operational excellence in the manufacturing industry. Leveraging report insights, these leaders can select partners to enhance process efficiency, supply chain resilience and automation, ensuring scalable, compliant and cost-effective operations. This guidance would help drive strategic improvements, competitive agility and sustainable business growth.

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This quadrant evaluates providers enabling **factory modernization** through **industrial AI, robotics, digital twins and intelligent manufacturing platforms.** It assesses their ability to improve productivity, quality, resilience and operational agility.

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Definition

This quadrant focuses on providers offering services and solutions to help manufacturers transform factories via smart manufacturing, industrial automation and intelligent operating systems. It covers Industry 4.0 and emerging Industry 5.0 initiatives, including connected factories, intelligent quality management, predictive maintenance and physical AI-enabled operations.

Smart manufacturing solutions also help companies implement strategies from the boardroom to the shop floor. As manufacturers navigate challenges such as obsolete networks and infrastructure, fragmented OT and IT layers, data silos and limited collaboration between IT and operations, a defined smart manufacturing strategy can streamline shop-floor operations.

In manufacturing environments, providers foster the use of physical AI for capabilities such as intelligent robotics, autonomous inspection, adaptive production systems, AI-assisted operations and autonomous material movement

Eligibility Criteria

1. **Drive smart factory transformation and intelligent manufacturing initiatives**, leveraging OT, automation, industrial engineering and AI expertise
2. **Apply best practices** across connected operations, industrial automation, intelligent manufacturing and operational transformation
3. **Foster** alignment between **factory operations and enterprise systems to improve performance, visibility, quality of manufacturing and workforce productivity**
4. Have offerings in **at least three of the following areas:**
   - MES/MOM services
   - Shop-floor digitalization
   - Production orchestration
   - Connected factory operations
   - Industrial automation and robotics
   - Physical AI and autonomous operations
   - Intelligent quality inspection
   - Predictive maintenance and asset performance management
   - IIoT, edge AI and industrial intelligence
5. **Show expertise in next-generation technologies such as physical AI**, industrial AI agents, digital twins, autonomous manufacturing systems and industrial cybersecurity
6. **Partner** with automation, robotics, OT, cloud and manufacturing technology providers, as well as industry associations
7. **Demonstrate referenceable case studies** on successful smart manufacturing and factory transformation initiatives across manufacturing processes
8. Demonstrate capabilities in applying physical AI technologies that combine AI, robotics, automation, computer vision, IIoT, sensing technologies and operational data to enable intelligent, adaptive, and semi-autonomous manufacturing operations

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Observations

European manufacturers are accelerating investments in smart factory initiatives to improve productivity, resilience, sustainability and workforce effectiveness in an increasingly volatile operating environment. While Industry 4.0 programs have matured across many markets, a new wave of transformation is emerging, driven by advances in industrial data platforms, AI and autonomous systems. Manufacturers across Germany, France, Italy, the Nordics and Central Europe are moving beyond isolated pilots toward enterprise-wide industrialization of digital capabilities.

This evolution is fueling the demand for solutions that connect OT, engineering and IT environments. Organizations are prioritizing factory modernization programs that combine industrial IoT, MES, digital twins, robotics, computer vision, advanced automation, predictive maintenance and real-time analytics. Increasingly, these investments are being complemented by AI and GenAI capabilities that support quality improvement, process optimization, workforce assistance and decision intelligence across production environments.

Physical AI is emerging as a particularly important area of focus as manufacturers explore intelligent robotics, autonomous material movement, adaptive production systems and AI-enabled shop-floor operations. These technologies are helping companies address labor constraints, improve operational flexibility and enhance responsiveness to changing customer and market requirements. At the same time, manufacturers remain focused on delivering measurable business outcomes, creating opportunities for service providers that can successfully bridge strategy, implementation and operational value realization.

European clients continue to favor partners with strong manufacturing domain expertise, a deep understanding of industrial environments and experience integrating diverse IT and OT ecosystems. Providers that combine consulting, engineering, automation, data and AI capabilities are increasingly viewed as strategic transformation partners. As manufacturers pursue higher levels of autonomy, sustainability and operational intelligence, smart factory and physical AI services are expected to remain a key source of competitive differentiation and long-term value creation.

From the 61 companies assessed for this study, 43 qualified for this quadrant, with 17 being Leaders and two Rising Stars.

accenture

Accenture's Physical AI Orchestrator joins live digital twins, simulation and AI agents, while the agentic factory supports shop-floor diagnosis and guided action.

AKKODIS

Akkodis combines industrial automation, contextual intelligence and Physical AI capabilities to bridge digital decision-making with physical factory execution.

Atos

Atos' M4MFG consulting approach connects shop-floor priorities with enterprise transformation, while reusable IIoT architectures support scalable deployment.

Capgemini

Capgemini's smart factory model combines contextualized industrial data, digital twins, robotics and closed-loop decisions to advance adaptive production.

cognizant

Cognizant's Intelligence Spine establishes a unifying operational layer that integrates enterprise, engineering and factory data to support intelligent decision-making and autonomous manufacturing operations.

CYIENT

Cyient combines manufacturing operations expertise with Cy-iNGINE and factory-focused accelerators to connect operational, engineering and asset data.

Deloitte.

Deloitte's Smart Factory network provides a tangible environment where manufacturers can assess industrial AI, connected operations and future-factory use cases.

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HCLTech

HCLTech combines Physical AI, digital twins and industrial intelligence with OT-IT integration, creating a scalable foundation for intelligent manufacturing operations.

Hitachi Digital

Hitachi Digital differentiates through its customer-zero manufacturing experience, combining operational technology expertise with industrial AI, digital twins and factory modernization capabilities.

IBM

IBM brings together industrial data, AI, analytics and operational integration to enable intelligent factory modernization programs.

Infosys

Infosys' physical AI strategy spans intelligent products and process transformation, supported by partnerships and manufacturing expertise.

LTTS

LTTS combines engineering expertise, industrial AI and ecosystem partnerships to orchestrate smart manufacturing and physical AI initiatives beyond standalone automation.

NTT DATA

NTT DATA differentiates through its Industrial Data Foundation and Physical AI portfolio, connecting edge intelligence, robotics, digital twins and industrial operations into scalable transformation programs.

Quest Global

Quest Global links engineering, digital twins, AI, IIoT and factory operations to improve manufacturing visibility, productivity and quality.

TCS

TCS combines industrial AI, digital engineering and OT-IT convergence to create connected, data-driven manufacturing environments.

Tech Mahindra

Tech Mahindra's factory transformation strategy combines industrial data, automation, robotics and AI within a coordinated operating model designed to support progressive industrial modernization.

Wipro

Wipro combines digital twins, industrial AI and robotics-driven innovation within a broader industrial autonomy vision.

Bosch

The Bosch SDS' (Rising Star) Cognitive Factory platform combines industrial AI, semantic data architectures, digital twins and manufacturing intelligence to support data-driven factory operations.

DXC

DXC Technology (Rising Star) combines industrial AI, automation and operational modernization capabilities with manufacturing engineering expertise to support smarter factory environments.

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Leader

"Hitachi Digital shows credible industrial AI execution through manufacturing operations experience, smart factory assets, digital twin capabilities and a clear physical AI vision aligned to manufacturing outcomes."

Srinivasan P N

Hitachi Digital

Overview

Hitachi Digital, headquartered in California, U.S., a wholly owned subsidiary of Hitachi, Ltd., is a global digital services company. It has approximately 38,000 employees across 27 countries. Formed by uniting GlobalLogic and Hitachi Digital Services, the company brings digital engineering and operations together. Hitachi Digital positions physical AI at the intersection of IT, OT and industrial operations, supported by capabilities in smart factories, digital twins, industrial AI, predictive maintenance, connected workers, automation and operational intelligence to advance Industry 4.0 and Industry 5.0 initiatives.

Strengths

Strong physical AI positioning:
Hitachi Digital has a structured approach for sensing, operational intelligence, edge decision-making and autonomous execution. It links industrial AI, telemetry, digital engineering and operational systems to measurable manufacturing goals such as reliability, efficiency and servitization.

Customer-zero manufacturing credibility:
Hitachi Digital leverages internal manufacturing operations, factories and assets to validate concepts before broader deployment. This heritage strengthens its ability to address real-world factory environments, including brownfield modernization.

Broad smart factory portfolio:
Hitachi Digital capabilities include production optimization, quality inspection, predictive maintenance, worker safety, industrial IoT, connected facilities, digital twins, asset monitoring and operational analytics. The approach allows manufacturers to pursue phased modernization rather than isolated projects.

Demonstrated manufacturing outcomes:
Hitachi Digital case studies show operational improvements in scrap reduction, predictive maintenance, asset availability, throughput optimization, quality management, fault diagnosis and connected factory initiatives. Experience spans automotive, industrial products, heavy equipment and process industries.

Caution

Physical AI remains an emerging market category with varying levels of customer maturity. Continuing education for manufacturing buyers and clearer articulation of deployment pathways from Industry 4.0 initiatives to physical AI programs would strengthen adoption in Europe.

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Supply Chain and Aftermarket Services

Who Should Read This Section

This report is valuable for service providers offering **supply chain and aftermarket services** in Europe to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Supply chain leaders

such as CSOs and CPOs should read this report to gain actionable insights into providers that transform supply chain operations with advanced digital and smart factory solutions. The report will help them partner with the ones excelling in AI, analytics and automation to support real-time visibility, resilient logistics, and efficient procurement and risk mitigation amid evolving market challenges.

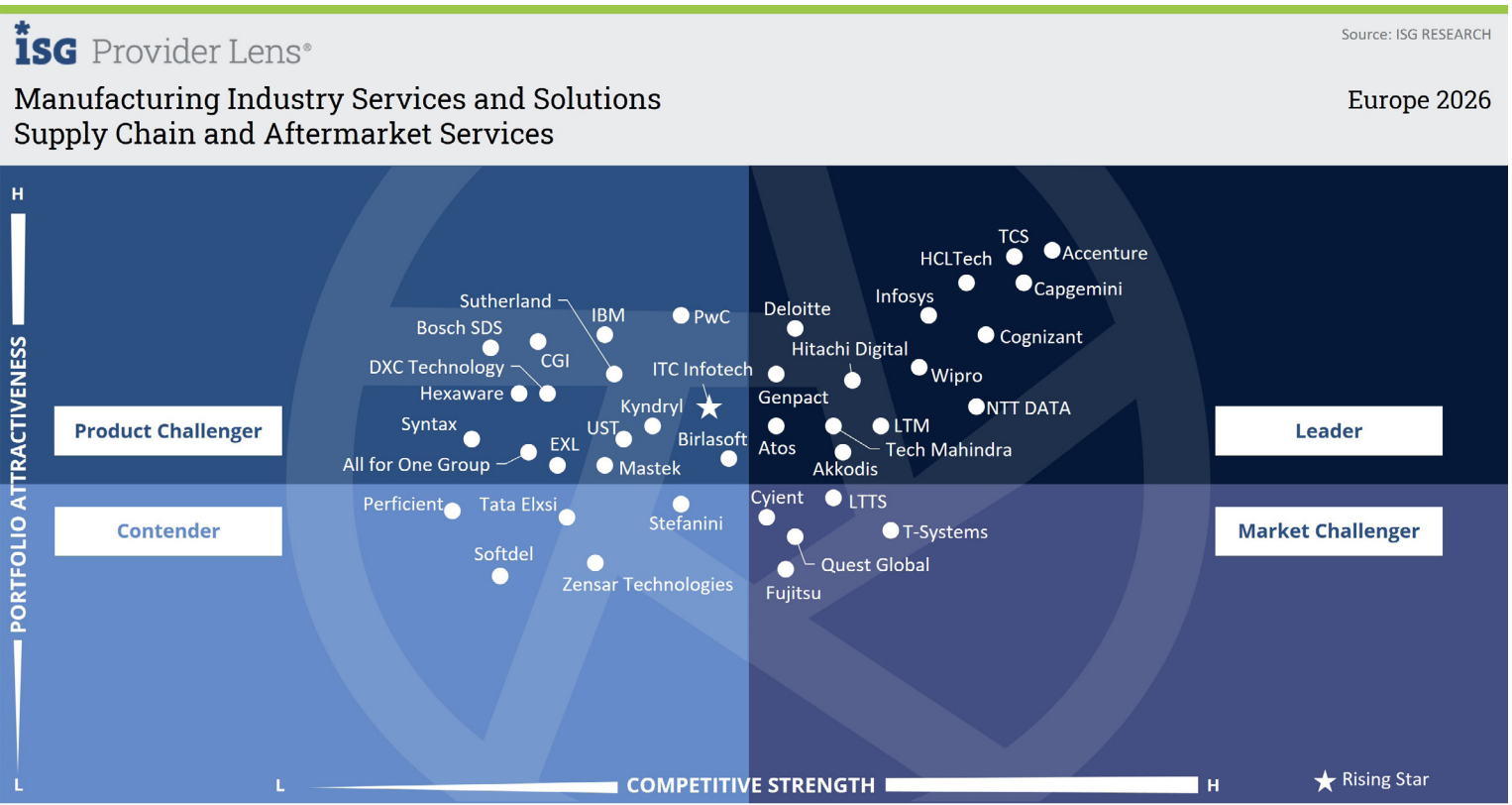
Technology leaders

such as innovation heads and CTOs should read this report to gain a strategic view of providers with leading capabilities in digitalization, AI, automation and advanced analytics and can drive efficient and resilient supply chains and enhance aftermarket value. The insights will enable these leaders to future-proof their operations, foster innovation and have a measurable competitive advantage.

Digital leaders

such as CDOs and CIOs should read this report to gain strategic insights into providers. The report enables them to identify potential partners with strong capabilities in data analytics, automation and integration that can help them optimize supply chain visibility, resilience and customer service. With these insights, these leaders can better align technology investments with business goals and accelerate operational excellence.

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This quadrant evaluates providers that help manufacturers **optimize planning, procurement, logistics, service operations and aftermarket performance** and assesses their capabilities to improve **resilience, CX** and **long-term lifecycle value.**

Srinivasan P N

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Definition

This quadrant focuses on providers offering services and solutions to help companies manage procurement, warehousing, inventories, fulfillment and transportation/ logistics in the supply chain space alongside spare parts management, field operations, end-of-life services, and warranty and guarantee services in the aftermarket space. Manufacturing companies are increasingly investing in blockchain, automation, AI/GenAI, intelligent workflows, partner ecosystems and sustainability to optimize the above mentioned spaces.

Manufacturers are prioritizing automation in supply chains, procurement and aftermarket processes. With rapid technological advancements, the manufacturing industry is witnessing the emergence of new business models such as service lifecycle management and subscription services. They need to optimize the use of AI and ML to enhance personalized customer services, improve decision-making and drive end-to-end digitalization, thereby augmenting UX and CX across online and mobile platforms.

Eligibility Criteria

1. Have experience in **supply chain and aftermarket** consulting and implementation
2. Demonstrate **successful supply chain and aftermarket engagements** with 2-3 manufacturing firms
3. Have offerings **in more than two** of the following areas:
   - Warehouse management
   - Logistics and transportation management systems
   - Purchasing
   - Shipping
   - Traceability
   - Scheduling
   - Order management
   - Control tower
   - Forecasting
   - Demand planning
   - Materials management
   - Third-party risk management
   - Supply chain and procurement optimization
   - Supply chain segmentation
   - Supply chain planning and BPO
   - Sustainability solutions in procurement and supply chain
   - Controls management
   - Warranty management
   - Analytics and reporting
   - Field management services
   - Inventory optimization
   - Spare parts and sales
   - Pricing management
   - Contract management
   - CX/UX
   - Service information systems
   - Remote troubleshooting tools
   - Reverse logistics
4. Have expertise in **next-gen technologies** — automation, analytics, IoT, AI, cybersecurity, cloud and blockchain
5. **Partner** with industry associations, regulatory bodies, technology firms and manufacturing startups
6. Show **referenceable case studies** across the manufacturing value chain in key areas such as AI, GenAI and other next-gen technologies

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Observations

European manufacturers are continuing to rebalance supply chains in response to geopolitical uncertainty, evolving trade dynamics, sustainability requirements and changing customer expectations. Across Germany, France, Italy, the Nordics and Central Europe, organizations are shifting from reactive disruption management toward building supply chains that are more resilient, adaptive and data-driven. This is increasing the demand for service providers that connect strategy, technology and operational execution across the value chain.

Manufacturers are investing in integrated planning, supplier collaboration, logistics transformation, inventory optimization and control tower capabilities to improve visibility and responsiveness. AI, advanced analytics and digital platforms are being deployed to strengthen forecasting, enhance decision-making and improve operational agility. Sustainability is also becoming a priority, influencing sourcing strategies, network design and supplier management programs.

At the same time, aftermarket services are emerging as an increasingly important driver of growth and customer retention. Industrial companies are expanding service-led business models that extend engagement beyond the initial product sale. Connected products, predictive maintenance, remote monitoring, field service transformation and service parts optimization are helping manufacturers improve asset performance while creating recurring revenue streams. This trend is particularly visible across industrial equipment, aerospace, automotive and energy sectors.

European buyers increasingly favor providers that combine supply chain expertise, industry knowledge, digital capabilities and operational experience. Providers that can connect supply chain and service operations through data, automation and AI are better positioned to help manufacturers improve resilience, enhance customer value and unlock long-term lifecycle revenue opportunities.

From the 61 companies assessed for this study, 40 qualified for this quadrant, with 15 being Leaders and a Rising Stars.

accenture

Accenture SynOps supports data-led operations, while connected monitoring, warranty automation and feedback loops link aftermarket service with engineering improvement.

AKKODIS

Akkodis connects supply chain, aftermarket and service operations through contextual intelligence and AI-enabled decision support across lifecycle processes.

Atos

Atos' Intelligent Supply Chain framework and blockchain-based digital product passport connect operational insight with lifecycle traceability and sustainability data.

Capgemini

Capgemini connects AI-enabled planning and decision intelligence with logistics, spare parts and field service across the supply-to-service lifecycle.

cognizant

Cognizant's supply chain strategy combines AI industrialization, operational productivity and agent-led execution models, creating a structured pathway toward increasingly autonomous supply chain operations.

Deloitte.

Deloitte connects supply chain strategy, operational redesign and digital enablement to support resilient and customer-focused value chains.

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Genpact differentiates through an operations-first model that embeds AI, analytics and agentic capabilities directly into supply chain workflows, linking planning, procurement, logistics and aftermarket processes.

HCLTech

HCLTech unifies supply chain and aftermarket operations through AI-enabled visibility, integrated execution and lifecycle-focused service management capabilities.

Hitachi Digital

Hitachi Digital increasingly links operational intelligence, asset performance and service delivery to support manufacturers pursuing servitization and lifecycle-based business models.

Infosys applies AI and process transformation to improve supply chain resilience, operational efficiency and service performance.

LTM combines supply-chain consulting and platform implementation with BlueVerse-supported agents for planning, procurement, pricing and service workflows.

NTT DATA leverages deep planning, logistics and aftermarket expertise while integrating supply chain transformation initiatives with manufacturing, data and AI capabilities.

TCS integrates supply chain, service operations and industrial intelligence capabilities to support connected value-chain transformation.

Tech Mahindra links supply chain execution with aftermarket transformation through an integrated lifecycle approach focused on operational and customer outcomes.

Wipro embeds AI-driven decision support across planning, sourcing, logistics and aftermarket operations.

ITC Infotech

ITC Infotech's (Rising Star) control tower approach unifies supply chain data and applies AI-led insight, while service lifecycle capabilities connect parts, content and field teams.

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Leader

"Hitachi combines industrial operations expertise with predictive maintenance, asset intelligence and digital service capabilities that support evolving aftermarket and service-led manufacturing strategies."

Srinivasan P N

Hitachi Digital

Overview

Hitachi Digital, headquartered in California, U.S., a wholly owned subsidiary of Hitachi, Ltd., is a global digital services company. It has approximately 38,000 employees across 27 countries. Formed by uniting GlobalLogic and Hitachi Digital Services, the company brings digital engineering and operations together. Hitachi Digital supports manufacturers across the supply chain, asset management, maintenance and service optimization initiatives. Its capabilities include warehouse automation, digital twins, intelligent asset management, field service enablement and aftermarket transformation supporting outcome-based operating models.

Strengths

Asset-centric service capabilities: Hitachi Digital offers capabilities spanning predictive maintenance, asset performance management, condition monitoring, diagnostics, field service enablement and guided repair. These services help manufacturers reduce downtime and improve service responsiveness.

Servitization strategy support: Hitachi Digital increasingly positions manufacturers to move beyond product-centric business models toward service-led and outcome-oriented offerings. Its experience in monitoring, maintenance intelligence, connected assets and lifecycle services supports clients with this transition.

Warehouse and logistics expertise: Hitachi Digital has extensive experience in warehouse automation, autonomous operations, routing algorithms, warehouse digital twins and logistics optimization. These capabilities complement broader manufacturing supply chain modernization initiatives.

Maintenance intelligence at scale: Manufacturing references of Hitachi Digital demonstrate its expertise in predictive maintenance, guided repair, diagnostic optimization, maintenance scheduling and condition monitoring. The company's ability to combine operational data with AI-driven analytics strengthens aftermarket service delivery and asset reliability.

Caution

While Hitachi Digital possesses strong asset and maintenance credentials, increasing visibility of end-to-end supply chain transformation capabilities alongside its aftermarket services would create a more comprehensive market narrative for European manufacturers and increase its appeal.

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Technology, Transformation and Consulting Services

Who Should Read This Section

This report is valuable for service providers offering **technology, transformation and consulting services** in Europe to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Technology leaders such as CTOs

should read this report to identify providers with strong capabilities in digital innovation, modernization and strategic process improvements to bring about operational agility and sustained growth. The insights gained can support these leaders in better decision-making for future-proofing technology investments and achieving a competitive advantage.

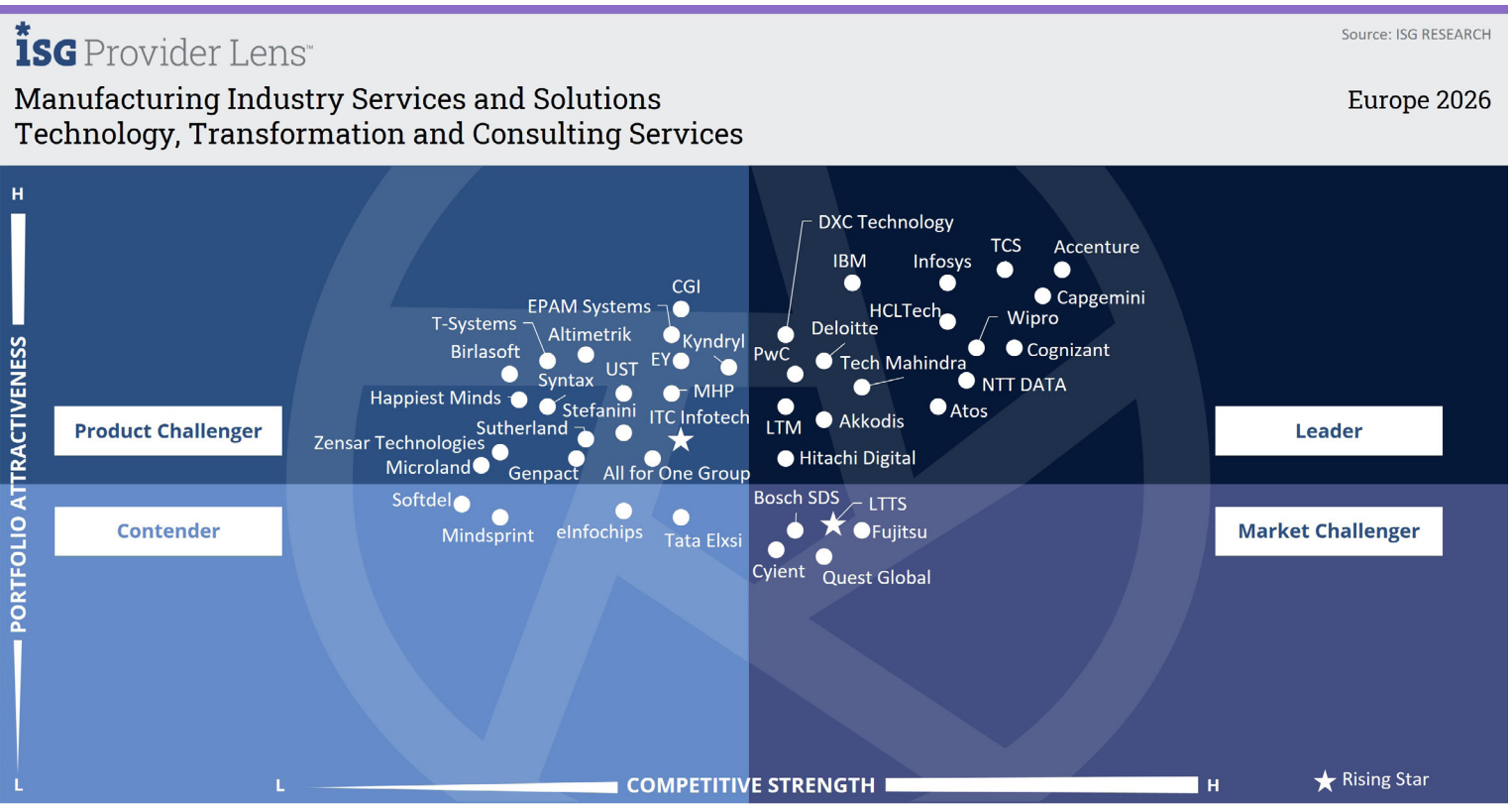
Digital leaders

such as CDOs and CIOs play a critical role in designing and executing transformation strategies in manufacturing organizations. This report offers valuable insights into the capabilities of leading providers in technology, transformation and consulting, enabling these leaders to identify the right partners to accelerate digital initiatives, modernize operations and ensure long-term competitiveness in an evolving manufacturing landscape.

Marketing, sales and operations leaders

such as CMOs should read this report to understand how technology, transformation and consulting providers can support growth, customer engagement and operational efficiency in the manufacturing industry. The report provides insights into potential partners that can enable data-driven marketing, enhance CX, streamline sales processes and align GTM strategies with digital transformation goals, driving a competitive advantage.

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This quadrant evaluates providers of **business consulting, technology modernization, cloud, data, AI, cybersecurity and enterprise transformation** and how well they align **technology investments** with measurable **manufacturing outcomes and business priorities.**

Srinivasan P N

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Definition

This quadrant assesses providers that offer consulting and digital transformation solutions and services to help manufacturing companies modernize their IT infrastructure, streamline operations, improve efficiency and support business transformation initiatives.

The services include application development and maintenance (ADM), infrastructure services (data center, cloud, network, workplace and cybersecurity) and systems integration for new applications across the value chain. They enable manufacturers to increase efficiency, ensure compliance, reduce costs, optimize assets and maximize customer satisfaction.

IT consulting and solutions in the manufacturing industry use data, cloud and AI to improve efficiency and CX. Manufacturing firms aim to achieve transformation by simplifying processes and leveraging reengineering, digital tools and methodologies that align with strategic objectives to increase revenue, optimize costs, achieve operational excellence and enhance business process efficiency.

Eligibility Criteria

1. Show initiatives in **business and operations strategy, change management** and end-to-end transformation
2. Have experience in **re-organizing IT operating models** to align with changing business demands such as GCCs, nearshoring, offshoring and agility
3. **Demonstrate expertise in offering a combination** (if not all) of the following across the value chain:
   - Net zero and decarbonization strategy
   - Regulatory, compliance and market design advisory
   - Digital strategy and roadmap development
   - Cloud migration and infrastructure modernization
   - Enterprise data management and analytics platforms
   - AI and ML integration
   - Workforce digital enablement solutions
   - Change management
   - Training, onboarding and knowledge automation
   - GenAI for digital twin and asset optimization
   - Blockchain for energy trading
   - ERP
   - M&A advisory
   - Operational consulting
   - Robotics and automation
   - Industry 4.0 initiatives (IT/OT integration)
   - Cybersecurity and OT security
4. **Partner** with industry associations, regulatory bodies, technology firms and manufacturing startups
5. Have **experience in large transition engagements** that include post-merger integration, business transformation and cybersecurity
6. **Show referenceable case studies** across the value chain in key areas such as **AI, GenAI, agentic AI and other next-gen technologies**

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Observations

European manufacturers are accelerating transformation programs as they balance cost pressures, sustainability goals, workforce shifts and the need for greater digital competitiveness. Across Germany, France, the U.K., Italy and the Nordics, organizations are modernizing technology estates while building more agile and resilient operating models. This is increasing the demand for providers that can connect business priorities with technology execution.

Demand is extending beyond traditional system integration and ERP projects. Manufacturers are investing in cloud platforms, data modernization, AI adoption, cybersecurity, enterprise applications and digital operating models to improve decision-making and accelerate innovation. SAP transformation remains a major investment theme across Europe , supported by efforts to simplify application landscapes and strengthen enterprise data foundations.

Consulting engagements are becoming more outcome-focused. Clients increasingly expect providers to combine industry expertise with execution capabilities that translate strategy into measurable business value. This creates opportunities for providers that can connect advisory services with implementation, change management and operational support.

European buyers value partners with local market knowledge, regulatory awareness and experience managing cross-border transformation programs. Providers that combine consulting, technology, data and AI capabilities are increasingly viewed as strategic partners. As manufacturers pursue enterprise-wide modernization, technology, consulting and transformation services will remain essential to improving resilience, innovation and sustainable growth.

From the 61 companies assessed for this study, 44 qualified for this quadrant, with 17 being Leaders and two Rising Stars.

accenture

Accenture's reinvention model unites consulting, technology, engineering and operations, with European innovation centers enabling secure, localized co-creation.

AKKODIS

Akkodis differentiated approach centers on enterprise modernization, process rewiring and AI-enabled operating transformation across manufacturing environments.

Atos

Atos Amplify frames advisory around business, technology and sovereignty choices, supported by industrial specialists and a broad hyperscaler and software ecosystem.

cognizant

Cognizant uses its AI-first transformation strategy to connect enterprise modernization, operational improvement and manufacturing transformation through an integrated consulting-to-execution model.

Capgemini

Capgemini's Intelligent Industry approach combines consulting, engineering, cloud, data, AI and IT/OT integration around an autonomous connected enterprise.

Deloitte.

Deloitte's firm's strength lies in connecting board-level transformation priorities with technology execution and operational change programs.

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DXC Technology emphasizes a delivery-oriented consulting model that closely connects strategy, operational execution and long-term transformation outcomes.

HCLTech

HCLTech differentiates through a consult-to-operate approach that combines manufacturing advisory with engineering, AI and large-scale delivery execution.

Hitachi Digital

Hitachi Digital transformation approach links consulting, operational technology expertise and enterprise modernization capabilities to manufacturing-specific business outcomes.

IBM combines consulting, AI and hybrid cloud capabilities to help manufacturers align technology modernization with business goals.

Infosys consulting-led approach combines AI strategy, enterprise transformation and manufacturing domain expertise to drive change.

LTM's three-part operating model brings AI-led operations, technology transformation and domain-focused business process redesign into one portfolio.

NTT DATA emphasizes measurable business outcomes through its Business Transformation Office framework, integrating governance, operating model design, technology enablement and change management.

PwC links Strategy and advisory with technology execution, risk and change disciplines, giving manufacturers a governed path from strategy to adoption.

TCS combines industry consulting, enterprise transformation and AI-led modernization through an integrated manufacturing-focused delivery model.

Tech Mahindra's transformation approach combines consulting, modernization expertise and manufacturing context to support enterprise-wide technology and business change initiatives.

Wipro integrates manufacturing consulting, AI advisory and transformation execution through a business-focused model.

ITC Infotech

ITC Infotech's (Rising Star) transformation model combines cloud, automation, data and AI with integrated IT and OT security, reinforced by a dedicated GenAI CoE.

LTTS' (Rising Star) recognition reflects LTTS's ability to link transformation consulting with engineering execution, enabling manufacturers to progress from modernization strategy to implementation.

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Leader

"Hitachi Digital combines manufacturing domain expertise, IT-OT integration capabilities and transformation execution experience to support modernization programs across industries."

Srinivasan P N

Hitachi Digital

Overview

Hitachi Digital, headquartered in California, U.S., a wholly owned subsidiary of Hitachi, Ltd., is a global digital services company. It has approximately 38,000 employees across 27 countries. Formed by uniting GlobalLogic and Hitachi Digital Services, the company brings digital engineering and operations together. Hitachi Digital helps manufacturers modernize technology environments through IT/OT integration, cloud transformation, enterprise applications and manufacturing consulting. Its industrial domain expertise and technology capabilities support connected factory modernization and broader enterprise transformation initiatives.

Strengths

Integrated IT-OT transformation approach: Hitachi Digital positions manufacturing modernization around the convergence of operational and information technology. Its capabilities span cloud, enterprise applications, data platforms, industrial systems and operational environments, helping manufacturers align technology with operational objectives.

Manufacturing-led consulting perspective: The company's approaches Industry 4.0 and Industry 5.0 transformation through operational priorities, including quality, maintenance, production, safety, sustainability and supply chain optimization. This focus on operational priorities helps align technology investments with manufacturing outcomes.

Enterprise modernization experience: The company's capabilities cover cloud modernization, ERP integration, enterprise applications, data engineering, analytics and operational platforms. It also supports integration between enterprise systems and shop-floor technologies, an essential requirement for manufacturers.

Demonstrated operational transformation delivery: Customer examples highlight the company's work in connected factory initiatives, quality transformation, manufacturing operations management, predictive analytics, industrial IoT and operational visibility programs. These examples illustrate its ability to translate strategy into operational execution.

Caution

As industrial transformation consulting becomes increasingly competitive, Hitachi Digital can enhance recognition beyond its established delivery and operational strengths by placing greater market emphasis on advisory-led engagements and strategic transformation outcomes.

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Appendix

Methodology & Team

The ISG Provider Lens® 2026 – Manufacturing Industry Services and Solutions study analyzes the relevant service providers in the Europe market, based on a multi-phased research and analysis process and positions these providers based on the ISG Research methodology.

Study Sponsor:
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The research and analysis presented in this report includes research from the ISG Provider Lens® program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. The data collected for this report represent information that ISG believes to be current as of December 2026 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

All revenue references are in U.S. dollars ($US) unless noted otherwise.

The study was conducted in the following steps:

1. Definition of Manufacturing Industry Services and Solutions market.
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge & experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts & figures received from providers and other sources.
6. Use of the following key evaluation criteria:
   * Strategy and vision
   * Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * Technology advancements

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Lead Analyst



Srinivasan P N
Senior Lead Analyst

Srinivasan PN is a Senior Lead Analyst at ISG Research with over 12 years of experience in the technology and market research industry. He specializes in Digital Engineering Services, Manufacturing, the AWS cloud ecosystem and broader digital transformation trends, with a strong focus on how emerging technologies are reshaping enterprise IT landscapes. In his current role, Srinivasan leads and co-authors ISG Provider Lens® studies particularly across Digital Engineering, Manufacturing and AWS Ecosystem domains. He is responsible for developing quadrant assessments that provide actionable insights for enterprises and service providers. His work combines deep domain expertise with rigorous primary and secondary research methodologies. Srinivasan is also an active contributor to ISG's thought leadership, authoring research articles and papers that analyze market developments, technology evolution and competitive positioning. He works closely with advisors to support enterprise clients through tailored, ad-hoc research engagements, delivering insights across industries and use cases. Prior to his current role, Srinivasan was involved in end-to-end research delivery, building strong capabilities in both primary and secondary research. His analytical rigor and industry perspective enable him to translate complex technology trends into strategic insights for business and IT stakeholders.

Research Analyst



Varsha Sengar
Research Specialist

Varsha Sengar is a Research Specialist at ISG and is responsible for supporting ISG Provider Lens® studies on Chemicals and Manufacturing Services and Solutions. She has also co-authored the Public Sector and Retail & CPG Services Studies. She has over 9 years of experience in technology research and consulting. At ISG, she is responsible for delivering enterprise' perspective for IPL and collaborates with analysts, advisors and enterprise clients on various research requests including primary and secondary research. She supports the lead analysts across multiple regions in the research process and authors the global summary and focal points. Prior to this role, she has carried out multiple ad-hoc projects and competitive benchmarking reports delivering industry level actionable insights and recommendations.

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Study Sponsor



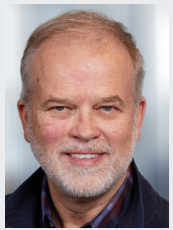
Iain Fisher

Executive Director, Research

Iain Fisher is ISG's head of industry research and market trends. With over 20 years in consulting and strategic advisory, Iain now focuses on cross industry research with an eye on technology led digital innovation, creating new strategies, products, services, and experiences by analysing end-to-end operations and measuring efficiencies focused on redefining customer experiences. Fisher is published, known in the market and advises on how to achieve strategic advantage. A thought leader on Future of Work, Customer Experience, ESG, Aviation and cross industry solutioning. He provides major market insights leading to changes to business models and operating models to drive out new ways of working.

Fisher works with enterprise organizations and technology providers to champion the change in customer focused delivery of services and solutions in challenging situations. Fisher is also a regular Keynote speaker and online presenter, having authored several eBooks on these subjects.

IPL Product Owner



Jan Erik Aase

Partner and Global Head – ISG Provider Lens®/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes;. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry.

Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a partner and global head of ISG Provider Lens®, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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ISG Provider Lens®

The ISG Provider Lens® Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners. ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens® research, please visit this webpage.

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ISG

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The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

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ISG Provider Lens®

DECEMBER, 2026

REPORT: MANUFACTURING INDUSTRY SERVICES AND SOLUTIONS

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