



Trend Report by Next Big Thing AG and IMP Consulting: The Machine Economy will be the driver for structural change after the crisis

- New trend report on the Machine Economy shows concrete application fields in Europe
- There is significant business potential for autonomous machines in industrial environments

Berlin, September 21, 2020 – Connected machines that autonomously communicate and complete transactions with each other—this is the core of the Machine Economy, which will generate trillions of euros in business value over the next few years. The European industry is still in the early stages of its implementation, but it will be the basis for establishing a competitive edge in business. This is demonstrated by the report "Trends Shaping the Machine Economy", published today by [Next Big Thing AG \(NBT\)](#) and [IMP Consulting](#). For the qualitative analysis, 25 high-ranking executives and technology experts were interviewed. They are all considered visionaries in their respective fields of mechanical engineering, industrial suppliers, and management consulting.

In the trend report, NBT venture studio and innovation consultants, IMP Consulting, highlight the current developments and future potential of the Machine Economy. They focus on core technologies—IoT, blockchain, artificial intelligence, and machine learning—which together form the foundation for entirely new business models.

The report serves as a guide for executives to identify the potential of the Machine Economy in their respective industries and navigates through this new era with the right business strategy. Promising use cases are emerging for vehicle manufacturers, mechanical engineering/industrial engineering, industrial suppliers, the raw materials industry, and the processing industry.

Immense potential in the new era of Machines

The report identifies and conducts an in-depth analysis of the challenges in the Machine Economy and how to overcome them for European industries. Four core trends are identified:

- Hardware to software transformation: How can the transformation from CapEx (fixed costs) to OpEx (operating costs) be implemented so that companies invest in the use of machines rather than purchasing them outright?
- Cooperative & user-oriented value creation: How can the Machine Economy be used to develop more robust value chains that ensure higher capacity utilization across companies and platforms?
- Homogenization of hardware and software: How can companies use data validation methods and IoT hardware to standardize processes within the Machine Economy so that these solutions are easy to implement?
- Digital operations: How can the end-to-end production process be digitized and optimized using artificial intelligence?

The Machine Economy is here

The market for IoT and smart manufacturing is expected to reach \$480 billion by 2023. Smart, networked, and economically independent machines that perform activities as autonomous market players with little or no human intervention are creating entirely new business models. Machines are becoming more intelligent with basic technologies such as IoT, machine learning, distributed ledger technology and rely on pre-programmed capabilities to make decisions, perform transactions, and exchange goods and services.

As a result, business models are increasingly shifting towards 'as-a-service' and software models, rather than solely focusing on physical products. The

trend toward user-oriented value creation of assets and platforms as intermediaries is significantly changing the framework conditions of the industry. Companies need the right strategic answers to this, which the Machine Economy Report outlines.

Germany needs to catch up with global innovators

Although Germany is one of the European leaders in the industrial sector, it is losing ground compared to global competitors. According to the report of respondents active in the industry, Germany is still in the early stages of its development in the Machine Economy. A fundamental rethink in innovation management is necessary in order for the country to once again play a leading role in the development of new technologies.

Forging new paths with strategic partnerships

Potential use cases illustrate new opportunities that the Machine Economy can offer to companies. "The report provides important insights into the latest trends in the Machine Economy and shows which industries can stand to benefit from this development. Especially against the backdrop of the current economic crisis, European industries need to focus on the potential of disruptive innovations in order to enter the future from a stronger starting point. An experienced venture studio with successful implementation experience and an extensive network of industry experts can provide support here," says Harald Zapp, CEO, and Founder of NBT.

After all, the Machine Economy is about breaking new ground and offering answers to previously unsolved problems. Very few companies can meet this challenge alone. Venture studios are ideal partners here since they offer business agility, have access to promising founders, and help companies to develop R&D areas at a fraction of the time and cost. NBT, for example, works with startups and companies to develop the best ideas into industry-leading tech companies.

To download the full study, [click here](#).

NBT provides a comprehensive range of services for executives who want to take advantage of the opportunities of the Machine Economy and open up new application fields. This fall in particular, workshops in cooperation with IMP Consulting will be offered to dive into the the topics the report lines out. For further information please contact [Falco Schuett](#), Director of Strategic Partnerships & Marketing at NBT.

If you would like to keep up to date with all the news and information from Next Big Thing, you can register [here](#).

You can download an infographic on the Machine Economy [here](#), a printable press photo of Harald Zapp is available for download [here](#). Further image material is available on request at nbt@finkfuchs.de.

About Next Big Thing AG

Founded in 2016 with its roots in Berlin, Germany, [Next Big Thing AG \(NBT\)](#) is a venture studio for the Machine Economy that co-founds deep-tech ventures with aspiring founders and corporates to deliver real-world impact. With its diverse portfolio of IoT, AI, and DLT projects, NBT provides long-term support for B2B companies, including the full scope of development toolkits, innovation strategies, mentorship to entrepreneurs and startups, engineering know-how, and smart financing – all to empower a more prosperous, sustainable, and democratized world.

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