Often heralded as the fourth industrial revolution, Industry 4.0 is the next stage in the digitization of manufacturing. Recent innovations have paved the way for smart manufacturing, where internet-connected machinery is used to monitor and automate the entire production process.

Industry 4.0 is not just about manufacturing — it concerns the entire fashion eco-system, from high-end brands to fast fashion retailers. It will reshape the entire marketplace and change how companies work and respond to customer demands.

The main benefits of Industry 4.0:

- **3-5%** increase in overall productivity
- **20-50%** increase in speed to market
- **85%** increase in forecast accuracy
- **10-20%** decrease in cost of quality
- **20-50%** reduction in inventory cost

**Sources:** 1) McKinsey & Company - 2) IoT Agenda - 3) Technofashionworld.com - 4) McKinsey & Company

**The Four Main Pillars of Industry 4.0:**

- Big Data
  - IoT enables data centralization and storage, allowing companies to aggregate information on their production processes and customers.

- Augmented Reality (AR)
  - AR helps companies avoid errors by enabling them to manage inventory in real time.

- Digital to Real Life
  - With additive manufacturing (3D printing) and robotics, companies can now produce faster, thanks to high-speed prototyping.

- Data Analytics
  - Companies can anticipate trends and roadblocks through data analysis, which accelerates decision-making.
Smart manufacturing technology makes it possible for companies to achieve full supply chain transparency. By having process visibility, they can now adopt different business models, improve operational efficiency, and produce in larger volumes.

This gives rise to several business opportunities in the sector:

**Mass Production**

With more connected machinery, there will be a decrease in production costs due to big efficiency gains for companies.

**Mass Personalization**

Thanks to IoT, companies can now produce personalized goods in large volumes while staying profitable.

**Agile Production**

By being able to produce multiple small-volume series, companies can offer their customers a wider variety of styles.

**Made to Measure**

Enterprise-wide transparency gives companies the flexibility to adjust their supply-chain mechanisms according to individual needs.

Amazon is taking over the fashion world by storm, thanks to artificial intelligence. The e-commerce company is currently developing machine-learning techniques to analyze images from social media for:

1. Providing fashion advice to online shoppers.
2. Designing and producing new items based on current trends. Now that’s avant-garde.

Source: MIT Technology Review

This gives rise to several business opportunities in the sector:

**NEW OPPORTUNITIES IN FASHION**

**CASE STUDY**

Amazon

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**HOW TO PREPARE FOR INDUSTRY 4.0**

1. **Expand your tech ecosystem.**
   
   Digitize your supply chain to achieve enterprise-wide transparency by connecting systems, processes, and people together.

2. **Invest in solutions that give you flexibility and agility.**
   
   Your business needs evolve as your company matures. Invest in solutions that are modular and scalable so you can adapt easily to change.

3. **Educate your staff.**
   
   Your staff needs to know how to manage your newest technology assets. They can upgrade their skills through training sessions led by industry and technology experts.

4. **Keep an open mind.**
   
   The technology industry is constantly evolving. By keeping a lookout for new innovations, companies are able to choose solutions that best fit their needs.

**THE RISE OF INDUSTRY 4.0 IN FASHION**

Lectra