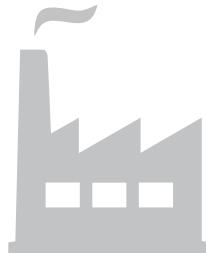


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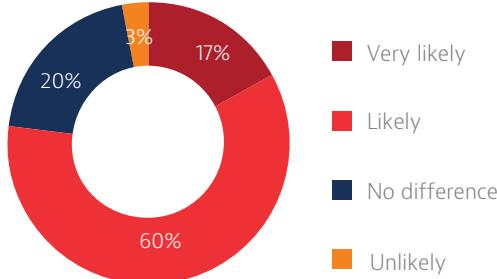
Simplifying Business in a Complex World



20%
feel doing business in IMT
is becoming more complex

52%
expect doing business in
multiple jurisdictions to
become more complex

75%
expect greater pressure
to reduce costs in the
next two years



Major focus for IMT in the next two years:

Acquisition /
expansion

Supply chain
optimization/
protection

Regulatory
change

Optimizing
tax structures

Ranked in equal
third place as major
focus areas

Ranked in equal
second place as major
focus areas

Biggest macro economic challenges/complexities:



Cost pressure



Trade deal
uncertainty

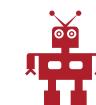


Innovation



Environmental
threats

Technologies which will have the greatest
impact on IMT in the next two years:



Robotics



Artificial Intelligence



Cloud computing

“ Businesses that need an innovation push should implement a company-wide change process. The change process can include making a bolt-on acquisition of a technology company that comes with new ideas, improved processes and creative talent instead of just buying technology.”

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Simplifying Business in a Complex World



Steps for success: Reinventing the wheel

Practical considerations corporations can take to drive change within their organizations:



Give business models a boost and upgrade. Combining robotics, 3-D printing and the Internet of Things with digitalization through big data, cloud computing, analytics, and AI, can be leveraged to automate manufacturing processes, making them more efficient and interoperable in "smart factories".



M&A: Culture counts more than you know. Acquirers must understand the employees, ethics and business practices at the target, as well as how to mesh these with the parent organization. Getting support from local managers is critical.



Build an international workforce. Corporations must fill their ranks with an international set of employees with local insights and perspectives to create global strategies.



Learn from the best. Asia's manufacturers and industrial corporations need to fill the gap in technology use and processes by learning from international leaders. Senior executives should strive to implement a creative culture to encourage experimentation and ingenuity.

Jason Lo, Head of Strategy for China, Honeywell, discusses how industry players can build for the future while hedging uncertainties and rethinking their business models:

- 1 An asset-light model will help IMT corporations remain agile and reduce risks
- 2 Long-term thinking and vision will be key to combating cost pressures
- 3 Experimentation will be the secret ingredient to significant, long-term change

“ Manufacturers need to factor environmental issues into their business models, strategies and production processes. Should businesses choose to ignore environmental problems, this will only increase and prompt governments to put stricter restrictions in place, thus increasing regulatory risk for businesses.”