



By: *Emre Alkin*

Data, people and decisions - The key words for industrial transition



As I see the inadequate theories put forward by various parties amid discussions about production and added value, I believe I should directly tackle the philosophy of the issue, rather than talking about daily economic developments.

First of all, I see that Industry 4.0 is not yet fully understood in Turkey. Equipping factories with robots and factories where no human labour is required does not mean Industry 4.0, also called the Fourth Industrial Revolution.

This latest version of industrial activity, which will be taken to a whole new level with 5G, should actually be described as follows:

“To transmit the data on how goods and services are consumed by consumers, and consumer feedback on these goods and services to the production facility over a digital backbone that works uninterruptedly 99.99% of the time, and to ensure the continuity of supply and demand by processing this incoming data correctly”.

The key words here are absence of interruption, digital backbone, transmission, data, and fluidity of supply and demand.

First of all, to transmit data uninterruptedly via a digital backbone, we require sufficient line length sustained by fibre optic and microwave.

Many emerging economies have been aware of this fact for some time now, and they have been investing heavily in R&D in order to transmit data faster and faster. Recently, the EU has provided billions worth of funding to countries working on this area.

If you put lousy data in you will get lousy predictions out

of the data. As Stephen Hawking said, “No matter how powerful a computer you have, if you put lousy data in you will get lousy predictions out”.

The data gathered directly from the buyers of goods or services should therefore not be corrupted, manipulated, or obtained from questions that are designed to get the desired answers.

Obviously, businesses seek profits, hence they do not engage in anything that might show negative selection as “politically correct”, as they do in the public sector.

However, as businesses grow and share ownership expands, the possibility of manipulating both the management and the shareholders, and ultimately the critical decision makers, grows as well.

For this reason, the owners of giant multinational corporations had better use the advantages of 4.0 industry or even 5.0 to control the risks.

Production alone cannot thus possibly sustain a company forever. Fifty years ago, the share of manufacturing in the pricing was roughly 25%; today it has dropped to nearly 11%. The factors that give its real value to the price and increase the added value of the goods or services are:

Branding, design, innovation, R&D, technological progress, digital infrastructure, continuity in critical infrastructure, well-trained human capital, end-to-end financing and logistics, supply security, good sales numbers, strong marketing, and advertising.

On the road to success, companies have no other option but to manage their businesses like a conductor

But, there is an important issue: the reliability

It is clear that, on the road to success, companies have no other option but to manage their businesses like a conductor. To accomplish that, all functions must be interconnected and work in total harmony.

It is also another fact that when offering a product or service to the market, businesses should also try to offer “solutions“ that satisfy the consumer’s wants and needs.

Solution providers naturally tend to have pricing flexibility, whilst others try to survive in the market with constant deals and discounts.

As we go through an extremely difficult inflationary period, investing more in technology and digitalisation is more important than ever.

Technology brings money, but technology requires money as well. In an economic climate where interest rates keep rising, it is not easy for businesses to find the funds they need for their digitalisation at a reasonable cost.

They must thus make the last thing they should do a priority. If they need consultancy for benefiting from national and international funding, they must hire specialists.

Interestingly, companies that benefit most from such large amounts of funding are the large-scale ones.

They do not say, “We have enough money”, and be content with it. Instead, they constantly try to get grants for the goods and services they produce, and even use these grants to pay the wages of their R&D staff.

Faster, Stronger, More Flexible

According to recent studies with 5G technology, both countries and companies are expected to achieve a profit that is above the

best-case scenario estimates by at least 25%.

In light of this fact, the banking and finance sector needs to act in a manner that prioritises those who make efforts in this area, while respecting the environment and using energy efficiently.

Years ago, whilst I was watching the World Economic Forum on television live from Davos, I took note of the following warnings:

- Focusing is good as long as you don't lose flexibility.
- Use technology everywhere;
- Don't make anyone a partner. Or do it. But only if you want to increase the scale of your business;
- Design is good, but only with proper distribution;
- Grow your solution, not your organisation.

In addition to those useful tips, another important thing a business needs is well-trained human resources.

The types of propaganda that are used in politics are not used in the market

Only educated people can detect and fight the demagogic propaganda called “nonviolent manipulation”.

The types of propaganda that are used in politics are not used in the market. But we could not say that large organisations are always run by the most capable or the most

rational people.

In organisations that accurately and correctly measure employee performance, the right people are always assigned to the right positions.

Either in politics, business, or civil society, expecting a leader to know everything is not the right approach.

As I mentioned earlier, “untampered” data flow should be safely and uninterruptedly delivered to the critical decision makers, and the reports prepared based on this data should be discussed in consultation.

But, if a leader, or any top executive “builds or let others build an impassable wall“ around them would ultimately give the impression that they are being utterly unrealistic.

An executive who discusses the right information with the right people at the right time would increase their chances of making the right decisions.