

## **Collaborative Discussion 1: The Risks of Digitalisation**

### **My initial post:**

Kovaitė & Stankevičienė (2019) refer to the term "Industry 4.0" as the fourth industrial revolution, which has brought considerable digitisation and dramatically changed how individuals and corporations function. For example, the term refers to several technical developments, such as cloud computing and robotics.

IBM (2022) states that Industry 4.0 uses advanced technology to maximise resource utilisation and boost efficiency by achieving real-time decision-making, higher output, and improved industrial flexibility.

Furthermore, SAP (N.D.) notes that Industry 4.0 is powered by data and AI, enabling manufacturers to gather and analyse vast amounts of information in real-time.

Kovaitė & Stankevičienė (2019) have outlined various categories of risks that organisations may face. For instance, NiBusinessInfo (2019) highlights two risks related to Industry 4.0: new business models and IT security. Integrating people, systems, and processes online may lead to data leaks and security lapses. Additionally, organisations must reassess their strategy in light of new business models, which can be challenging without proper internal alignment and qualified staff.

The paper by Horváth and Szabó (2019) emphasises the difficulties of the Fourth Industrial Revolution for manufacturing enterprises in terms of technology, organisation, and management, which is another article that supports Kovaitė & Stankevičienė. Industry 4.0 has to be technologically and socially feasible, but it may encounter challenges such as a shortage of skilled workers and cybersecurity issues.

## References:

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