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Global Lighthouse Network: Pioneering Manufacturing Excellence

Client Alert

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One of the central themes in the recently concluded World Economic Forum's (WEF) Annual Meeting in Davos, Switzerland (January 20 - 24, 2025) was the Global Lighthouse Network (GLN). This WEF initiative, in collaboration with McKinsey & Company, highlights manufacturing sites that successfully implement Fourth Industrial Revolution (4IR) technologies at scale. The "Lighthouse" factories serve as models for next-generation manufacturing, demonstrating how digital transformation enhances productivity, sustainability, and resilience.

Addressing Key Industry Challenges

Despite widespread pilot programs, many manufacturers struggle to scale 4IR technologies across their operations. The GLN identifies and supports manufacturers in overcoming three major roadblocks:

<u>Pilot Purgatory & Scaling Slump</u>: Many companies launch successful pilot projects but fail to scale them due to challenges in data integration, talent, and technology adoption. Lighthouses demonstrate how to bridge this gap with systematic scaling strategies.

Holistic Transformation Needs: Digital transformation is not just about technology—it requires organizational restructuring, business model adaptation, and workforce upskilling. Lighthouses focus on triple transformation: business, technology, and organization.

<u>Sustainability & Circularity Pressures</u>: With increasing regulatory and market demand for sustainability, manufacturers must reduce emissions, minimize waste, and embrace circular economy principles. Lighthouses show how integrating ecoefficient and decarbonization strategies leads to measurable impact.

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The GLN Playbook: Driving Scalable Success

<u>Value-Back Approach</u>: Lighthouses prioritize investments with clear business value, ensuring that technology adoption translates to measurable times Return On Investment.

<u>Assetization for Scale</u>: By packaging solutions into reusable assets, Lighthouses accelerate the deployment of digital tools across global manufacturing networks.

<u>Frontline Engagement & Empowerment</u>: Recognizing that transformation is as much about people as technology, Lighthouses invest in upskilling workers and fostering innovation at every level.

Why This Matters

GLN's proven transformation model has expanded to 189 Lighthouse sites, implementing over 1,000 use cases with measurable success:

- 53% boost in labor productivity
- 26% reduction in conversion costs
- 2-3 times Return On Investment over three years, 4-5 times over five years

What's Next for Manufacturers?

For businesses looking to achieve manufacturing excellence, the Lighthouse transformation playbook offers a roadmap to success. By leveraging 4IR technologies strategically, fostering workforce innovation, and embedding sustainability, manufacturers can future-proof their operations and gain a competitive edge in the global market.

Click on the links below for more details:

- 1. Global Lighthouse Network 2025: World Economic Forum Recognizes Companies Transforming Manufacturing through Innovation
- 2. Global Lighthouse Network: The Mindset Shifts Driving Impact and Scale in Digital Transformation
- 3. How to harness technology and talent in manufacturing: Lessons from the Global Lighthouse Network
- 4. Circular economy: How 'lighthouses' in the built environment can drive value

Please contact the author of this Client Alert or your Butzel attorney for more information.

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