



AI360 podcast

Season 2, Episode 1: The role of AI in the industrial sector: Impacts and value

Host:

Jim Rowan, Head of AI, Deloitte Consulting LLP

Guest:

Patricia Henderson, Principal, Deloitte Consulting LLP

Jim Rowan: Patricia. So great to have you on the podcast today. Can you tell me a little bit about yourself and do a quick introduction?

Patricia Henderson: Yeah, sure. Jim, thanks for having me, I appreciate it. So I'm a principal in our Industrial Products and Construction segment focused on how to bring AI to our clients across the manufacturing spectrum.

Jim Rowan: That's awesome. OK, so, AI—hot topic, right? Why don't you tell me a little bit, like what's going on across industrial products and AI? What's the big story?

Patricia Henderson: So after a few years of slowdown or supply chain challenges, I think 2025 looks to be the year that manufacturing in the US will recover and grow. And so our manufacturing-based industrial products clients are really focused on how do I grow profitably? How do I get products in the door? Make my manufacturing facilities more efficient? And then support and service becomes even more important for those fielded assets that our clients have. And so, I think 2025 is going to be the year that AI has the opportunity to truly transform manufacturing and transform the efficiency and innovation that's coming out of the sector.

Jim Rowan: All right. Well, I love a good, bold prediction for 2025 that we're going to see a lot of AI scaling. You know, we talked a lot about that. Are there some specific—we love to use “use cases”—specific use cases that come to mind that you want people to know about, as we think about good places to find value?

Patricia Henderson: Yeah, absolutely. So I would say there's four areas that we're seeing our clients go for value. The first is—where every client, regardless of your sector, which is that—enterprise AI deployments. How do you drive productivity across your finance function, IT, HR, etc.? I think we'll see that certainly come to bear in our sector, and we're already seeing that scale. More importantly, we're seeing the three big areas. One—engineering and design. How do you use AI to not only speed up the process by being able to do generative design and design iterations, but also how do you then think about impact? So when you have an engineering change in a drawing, what are the impacts downstream? What are the impacts to my long lead items? All of that can be supported by AI. So it's really exciting to see our clients start at the beginning and drive AI through.

The second big area in the heart of the business that we're seeing investment in AI is around the manufacturing operations themselves. So we've been doing preventative maintenance using AI/machine learning techniques for a long time. It's one of our core capabilities and one of the things that we see our core clients look to deploy. But what we're seeing now is how do I actually then take predictive maintenance and couple that with GenAI so that I can put it in the hands of the operators on the floor? And so, there's really amazing use cases being deployed on the factory floor for AI to put it in the hands of those who are actually making and building product. And then the third set of use cases, which I think is absolutely going to change the game for industrial products is around aftermarket. And because aftermarket, and service and support of products that are already in the field, is really a data-rich problem, right? A multivariable data-rich problem. These multiagent solutions that we're putting together now in the production field, in the engineering field, are absolutely going to transform the way that our clients think about aftermarket. So I'm really excited about not only the new innovations and services that our clients are going to be able to sell, but the faster, more efficient speed that they'll be able to deliver those solutions with to their clients.

Jim Rowan: I love it. So you mentioned my two favorite topics of data and agents. Maybe you could share a little bit more. Is data going to be a challenge still for your clients?

Patricia Henderson: We were talking maybe a year ago about this. I said, “data, data, data” was the challenge. I think our manufacturing industrial product space took that to heart. So 2024 was the year that they started to put their data solution in place, build their data foundations. I really think we're going to see a leap in AI adoption now in our space because of the focus that manufacturers put on data first. So, you know, we may have been slow to start in this sector and industry, but I really think that our manufacturing base has got their data in order. I'm not saying they have everything right, but they really did start on that journey. And I think we'll start to see a continued focus on data. But absolutely the foundations are there, and we're building toward more complex AI solutions.

Jim Rowan: I love it. And I think what's great is that we've had this conversation about AI. It's not just Generative AI. It's all the domains of AI that you're focusing and delivering for our clients, which is so important. And you also hit on agents. So, I mean, we can't *not* talk about AI and not mention agents. Do you think that there's a new unlock with agents in terms of how that helps the deployment of AI solutions in the enterprise?

Patricia Henderson: Absolutely. So I think that manufacturers are practical yet innovative, right? That's kind of how our sector is. And I think that the value that a multiagent system brings, where we can actually solve an end-to-end problem, becomes really, really important and impactful. We have labor shortages in our sector and industry that are not going to get easier as time goes on. So being able to actually think about, how do I solve an end-to-end is really powerful and important. And that's where

the multiagent solutions have absolutely come in and transformed not only the output, but how we design and how we think about it. They were no longer saying, “I have natural language processing. What can I do?” It’s “What is your business problem, and how can we solve that? I’ll take care of the solution architecture for you”—whoever’s using that. And I think that’s becoming a really powerful opportunity for clients to go after real value and direct value. language processing. What can I do?” It’s “What is your business problem, and how can we solve that? I’ll take care of the solution architecture for you”—whoever’s using that. And I think that’s becoming a really powerful opportunity for clients to go after real value and direct value.

Jim Rowan: I love it. It’s great, yeah. That’s the other favorite topic: Value. Focus on the business process, not just technology for technology’s sake. All that makes a ton of sense. Well, I’m super excited about what’s coming up in industrial products for next year and the growth that we’re going to see in AI. So thank you very much for joining us today

Patricia Henderson: Thanks, Jim.

Jim Rowan: Take care. Bye.

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