Germany

The anxious industrialist: Modernizing the machine

Executive summary

Germany is navigating a complex transition from traditional industrial efficiency to digital innovation. While 75% of German organizations agree they must shift from cost-savings to growth, their financial outlook remains surprisingly conservative. Only 28% of German executives foresee significant revenue uplift in the next decade — starkly lower than the global average of 45%. Combined with high levels of "AI FOMO" (61%), this reveals a market that recognizes the existential need to change but is hamstrung by legacy systems and fiscal caution.

Key narrative themes

Legacy meets the future

Germany's challenge is distinct: it is attempting to layer cutting-edge AI on top of established, often rigid, industrial legacy systems. Almost one-fourth of leaders (**24%**) cite legacy technology systems as the primary barrier preventing their full potential — the second highest barrier in the region. However, the intent to modernize is strong, driven by a fear that competitors (especially from the US and China) are pulling ahead.

Empowering decision makers

Germany stands out for its specific focus on management and decision-making. Leaders there see AI not only as a creator of products, but as a tool to help employees make better, faster decisions. They lead the global survey in expecting AI's biggest impact to be on "employee decision-making" (**42%**). This suggests a desire to reduce bureaucracy and increase agility within large organizations.

Conservative forecasts, high anxiety

There is a disconnect between the anxiety German leaders feel and the results they expect. While they have high FOMO, their financial projections are modest. This conservatism may reflect a realistic understanding of the difficulty involved in digitally transforming heavy industry compared to digital-native sectors.

Job growth

Despite the focus on industrial efficiency, Germany reports a strong rate of net job increases (**41%**), dispelling the myth that industrial AI is purely about reducing headcount.

The verdict

Germany is in the midst of a difficult but necessary rebuild. The high FOMO is a healthy driver, pushing industrialists to overcome legacy barriers. Success lies in modernization — breaking down technical silos to let intelligence flow through the organization.