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Cloud computing, artificial intelligence & IoT transforming the semiconductor industry

In an era where precision and efficiency are paramount, the semiconductor industry is undergoing a transformative phase propelled by the integration of cloud computing, artificial intelligence (AI), and Internet of Things (IoT) technologies

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An advanced industry like semiconductors, where a single mistake can amount to zillions of dollars in losses, certainly needs solutions that can help plug any gaps in the product development process. These solutions can range from both the technical and business aspects of the product life cycle.

To achieve high design and manufacturing standards, the semiconductor industry has also been heavily relying on cloud-based software solutions. This is why, over the last couple of decades, all major segments of the semiconductor industry have adopted a cloud strategy.

There are certainly cases where the transformation is happening today, but irrespective of the digital transformation journey, semiconductor design, and manufacturing houses realise the importance of hoping on to the cloud solutions and take advantage of every detail by capturing and connecting all the possible data points” Chetan Arvind Patil, Semiconductor SME.

Cloud Computing can transform the Semiconductor Industry in many ways such as:

High-performance computing for chip design: Cloud computing can provide scalable, reliable, and secure HPC infrastructure for silicon design and development using electronic design automation (EDA) software. This can reduce the cost and complexity of on-premises HPC systems and enable faster innovation and time to market.

Supply chain intelligence for components and materials: Cloud computing can provide big data analytics and artificial intelligence capabilities to help chipmakers manage their supply chain and optimise their inventory, sourcing, and demand planning. This can help them cope with the volatility and uncertainty of the market and improve their operational efficiency.

Manufacturing operations optimisation: Cloud computing can provide real-time data collection, processing, and visualisation tools to help chipmakers monitor and optimise their manufacturing processes and equipment. This can help them improve their product quality, yield, and throughput.

Logistics and sales to downstream customers: Cloud computing can provide collaboration and communication tools to help chipmakers coordinate with their downstream customers and partners, such as device makers, distributors, and retailers. This can help them enhance their customer service, satisfaction, and loyalty.



INNOVATION .

Artificial Intelligence has many applications and implications for the semiconductor industry, which produces the chips and devices that enable and power Artificial Intelligence. The semiconductor industry is both a consumer and a provider of Artificial Intelligence, as it uses Artificial Intelligence to improve its own processes and products, and also supplies Artificial Intelligence solutions to various sectors and markets. The integration of Artificial Intelligence into the semiconductor industry is a transformative phenomenon that offers enormous potential for innovation, efficiency, and value creation.

Artificial Intelligence can transform the semiconductor industry in several ways, such as:

Improving chip design: Artificial Intelligence can automate tasks such as circuit design, layout optimisation, defect detection, yield prediction, and process control, leading to faster, cheaper, and better-quality chips. Artificial Intelligence can also enable digital twin modeling, which can simulate the chip fabrication process and reduce the need for physical prototyping.

Manufacturing and testing: Artificial Intelligence can help semiconductor companies optimise production processes, increase throughput, reduce waste, and enhance quality control by using data analytics, machine learning, and computer vision to monitor and control equipment, materials, and products.

Creating new market opportunities: Artificial Intelligence can help semiconductor companies capture more value from the technology stack by providing specialised chips and solutions for various Artificial Intelligence applications, such as autonomous vehicles, facial recognition, 5G, machine learning, and deep learning. Artificial Intelligence can also help semiconductor companies understand customer needs and preferences better and offer personalised products and services.

Enhancing operational efficiency and innovation: Artificial Intelligence can help semiconductor companies optimise their supply chains, logistics, inventory management, and customer service by using data analytics and machine learning to generate insights and recommendations. Artificial Intelligence can also help semiconductor companies foster a culture of innovation and collaboration by enabling knowledge sharing, experimentation, and feedback loops.

IoT transforming the Semiconductor Industry

The Internet of Things (IoT) is poised to disrupt the semiconductor industry at industrial and business levels. IoT devices transform almost all products into smart devices, from irrigation systems to clothing. Retail, health, bioscience, consumer-based products, and industrial IoT are all in high demand.



of consumer and industrial demand for connected devices.

IoT applications cannot work without sensors and integrated circuits, so all IoT devices will require semiconductors. The smartphone market, which has driven growth in the semiconductor industry for years, has begun to level off. The IoT market could represent new revenue for semiconductor manufacturers, allowing the semiconductor industry to maintain an average annual growth of 3 to 4 per cent for the foreseeable future.

IoT can transform the semiconductor industry in many ways such as:

1. IoT devices transform almost all products into smart devices. IoT devices are becoming more and more popular, and they are transforming almost all products into smart devices. This means that the semiconductor industry will have to adapt to this new reality by creating chips that are compatible with IoT devices.
2. IoT devices will increase demand for sensors, connectivity, memory, microcontrollers, and integrated circuits.
3. All IoT devices require semiconductors to operate, so the semiconductor industry will see an increase in demand for sensors, connectivity, memory, microcontrollers, and integrated circuits.
4. IoT chips will change the kinds of semiconductors the industry has to make. IoT chips will require new manufacturing processes and techniques from chip manufacturers to produce smaller chips that consume less power.
5. IoT applications can be used to monitor quality, inventory control, device tests, packaging, and delivery. Throughout the manufacturing chain, IoT applications can be used to monitor quality, inventory control, device tests, packaging, and delivery.
6. Semiconductor manufacturers that choose to meet IoT demands now will be well positioned to take advantage of this developing market. A new source of growth is expected from the hardware, software, services, and integration activities provided by the technology companies that enable the Internet of Things.
7. A global IoT ecosystem will create a world in which every product is connected to larger networks. A world of IoT devices will require sensors and integrated circuits to operate, whether the IoT applications in question are embedded in a grocery store freezer or provide information to AI software.

The McKinsey Global Institute estimates IoT applications will generate between \$4 trillion and \$11 trillion globally in 2025. This growth presents enormous opportunities and challenges for the semiconductor industry.

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