

In June, we attended ACG’s 12th Annual Industrial Conference. Here are five of our top takeaways from Prasad Satyavolu’s presentation – ‘**Manufacturing, Logistics, Energy, Utilities**’

Prepared by TresVista

5 THINGS YOU MISSED –

- 1 Experience is Key:** While companies tend to focus on productivity and capital gains by implementing technology, the real business driver is the experience that the company offers to its customers and suppliers. It is also important to note that technological investments, product development and innovation need to work in convergence, so as to positively impact the experience being offered. Companies which lack the implementation of cohesive technologies in their products, manufacturing systems, and supply chains often tend to fail to deliver that experience.
- 2 Trends That Help Deliver the Experience:** Some of the key trends that help amplify the experience of the customer or the supplier include Democratization, which has the potential to break down manufacturing into smaller segments using blockchain and effectively manage the supply chain; Convergence, in which the digital and physical systems work together; and Intelligent Systems, which have the ability to inter- and intra-communicate.
- 3 Transforming Physical Products into Connected Products:** Intelligence is being embedded into the physical assets/machines of mid-market companies, allowing monitoring of assets and enabling collection of critical data, with which the company can make adjustments to the supply chain, or the aftermarket experiences wherever necessary. Another potential value-add to a manufacturing system is the creation of adjacent digital products. Examples include John Deere offering a complete farm management system, or Caterpillar offering predictive maintenance solutions, thereby optimizing their own inventory management.
- 4 The Changing Operating Environment:** Traditional enterprises involved the use of an ERP and a supply chain system to manage operations. But with the introduction of technologies such as drones and wearables to the operating environment, more data is being collected and utilized to transform the business, thereby creating efficiencies. Today, over 14% of quality defects and 13% of schedule overruns on the shop floor can be eliminated with the use of IoT.
- 5 Unresolved Challenges:** Despite all the efforts to digitize an operational facility and reconfigure the supply chain, some challenges remain. For example, consumers expect continuous product innovation along with shortened delivery cycles. These, along with poor quality, siloed functions in manufacturing enterprises, are causing huge challenges in fulfilment, customer experience, and cost management. In order to overcome these challenges, companies must start investing in data value chains instead of physical supply chains. As connectivity comes to the fore, building out a command-and-control center that gives a 360-degree visibility on the operations, supply chain management, product and services is also crucial.

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