Industrial Services

From Value Added Product(ion) to Life-Cycle Orientation

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Outline

- Background
  - State and Challenges
  - Response (MANU*FUTURE)*
- Topic:
  - Industrial Services and Life-Cycle Oriented Value Creation
  - Implications

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Attempting an distinction:

20 + heterogeneous industrial Sectors! No-X-Fits-All (X:Size, Need,...)

Industrial services vs. P/P services vs. products:

- Services for industry and/or by industry connected to products(ion)
- Has its „roots in“, or is centered around, or communicate with products(ion):
  - distinction may not be sharp (extending Products ..)

Industrial vs. general PSS:

Professional is user	trained, < risk misuse/accidents (insurance!)
Less units	reversability!
Value Creation/unit	higher price/unit -> „surf the HW wave“
User = decision maker!	Serving one client! (!= health care oligopol)

Life cycle oriented vs. production oriented value creation:

- Creating also after sale revenues – post production value creation
- Earning over full life-time of a product, … binding the customer
  - Examples: „Mobile PSS“ / IPOD / “Navi“ / NESPRESSO / printers / cars..

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Background

- **Manufacturing Industry:** Eurostat Yearbook 2005:
  - 41.5% (=€1535 Billon) Value Creation
  - 30.4% (=34 Million) Jobs
- FTI'06 FEEI + FMS/FMW (Austria):
  - "Ohne Produktion keine Forschung und umgekehrt"
  - Translation: No Production => No Research - and vice versa"
- Much more background information: www.manufuture.org

Image by courtesy of ETP MANU*FUTURE*

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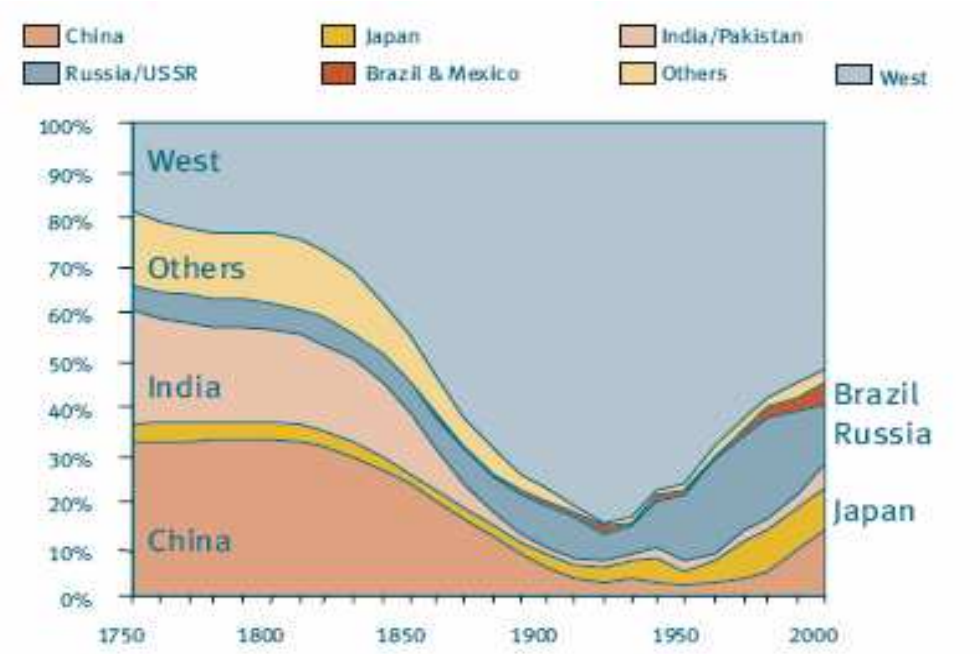
Background

- The trend



Tseng Mitchel M., „Industry Development Perspectives“ CIRP, Montreal 2003

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Background

- The response strategy

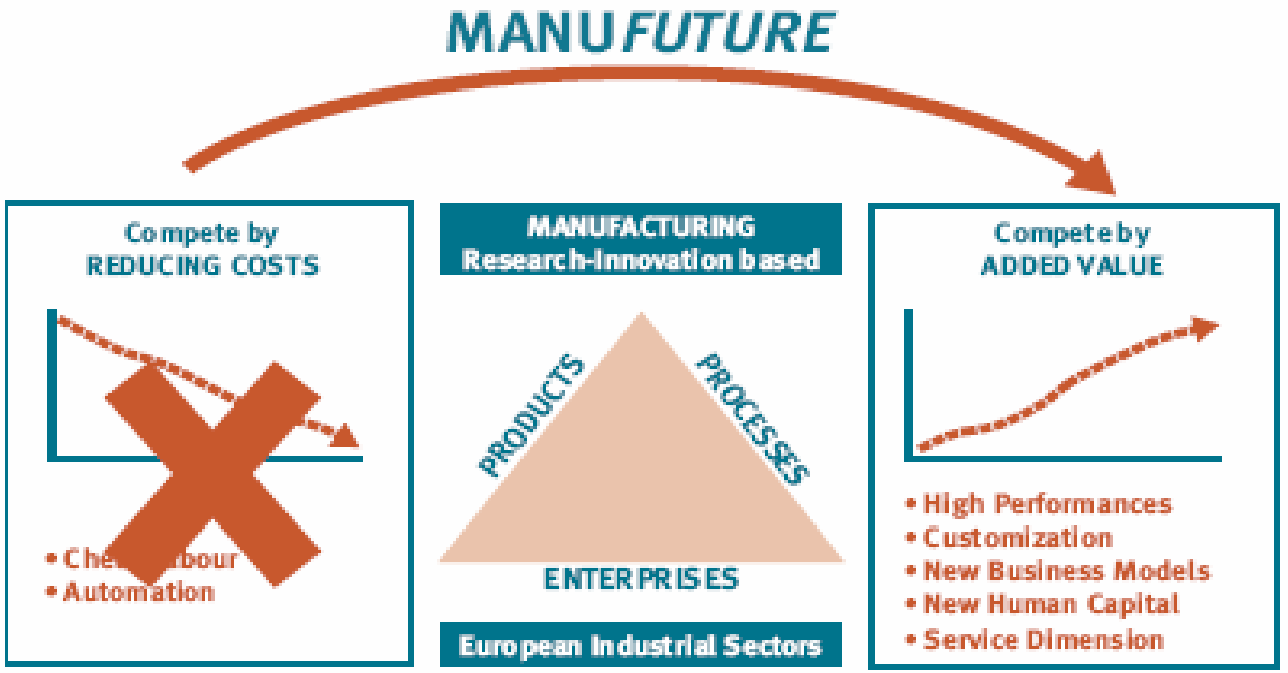

Figure 3: Competition shift – from cost reduction to high added value: Manufuture
(Source ITIA-Series 2004)

- … will change technology, equipment, automation and robotics radically!

Image by courtesy of ETP MANU*FUTURE*

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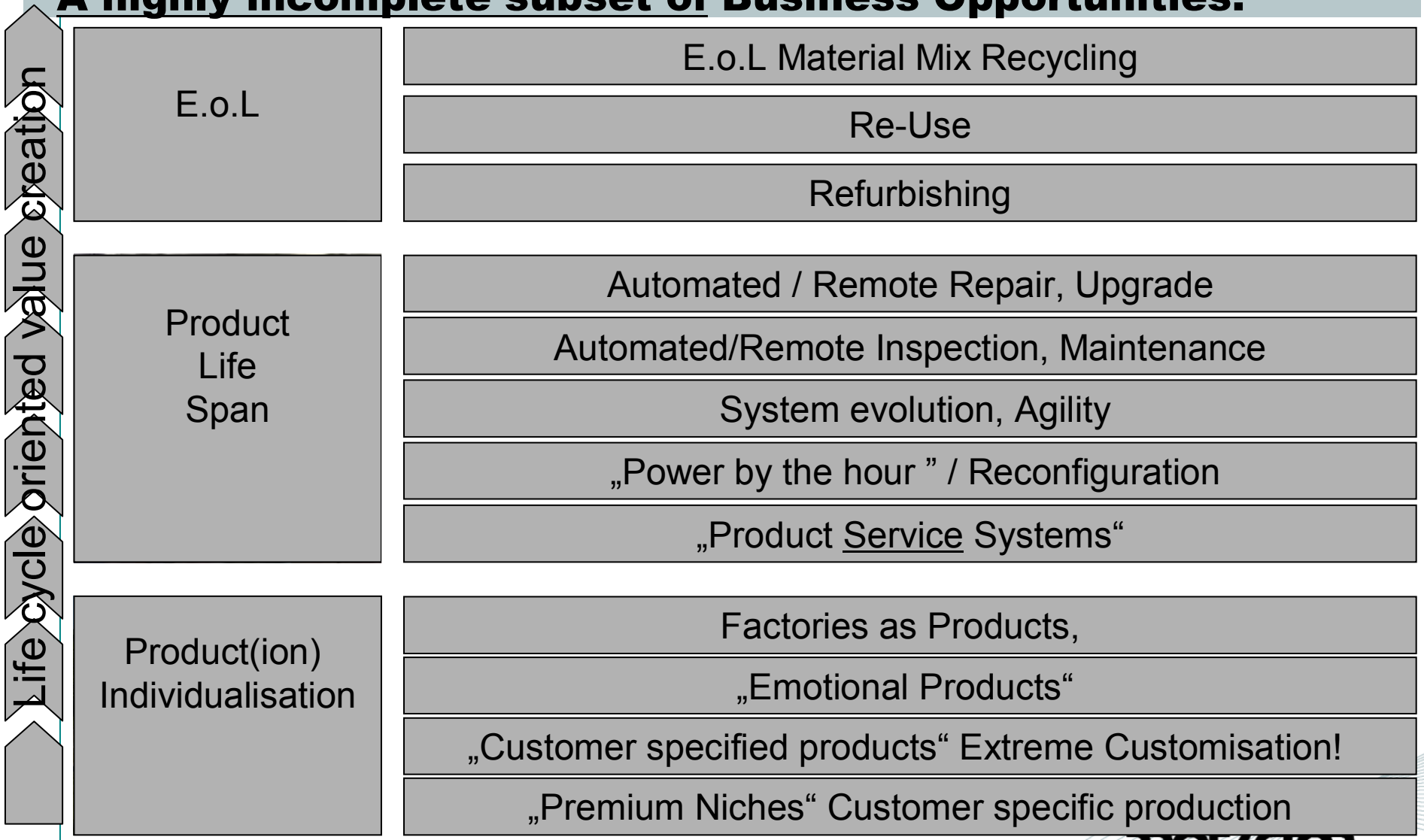
Life cycle oriented Value Creation

A highly incomplete subset of Business Opportunities:



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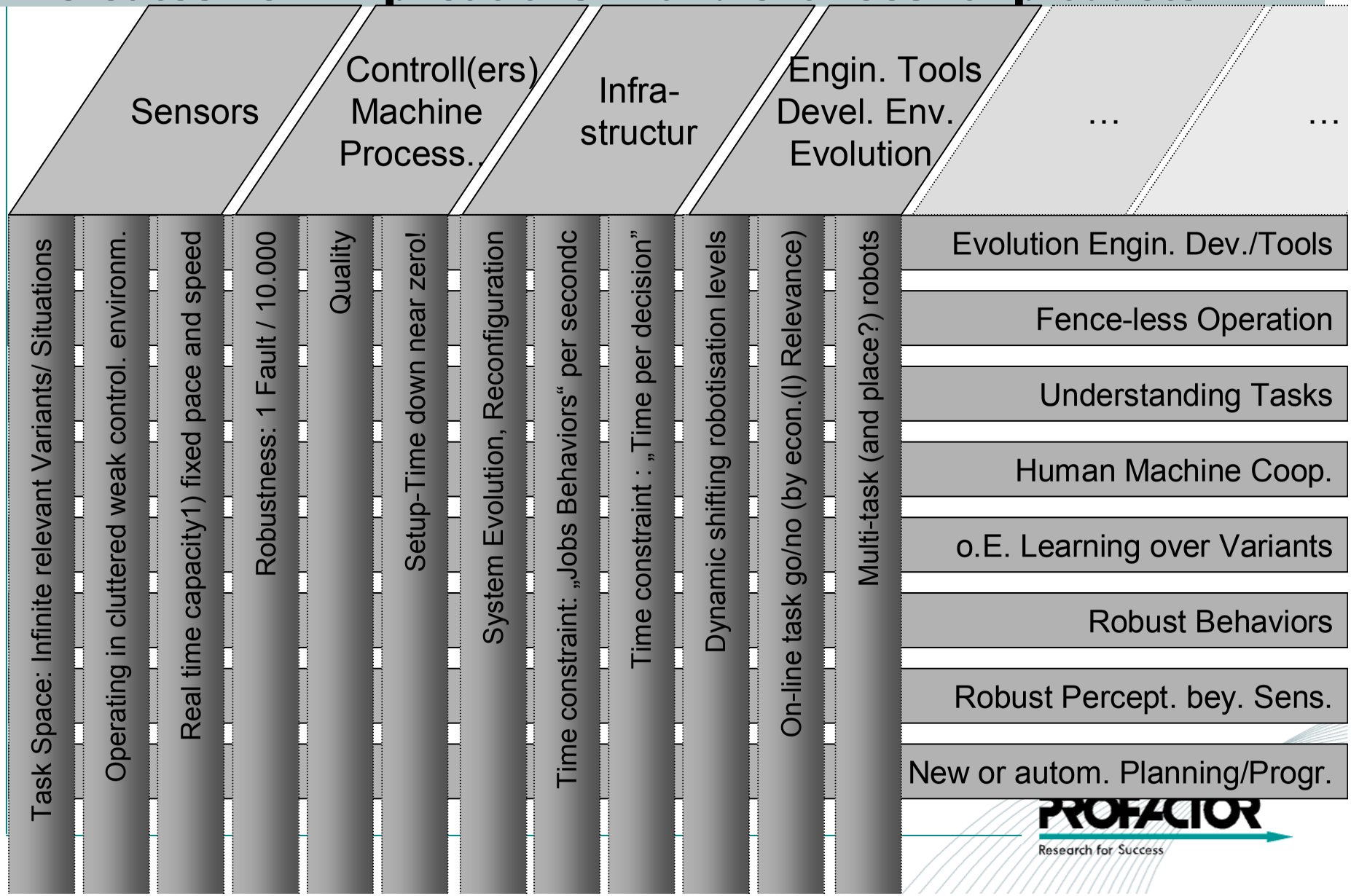
Life cycle oriented Value Creation

… creates new implications … and chances for products



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Summary ...Market Potential

Technology < Product < Market < Customer

A strong market for Cognitive ENHANCED Systems?

Most likely, BUT...

Will it be our market?

Will we identify the right segment?

Will we offer the right PSS?

Will we lead it?

Will we be efficient enough?

Instrument of Choice?

Not more applied research (by academia), but (proven) better applicable research

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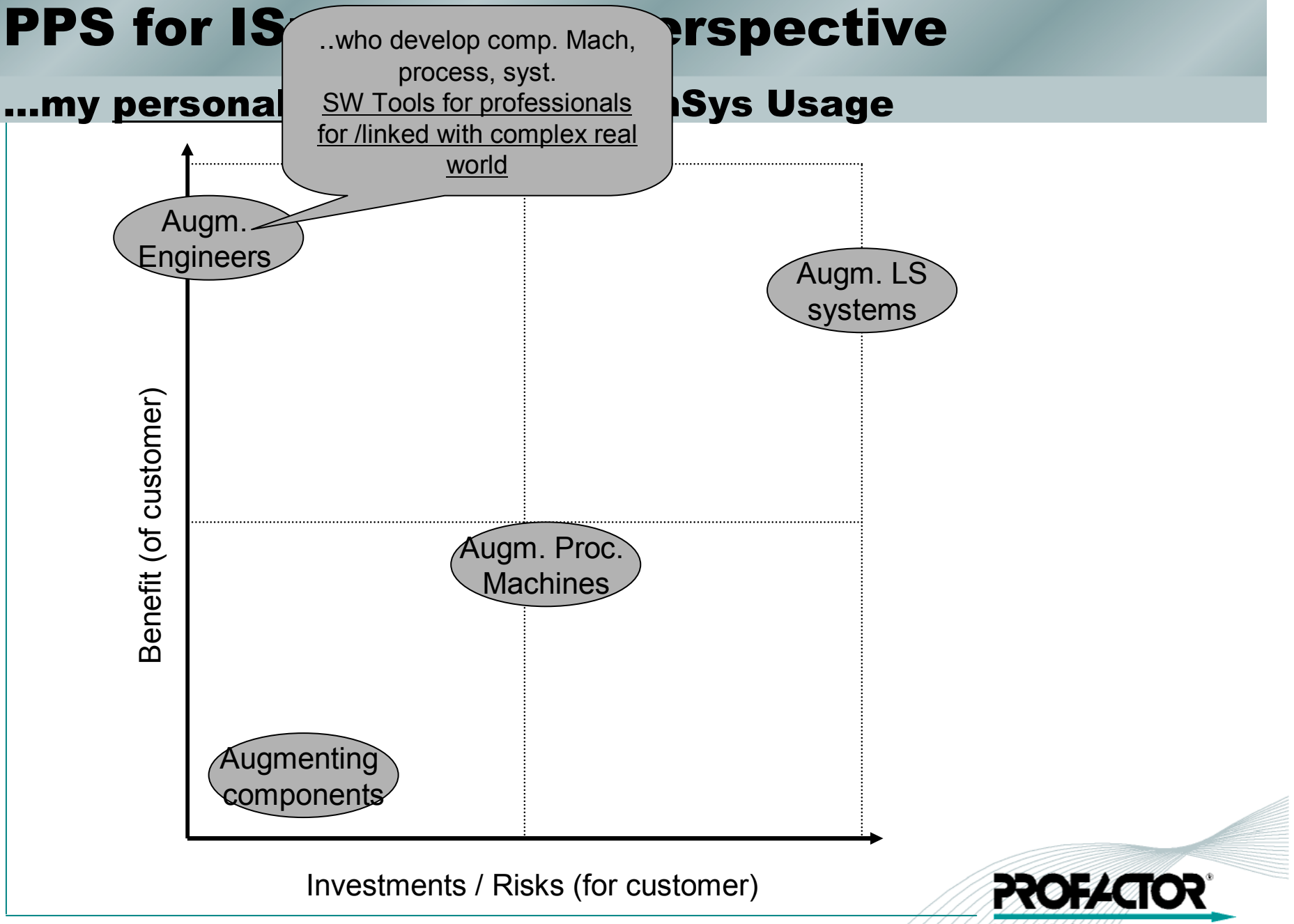
PPS for IS erspective

...my personal nSys Usage



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Thank you for your attention!

Good luck in finding your own strong business cases

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