Industrial Services

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

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Outline

- Background
 - > State and Challenges
 - Response (MANUFUTURE)
- > Topic:
 - ➤ Industrial Services and Life-Cycle Oriented Value Creation
 - Implications



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!)</p>

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...

Background

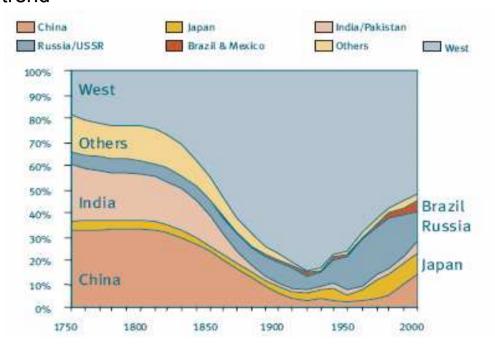
- Manufacturing Industry: Eurostat Yearbook 2005:
 - > 41.5% (=€1535 Billon) Value Creation
 - > 30.4% (=34 Million) Jobs
- FTI'06 FEEI + FMS/FMW (Austria):
 - "Ohne Produktion keine Forschung und umgekehrt"
 - Translation: No Production => No Research and vice versa"
- Much more background information: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





Background

The trend



Tseng Mitchel M., "Industry Development Perspectives" CIRP, Montreal 2003



Background

The response strategy

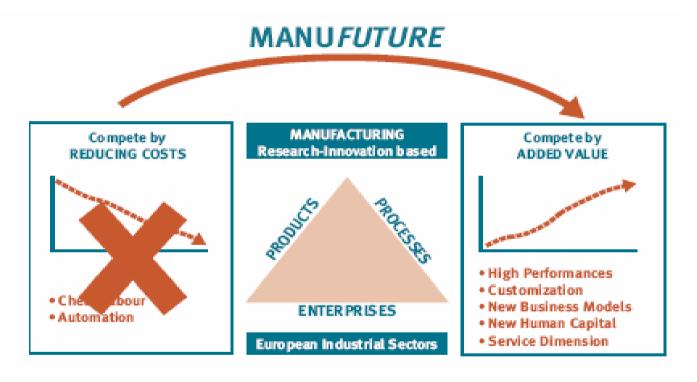


Figure 3: Competition shift – from cost reduction to high added value: Manufuture (Source ITIA-Series 2004)

... will change technology, equipment, automation and robotics radically!

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Life cycle oriented Value Creation

A highly incomplete subset of Business Opportunities:

E.o.L

E.o.L Material Mix Recycling

Re-Use

Refurbishing

Product Life Span

Life cycle oriented value creation

Automated / Remote Repair, Upgrade

Automated/Remote Inspection, Maintenance

System evolution, Agility

"Power by the hour " / Reconfiguration

"Product Service Systems"

Product(ion)
Individualisation

Factories as Products,

"Emotional Products"

"Customer specified products" Extreme Customisation!

"Premium Niches" Customer specific production

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ife cycle oriented Value Creation

Task Space: Infinite relevant Variants/ Situations creates new implications Operating in cluttered weak control, environm Real time capacity1) fixed pace and speed Robustness: 1 Fault / 10.000 Quality Process Machine Controll(ers Setup-Time down near zero! System Evolution, Reconfiguration Time constraint: "Jobs Behaviors" per secondo structur ... and chances for products Time constraint: "Time per decision" Dynamic shifting robotisation levels On-line task go/no (by econ.(I) Relevance) Devel. Env. Engin. Tools Evolution Multi-task (and place?) robots New or autom. Planning/Progr Evolution Engin. Dev./Tools Robust Percept. bey. Sens. Human Machine _earning over Variants Fence-less Operation スつけてこく Understanding **Robust Behaviors**

Coop.

Tasks

Summary ...Market Potential

Technology < Product < Market < Customer

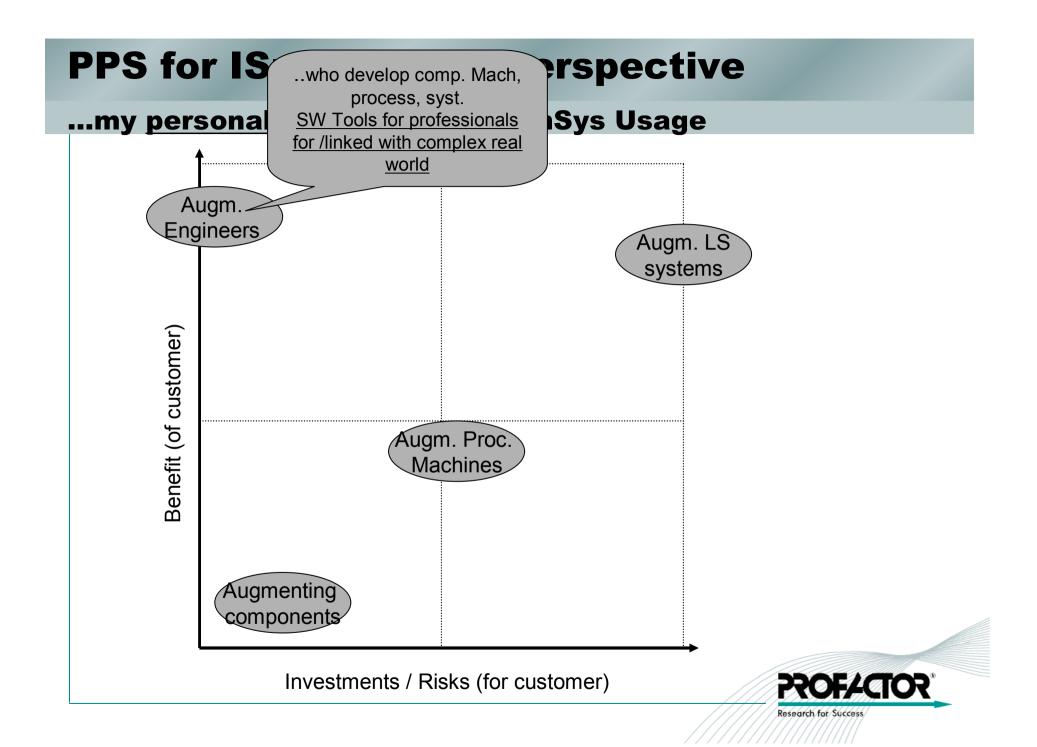
A <u>strong</u> market for Cognitive ENHANCED Systems? Most likely, BUT...

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





Thank you for your attention!

Good luck in finding your own strong business cases



