

# New value streams: what could they look like?

The drive towards digitalisation and Industry 4.0 in the manufacturing sector is redefining the relationship between customers and OEMs.

machine. Customers saw Industrial OEMs as hardware engineers with expertise in discrete areas of manufacturing and machinery. For most OEMS, the "relationship" with the customer lasted only so long as the time needed to buy, build and install equipment.

In the pre-digitalised world, the OEM marketplace was all about the



### With digitalisation, machines become much more than the sum of their parts.

Machines-as-a-service

They are transformed from standalone hardware into software-enabled, intelligent machines which:



planning on maintenance and upgrades

Operate within an integrated and connected digital ecosystem



Customise, adapt and update to meet changing customer requirements



Adapt so that the OEM can take a version of the same machine into new market sectors

Remotely use advanced analytics and connected data via the cloud. Factors which

influence or impede performance can be captured, shared, and analysed to inform

**Machines-as-a-service** provide the foundation for a long-term, mutually beneficial relationship which, in turn, creates yet more opportunities.

Machines are no longer a source of limited sales revenue; they are an infinitely

flexible source of potential new value for the OEM and the customer.

machine use and performance. In effect, they're paying for uptime and productivity.

Customers no longer pay for a one-off product sale then disappear. They're charged according to factors such as

us to predict quality, throughput and timescales. **Martin Leeming, CEO, TrakRap** 

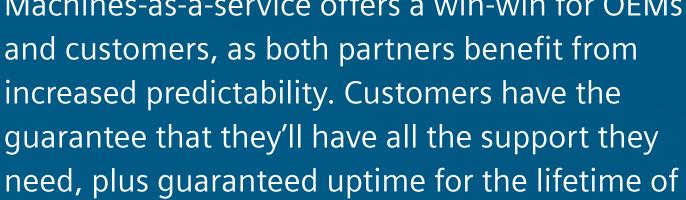
We now think of our machine not so much as a physical entity but as a flexible software

platform that can adapt to different types of environment, product and set up, enabling

### Machines-as-a-service offers a win-win for OEMs and customers, as both partners benefit from increased predictability. Customers have the guarantee that they'll have all the support they

Peace of

mind pays



cost-effective package. Tailored pricing

With the real-time information stored, OEMs can

create risk profiles from which they can calculate

pricing models. These are not only unique to the

machine or customer; they can be negotiated to

suit both parties, thus ensuring a continuing and

the machine, in a comprehensive, fuss-free and

### Digital simulations provide evidence of the machine's capabilities which can be used to underwrite performance-based contracts – and

reliable revenue stream.

Better

together:

working in

partnership

The longer an OEM works in

partnership with a customer,

the more the OEM can get

of both machines and the

humans monitoring them.

understanding, and, as such,

respond quickly to changes

The OEM can then be on

updates, enhance existing

machine capabilities and

expand the installation of

costs have been cut by 30 percent.

value streams and markets.

purpose-built machines.

Knowledge breeds

this enables OEMs to

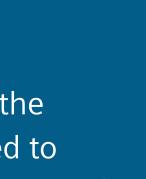
and adapt to new

hand to advise and

implement software

requirements.

under the metaphorical skin



machinery.

inspire confidence and trust in customers.

### Profiting from reduced risk By using continually updated performance and usage data to predict outcomes, OEMs now have an unprecedented level of insight into the inner-workings

of their machines. They can use that data to plan,

calculate and justify the cost of a fixed-price package

of services, which would include repairs and routine

maintenance. Some OEMs are already offering warranties that, depending on maintenance history, can be extended beyond the initial period.

Predictive maintenance

With predictive analytics, OEMs can help customers

plan for repairs, routine maintenance and upgrades.

avoid disruption or downtime.

required.

Work can be planned around production schedules to

#### OEMs can save time and money by planning engineers' work schedules well in advance. This will minimise the cost of carrying excess inventory as parts

will only need to be ordered as and when they're

## Performance benchmarking as a service

Fast, effective product development Digitalisation makes product development fast, easy and cost-effective. TrakRap<sup>1</sup> is a highly ambitious packaging solutions OEM based in Skelmersdale, Lancashire. Working in partnership with Siemens,

TrackRap have created a revolutionary new packaging system

that reduces the consumption of energy and material by food

Customers should not have to deal with expensive assets that don't meet

KPIs. Even if the current user doesn't have use for the machine, OEMs can

performance. Essentially, this will help customers find buyers for unwanted

still repackage the insights they gain through monitoring machine

### Expanding into new markets While an OEM's core engineering expertise is essential, the machines they

potentially valuable, geographic markets demand.

producers in the UK.



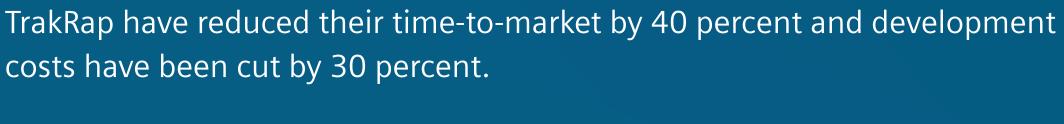
compliance – to quickly and cost-effectively send a product to market.

OEMs can use their suite of digital tools – from analytics to digital twins and

### To capitalise on their machine's success, TrakRap developed new versions of their sustainable packaging system which were capable of wrapping different products.

By using Siemens' digital twin technology, rather than a physical prototype,

New markets made easy



Digitalisation is also transforming not just the way TrakRap monitors machinery, but also how it supports customers. This, ultimately, means TrakRap is equipped and ready to identify, address and profit from new

#### skills, expertise and experience, OEMs can finally collaborate on product and service development in real-time.

The power of

relationships

Digitalisation will open new

value streams by allowing

OEMs to become partners

with customers. By sharing

1 - https://www.siemens.com/magazine-uk/en/home/industry/discrete-industry/trakrap-wrapping-its-way-to-industry-4-0.html

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your value chain.