



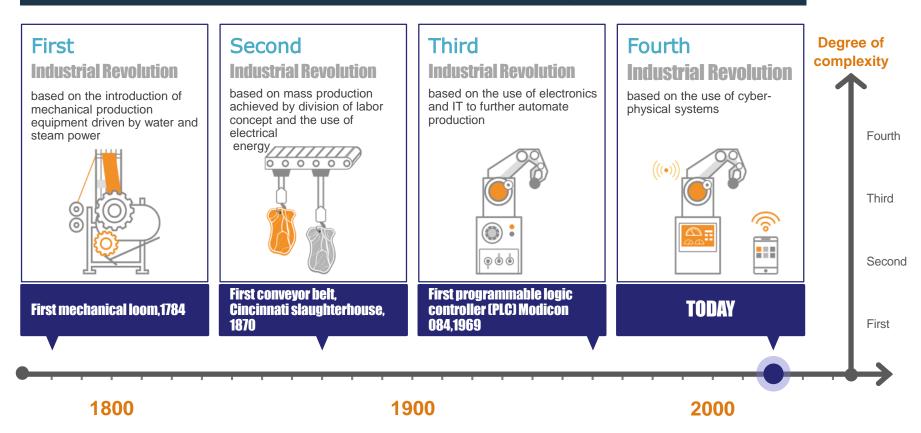
# We are on the threshold of massive explosion of connected things

10 billion devices around the world are currently connected to the Internet, including computers and smartphones The number is expected to increase dramatically within the next decade, 2050 with estimates ranging from 50 Billion devices to reaching 1 trillion >100 billion 2020 30 billion 10 billion 2009 2003 2.5 billion 500 million 1950 10,000 5000





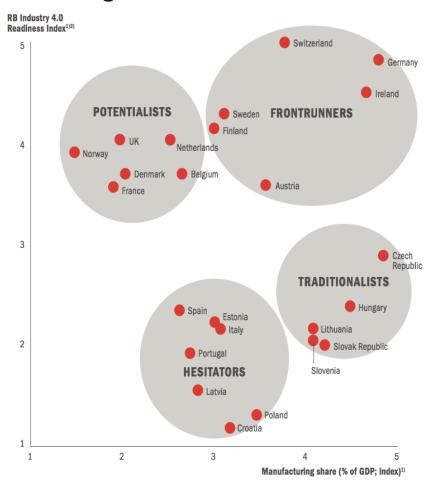
# How does this apply to manufacturing?

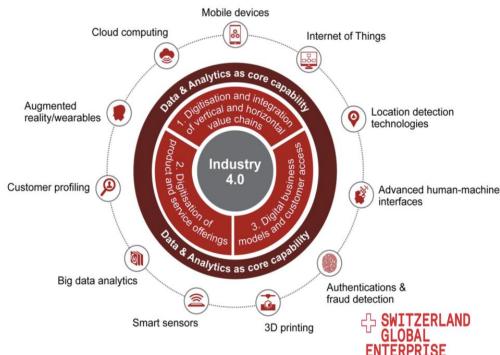


Data, Code, Cognition ... Industry 4.0

# Are we ready for the Industry 4.0?

Industry 4.0 is a journey towards value chain transformation driven by new technologies and new collaborative business models





Whitepaper – Opportunities for the Swiss Export Industry, April 2016

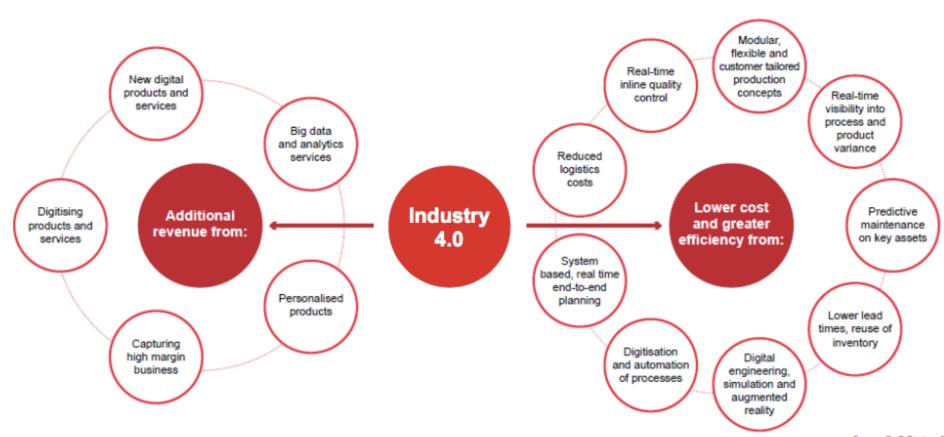
#### Source:

https://www.rolandberger.com/publications/publication\_pdf/roland\_berg er tab industry 4 0 switzerland 20150526.pdf



#### Industry 4.0 is delivering revenue, cost and efficiency gains

The window of opportunity is short, but exporting Swiss SMEs are used to adapt quickly





Source: PwC Strategy&

# Unlocking the potential of the Internet of Things

#### McKinsey&Company

Digital McKinsev

#### McKinsey Global Institute

- Operations and equipment optimization in the factory setting can generate up to \$3.7T of value in 2025
- IoT has a total potential economic impact of \$4 trillion to \$11 trillion a year by 2025.

The Internet of Things becomes the Internet that thinks with Watson IoT

Nine settings Size in 2025, \$ trillion1 where value may accrue Low estimate High estimate Factories-eg, operations management, 1.2 - 3.7predictive maintenance Cities-eg, public safety and health, traffic 0.9 - 1.7control, resource management Human-eg, monitoring and managing 0.2 - 1.6illness, improving wellness Retail-eg, self-checkout, layout optimization, 0.4 - 1.2smart customer-relationship management Outside - eg, logistics routing, autonomous 0.6 - 0.9(self-driving) vehicles, navigation Work sites—eg, operations management, 0.2 - 0.9equipment maintenance, health and safety Vehicles—eq. condition-based maintenance. 0.2 - 0.7reduced insurance Homes-eg, energy management, safety 0.2-0.3 and security, chore automation Offices-eg, organizational redesign and 0.1-0.2 worker monitoring, augmented reality for training

✓ Make Watson IoT Platform the hub of your enterprise IoT

Watson IoT Platform





#### A Strategist's Guide to **Industry 4.0**

www.gzdbk.si



# pwc strategy+business

In the PwC study of Industry 4.0, the most commonly cited difficulty in **building an analytical capability** was the lack of people with the expertise to conduct the analysis.

#### Other prominent concerns:

- poor data quality,
- lack of access to the right data
- lack of top-level support

If you can't make sense of that data and use it to boost efficiency, grow closer to your supply chain partners, and develop products and services your customers actually want, ...

... much of the effort is wasted.

#### **Cognitive Computing**

- understands structured and unstructured data
- reasons to create hypotheses
- learns from collaboration
- interacts with humans in natural way

#### Exhibit 1: Adoption of Industry 4.0, by Sector

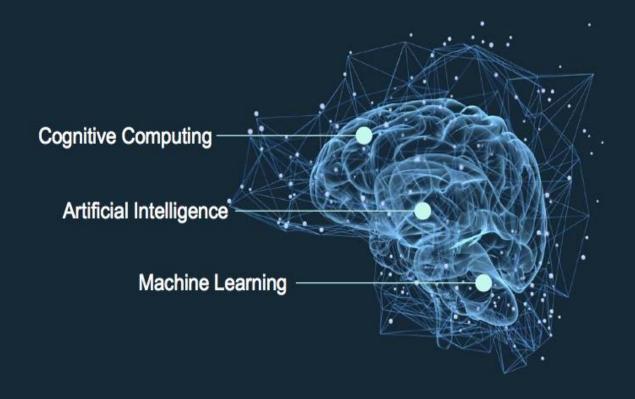
Respondents were asked: "How would you classify the current level of digitization and integration (in operations, supply chain, and related activities] in your company? What levels are you expecting in the next five years?"

NOW		IN FIVE YEARS
45%	Electronics	77%
32%	Aerospace and Defense	76%
35%	Industrial Manufacturing	76%
32%	Chemicals	75%
38%	Forest Products, Paper, Pkg.	72%
28%	Transportation and Logistics	71%
30%	Engineering and Construction	69%
41%	Automotive	65%
31%	Metals	62%





Cognitive is driving new capability. . .



# Cognitive Systems Can...

# **Understand**



Adapt and make sense of all data; "read" text, "see" images and "hear" natural speech with context

### Reason



Interpret information, organize it and offer explanations of what it means, with rationale for the conclusions

## Learn



Accumulate data and derive insight at every interaction, perpetually

# Cognitive Manufacturing is powered by IBM Watson IoT.





Secure, scalable, and open platform where leaders everywhere can build and innovate with cognitive

Connect and experiment in a matter of minutes. Watson IoT provides companies and organizations with simple connectivity elements and flexible building blocks to bring sophisticated new ideas to reality.

# Sophisticated edge and predictive analytics combined with cognitive IoT technology

Watson IoT combines the the data ingestion power of internet of things with advanced analytics in our applications and the problem solving system of Watson to analyze, reason and learn on a scale that we never thought possible.

# Expertise in industries and professional domains to every cognitive endeavor.

As a leading industry solution provider, we help clients apply advanced technologies such as IoT and cognitive within the context of an industry or profession to produce meaningful outcomes.



#### **Predictive maintenance and quality**

# Predicting asset failure and extending life

- Optimize maintenance intervals
- Minimize unplanned downtime
- Uncover in-depth root cause analysis of failures
- Enhance equipment and process diagnostics capabilities
- Determine optimum corrective action procedures

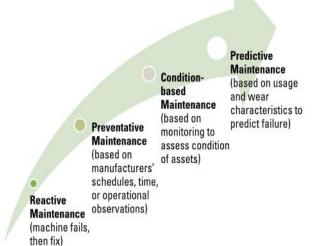
# Predicting part and production quality

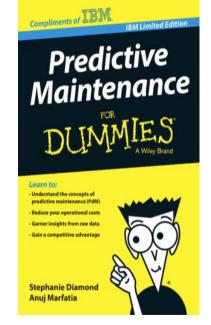
- Reduce part inspection frequency and lot size requirements
- Understand, monitor, predict, and control process variability
- Reduce scrap and rework
- Identify production uniformity issues
- Identify supplier part anomalies impacting yield

While organizations may be focused on **reducing costs** with PMQ, by improving maintenance and quality, they can inherently **increase customer satisfaction**.

Products are produced with **high quality**, get out the door on time with fewer production failures, and **lead to increased revenues**.

Ultimately, PMQ provides a benefit to both sides of the profit equation.







# Cognitive transformation process

SIRE\*

Data lake

Data history

Apply security requirements

Connection of assets

Analysis of current infrastructure

Digitalization of processes

Standardization of processes

Definition of use cases

Definition of Industry 4.0 strategy

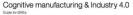


\*Statistical Information and Relation Extraction

#### IBM BUSINESS PARTNERS SOLUTIONS FOR INDUSTRY 4.0

Catalogue: ibm.biz/ind40now Enrollment: ibm.biz/ind40enroll









#### **Partnered Innovation**

Open ecosystem Device partnerships Embedded security **Edge Analytics** Industry 4.0 solutions



#### Data Integration

Weather data Social data Application data Platform of platforms



#### **Advanced Analytics**

**Predictive Analytics** Real-time Analytics **Data Mining** Optimization



Natural Language Processing

**Cognitive Technology** 























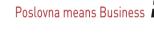
















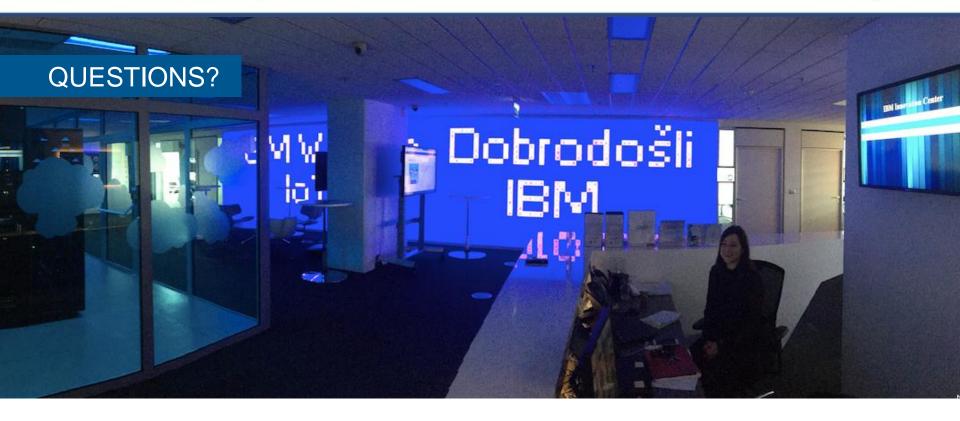












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