Industry 4.0: Digitizing the Value Chain

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27 May 2016
Industry 4.0: Digital Disruption Across the Value Chain

Bottom Line: Companies Seek Speed and Simplicity, with Innovative Solutions

- Right-Shoring
  Capacity Rationalizations
- Velocity, Variation, Volume
  ... Faster Inventory Turns
- New Product and Service
  Innovations, Business Models
- Flexibility with Agility for
  Mass Customization
The challenge now is all about the supply chain. That means that any effort by a plant manager to fix a technical problem in one plant has the potential to make things worse… So most of our focus around manufacturing excellence is in trying to make the total supply chain work.

Tom Linebarger
Chairman and CEO Cummins
Where Do You Expect to Be in 2020?

- Production Off-line
- Factory Connected
- Enterprise Connected
- Supply Chain Orchestration

Achievable Outcomes:
- +16% OEE
- -48% Downtime
- -49% Defects
- +23% NPI
- 35% Inventory

Cisco’s Supply Chain

- 13 COUNTRIES
- 25+ LOCATIONS
- Manufacturing Sites
- Strategic Logistics Centers
- 30,000+ orderable items
- 20,000+ virtual teams
- 3,200+ orders daily
- 220,000+ items shipped daily

Gartner 2015
1. Amazon
2. McDonalds
3. Unilever
4. Intel
5. Inditex
6. Cisco Systems
7. H&M
8. Samsung
9. Colgate - Palmolive
10. Nike

Gartner TOP 25

700+ active suppliers
62,000 components

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Digitizing “Layers of Manufacturing”

**Foundational Mandates**
- Quality Excellence
- Delivery Excellence
- Cost Excellence
- New Product Introduction

**Advanced Capabilities**
- Risk Management
- Segmentation
- Acquisition Integration
- Security
- Supplier Collaboration
- Workforce of the Future
- Connected Supply Chain
- Sales & Operation Planning
- Sustainability
- Development

**COMPONENT PRODUCTION**

**TECHNOLOGY ASSEMBLY**

**SYSTEM INTEGRATION**

**LOGISTICS OPERATIONS**

Evolving Digital Capabilities with IoT
Cisco Logistics Innovation Center

**Launched** April 2016 in Houston, TX, in collaboration with Fraunhofer University and Cisco IoT Solutions Business.

**Goal:** Topline business growth for all parties—Cisco, 3PL, CM—through cutting edge technologies for warehouse application

**Top 4 Programs:**
- Wireless Connectivity (Hyperlocation)
- Paperless Picking
- Pervasive Video
- Energy Management
Innovation@DHL: Logistics Trends

Timothy Kooi Jun Wen
DHL Singapore, Innovation Leader

27 May 2016
Thank you.