Rockwell Automation

Realizing digital value: **Three opportunity areas for OEMs**

The time
to innovate
is now

Success as an OEM has always hinged on the ability to design and deploy machines in ways that yield rapid time to value, no matter the challenges that may be involved.

As a result, OEMs have perpetually faced the call to ease customer pain points like **downtime, equipment complexity, and skills gaps**—all with compressed timelines for design, installation, and commissioning.

Now, with customers confronting new realities like **growing SKU portfolios, commoditization pressures, and shorter product lifecycles**, OEMs need to quickly design and deploy equipment that can support flexibility in new ways—without sacrificing quality.

Industry challenges, both perennial and new, are likely here to stay.

In short, some things never change. Until they do.

What's different now is the technology landscape and opportunities it presents for OEMs to not only maximize efficiency from within, but also to differentiate themselves and strengthen their position in the marketplace.

Opportunities in the **OEM business cycle**

Sell

There's never a guaranteed ROI on time spent selling.

Design

The engineering process of a new or custom machine is time-consuming and labor intensive.

Build

The build phase is where all our mechanical and electrical design work comes together – and we are often in a time crunch at this point.

Deliver

Factory and Site Acceptance Testing are the most expensive times to discover and address issues with machine performance – in terms of time, labor, parts and customer satisfaction.

Service

Providing effective aftermarket services to keep equipment running at optimum levels is one of the best ways to drive customer loyalty.

How can we help potential customers engage more deeply with our proposal to improve our win rate?

How can we help our design engineers to focus their efforts on new value creation instead of tedious rework?

How can we avoid unintended errors and de-bug as effectively as possible in this stage?

How do we mitigate as much risk as possible before the machine is delivered on-site?

What solutions exist that help me deliver unmatched services in an efficient and profitable manner?

USING TECHNOLOGY IN NEW WAYS CREATES A COMPETITIVE ADVANTAGE

Industrial companies are increasingly investing in digital solutions, including both innovative hardware and software, to solve problems in new ways—and for good reason. Digitally transforming with modern technology and processes presents clear potential for improvement:

50%
faster commissioning time

97%
lower ramp-up anomalies

50%
reduction in unplanned downtime
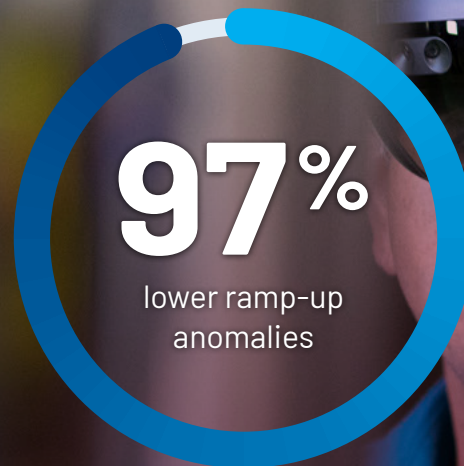
These are the outcomes your customers strive to attain. With the right combination of connected digital solutions, **you can help them get there faster.**

*Sources: CIMData, Aberdeen Group, Gartner Group, IDC, and PTC and Rockwell Automation customers

OEMS ARE INCREASINGLY TURNING TO DIGITAL SOLUTIONS TO DELIVER VALUE

If you've already started incorporating new technology into your business, you're in good company. OEMs around the world are increasingly investing in digital solutions to both become more efficient internally and to deliver a higher-caliber offering to customers.

Approximately **25% of OEMs are in early stages of exploration** and building expertise in digital

Nearly half are working toward piloting digital capabilities internally, developing a digital solution, or piloting a solution with clients

Approximately **25% of OEMs have already incorporated digital capabilities** with a client and are supporting a solution

Regardless of where you are in your journey, **integrating digital solutions can help unlock innovation, drive efficiency, and deliver differentiated customer value.**

*Source: Rockwell Automation OEM VOC Values Insights Report - July 2022

You're an expert in what you do. **We can help you put a digital plan into action.**

It's clear that integrating digital into your workflow is key for staying competitive—but technology for technology's sake won't translate to increased value.

To get there, OEMs are taking stock of current capabilities, limitations, and opportunities, carefully evaluating where digital technology improvements can help build a foundation for maximizing profit today, tomorrow, and in the future.

If you're one of those OEMs—or laying the groundwork to become one—you're likely already asking some critical questions about how to gain efficiencies across your business and deliver results to customers, questions like:

- How can our teams **work more efficiently to expedite equipment building timelines and reduce costs?**

- How can we **build unique features and offerings** into our equipment in a way that stands out from competitors?

- How can we **take our aftermarket services to the next level** for maximum profitability and better customer engagement?

Regardless of where you are in your technology adoption journey, Rockwell Automation can support you as you define your path. We understand that developing digital solutions is a journey highly unique to each OEM, and we're here to help meet your individual business needs.

Let's think about each of these questions in practice and consider how Rockwell Automation can help.

Increasing operational efficiency is critical when it comes to reducing your costs and meeting customer needs. From timely communication to ease of collaboration, building digitally-enabled efficiencies into your workflow can help you deploy faster—and find savings along the way.

Unfortunately, OEMs' operational efficiency has a common enemy: siloed workflows complicated by legacy systems and lack of communication. With this comes the increased potential for important information to get lost during handoffs—slowing time to deployment and ultimately leaving profit on the table.

But there's an answer: digital technology that enables a seamless flow of data. Rockwell Automation offers connected digital solutions that can help you improve efficiency and **grow profit with digital solutions that compress the turnaround time from concept to commissioning.**

Rockwell Automation's solutions can help you break down the silos that disrupt daily workflow by building efficiency into every phase. With digital connected solutions, you can:

- Reduce risk in the design, development, and commissioning stages. For example, solutions like **FactoryTalk® Twin Studio™ (which includes Emulate3D™, Arena® Simulation Software, and FactoryTalk® Logix Echo)** enable you to create digital twins that help connect, run, and test your controls system before physically building anything.

- Empower your design, engineering, and equipment building teams to collaborate. With tools like **FactoryTalk® Vault™**, you have centralized file storage with version and access control, so teams can collaborate from anywhere.

- Reduce on-site engineering time and deliver equipment faster, regardless of whether you design in the cloud or on premises. Solutions like **FactoryTalk® Design Hub™ and Studio 5000®** help your teams design faster with a digital workflow that supports efficient collaboration.

INDUSTRY INSIGHTS IN ACTION

"We are able to get the robots running before we physically have the robots. That's a big advantage when you're rolling out new, complex technology—and also eases collaboration with remote workers who can work on the system wherever they are."

- Jonas Capistrant
Applications Engineering Manager, Aagard

Learn how OEM Aagard uses simulation/emulation software to **solve technical challenges** in the virtual world early in the equipment development cycle, resulting in better proficiency and speed.

CASE STUDY

Challenge

At Hirata, program de-bugging was slow and complicated, as programs could only be debugged after machines were built and running—which led to longer lead times and slow commissioning

Solution

Emulate3D™ allowed engineers to run programs in a virtual environment, enabling them to debug the program without waiting for the machine to be built

Benefits

Hirata expanded their use of Emulate3D™ and realized a 30% reduction in engineering time and 70% increase in efficiency of their debugging work

"We've encountered multiple simulation solutions that resulted in a small-scale deployment. But **Emulate3D™ was different.** Once we obtained the demo program developed by Rockwell Automation with our real 3D CAD data, **we were impressed by its quality and could feel the huge potential in a variety of use cases.**"

- Hirata business unit executive

Success for OEMs has always hinged on the ability to give customers what they want: reliable equipment that gets the job done today and for years to come. But today, that's not enough. **As End Users pursue smarter operations, they need OEM partnerships that help create flexible equipment capable of delivering data-driven insights and greater agility.**

In a fast-paced commercial market, consumer demands change at lightning speed. Now more than ever, End Users must embrace flexibility. That means OEMs need to design and deliver equipment that can do the same—without sacrificing the maximum uptime or throughput that End Users have come to expect.

You already know the importance of data. The question is how you can build equipment that enables End Users to do more with their data. **Building agility and speed into your equipment expands the possibilities for how customers can use their data, making life easier for them and helping you stand out from the competition.**

Rockwell Automation can help you **meet emerging customer requirements and deliver differentiated value with digitally enabled equipment that is intuitive to operate, faster to fix, and easier to adjust.**

Integrating the right combination of hardware and software into your equipment means customers see improvements such as:

- Greater flexibility by facilitating faster changeovers and optimal throughput. For example, the flexibility of **Independent Cart Technology** allows your customers to meet shifting production demands quickly. With the press of a button, a production line can adjust to accommodate a different product.

- Optimal equipment performance and uptime via data-enabled hardware with embedded diagnostics. Rockwell Automation's **Integrated Architecture®** system provides intelligent control capabilities that support plug and play equipment maintenance and keep production moving.

- Accelerated value delivery for customers with equipment that supports performance analytics and OEE for data-driven insights where they need them, when they need them. For example, **FactoryTalk® Optix™** supports responsive graphics, third-party drivers, and intuitive reporting and dashboarding—which helps customers scale faster and reduce costs.

INDUSTRY INSIGHTS IN ACTION

"When you can present [the customer] with opportunities to save some energy, reduce carbon footprint, and tie in ROI because you're also saving on energy costs, it's a win-win."

**– Lou York
Director at Case Controls**

Learn how Gold-level OEM Partner Case Controls helped a leading automotive manufacturer **save $68,000 in energy costs** and improve maintenance with real-time data insights.
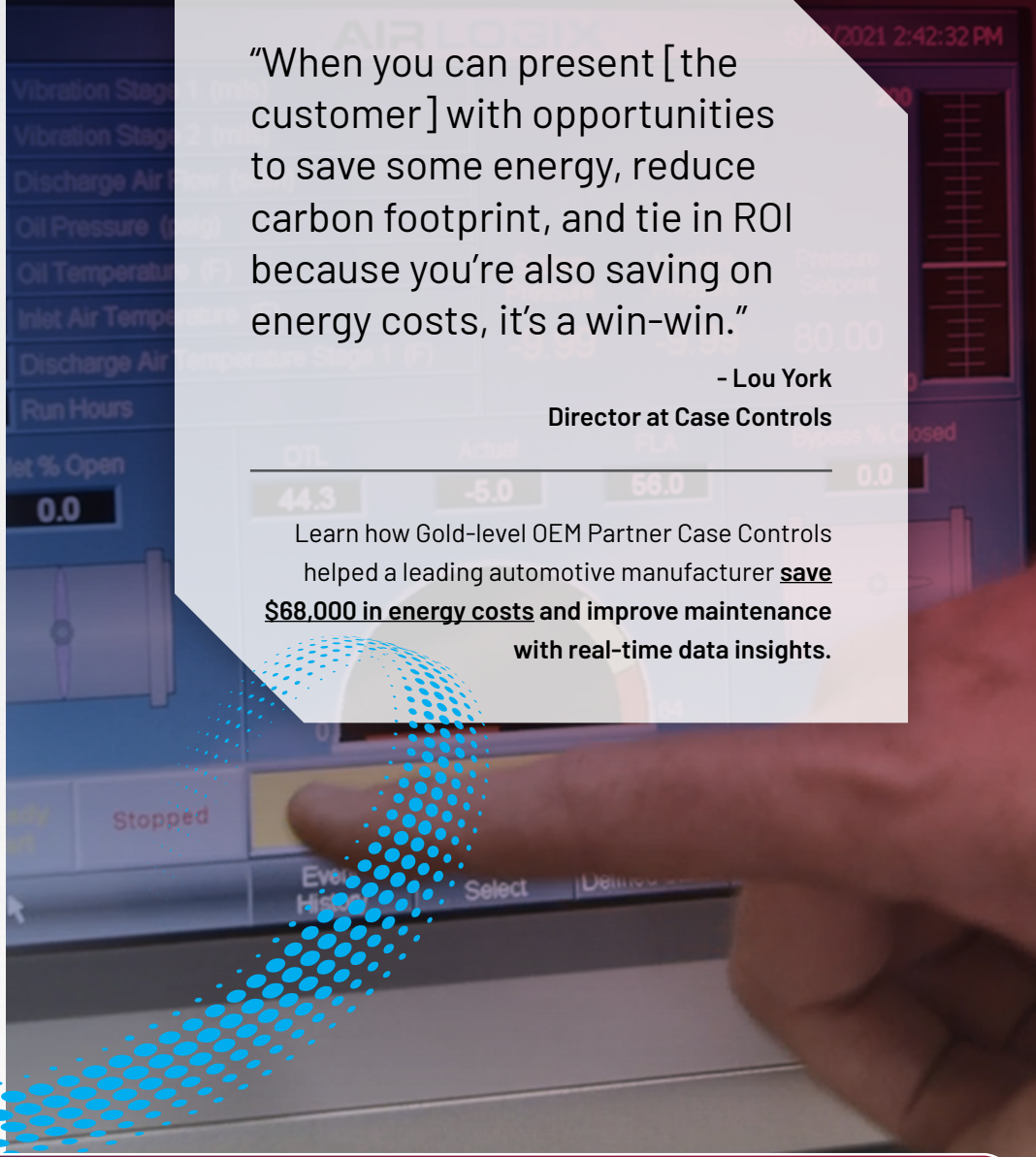
CASE STUDY

Challenge

Harpak-ULMA wanted to implement a digital transformation strategy to drive revenue growth, create new business lines, and empower customers with smart, connected machines

Solution

They implemented a four-part strategy that included migrating to a single, standardized control platform; integrating augmented reality for better workflows and customer assistance; incorporating more IoT touchpoints via digital twins for better contextualization of customer data; and applying machine learning and AI to production data for predictive maintenance

Benefits

Harpak-ULMA helped customers adapt to changing business conditions by empowering them with production information and augmented reality tools

"Digital transformation has legs for a reason. **It helps us do more and go faster, by leveraging data to make the traditional barriers to change**—that is time, cost and risk—**easier to manipulate.**"

– Kevin Roach, President, Harpak-ULMA

Keeping pace in a competitive landscape means keeping your customers coming back. **Taking your aftermarket services and solutions to the next level is a clear path for improving profitability and customer engagement.**

Developing rapport and helping customers solve problems has always been at the heart of the OEM business. That's why OEMs already know that relationships don't end with deployment.

On the contrary, there are countless opportunities to deepen customer relationships and increase revenue, even after your equipment is up and running at a customer site. In fact, studies show that **organizations can realize margins up to four times higher on services than are typical in their equipment businesses.*** Capturing these service opportunities can cement your path toward a profitable and competitive future.

*Source: McKinsey - February 2022

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Rockwell Automation can help you **expand your business opportunities with data-driven services and solutions that address evolving customer needs.** By integrating digital features, you can:

- Help customers build a foundation for data readiness so they can take advantage of offerings like **FactoryTalk® Edge Gateway™**. This simplifies and automates data preparation and packages it into a common information model powered by **FactoryTalk® Smart Objects**, making the data consumable.

- Realize value with solutions that help customers view, understand, and act on industrial data in real time. Solutions like **ThingWorx IIoT** connect disparate devices, applications, and data sources via an intuitive user interface—so customers can make faster, more informed production decisions.

- Monitor machine data remotely and securely so customers can benefit from expert support and cost-effective maintenance while maximizing uptime. For example, solutions like **FactoryTalk® Remote Access™** allow your experts to securely solve customers' issues without the need for travel.

- Offer workforce enablement solutions that speed learning, set-up, troubleshooting, and repair with in-context information. **Vuforia® Work Instructions OEM Bundle**, for example, helps you offer augmented reality-based training and instructions that guide customer technicians with digital information that's overlaid onto their physical environment.

INDUSTRY INSIGHTS IN ACTION

"We pride ourselves on the support we offer our customers, from 24-hour live personal coverage to formal training by PMMI-certified professionals."

– Mark Suchy
Senior Vice President of Sales and Marketing
Massman Companies

Learn how OEM Massman Automation is expanding their service portfolio with augmented reality (AR) experiences to provide customers with innovative ways to thoroughly train frontline workers and reduce training time. **The AR experiences deliver in-context, step-by-step instructions and capabilities that support machine operators, maintenance personnel, and supervisors.**

CASE STUDY

Challenge

LeMatic wanted to streamline their proof-of-concept and machine development cycle while improving customer data utilization, training, and troubleshooting
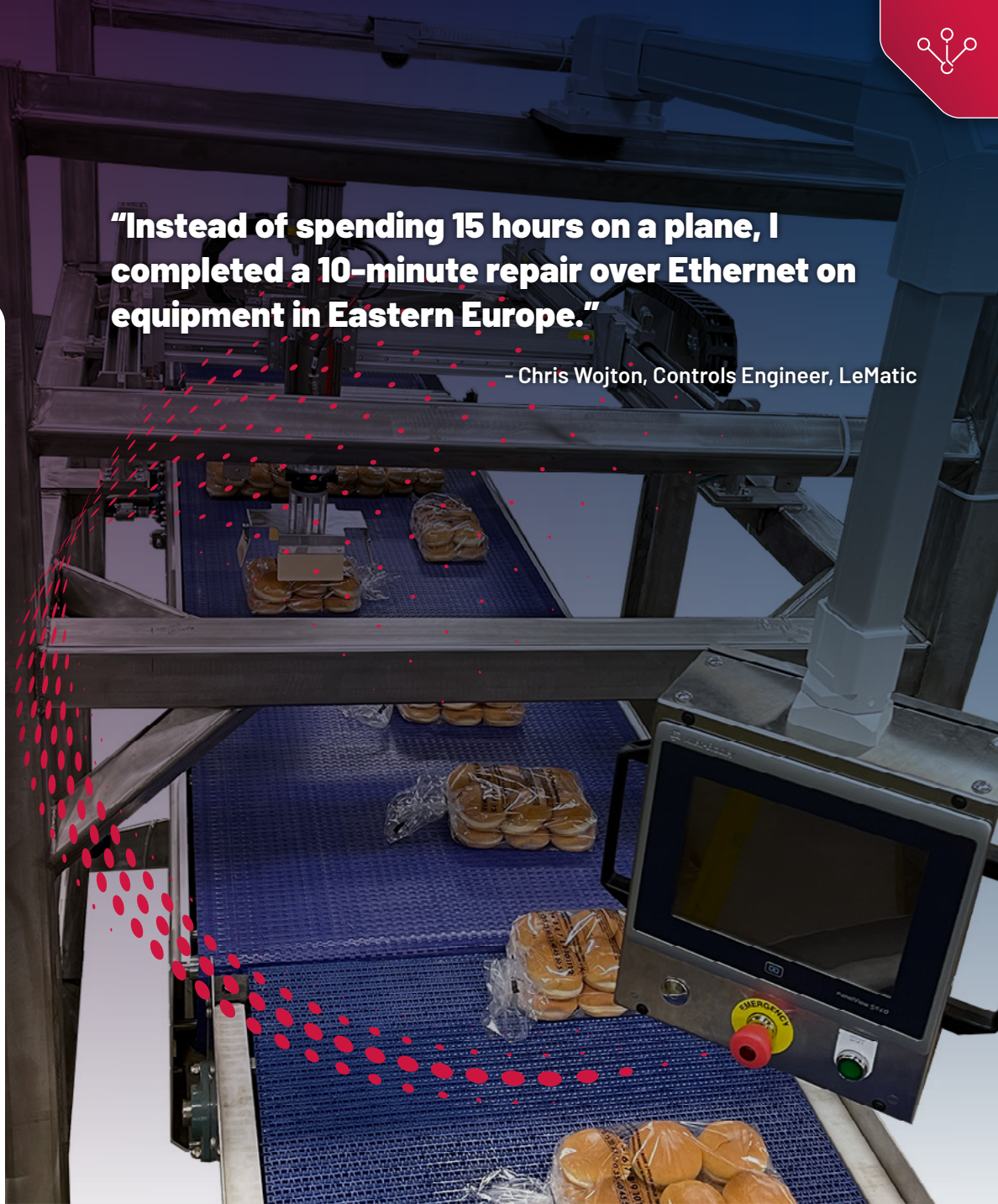
Solution

They implemented Emulate3D™ for better product design and customer engagement, as well as ThingWorx IIoT and Vuforia® Augmented Reality to create a new SaaS solution bundle that offers improved data analytics and training

Benefits

LeMatic optimized their proof-of-concept machine testing, with emulation leading to a $1.8 million order—and they diversified revenue while supporting optimal operation throughout the machine lifecycle with their new SaaS offering

> "Instead of spending 15 hours on a plane, I completed a 10-minute repair over Ethernet on equipment in Eastern Europe."
>
> – Chris Wojton, Controls Engineer, LeMatic

Our commitment to OEMs **sets us apart**

Rockwell Automation's technology solutions are built on differentiated strengths

Robust partner and customer ecosystem

We drive next-generation innovation by bringing together a network of key global End Users, OEMs, technology partners, and SIs to rapidly bring solutions to market.

Technology and ongoing innovation

We help our ecosystem achieve ambitious business outcomes through an unmatched portfolio of integrated hardware, software, and services. Our offerings are guided by our commitment to innovation and grounded in our industry expertise.
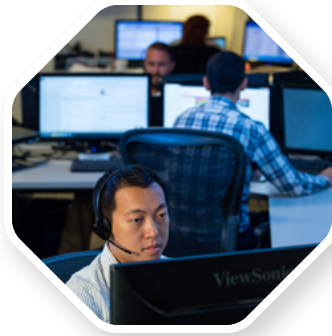
Commitment to risk management

Our connection with industry-leading experts and extensive security investments help mitigate safety and security risks so OEMs can maintain business continuity. We help protect your employees and equipment, with a focus on reducing the risk of severe impacts.

Dedication to sustainability

We focus on reducing energy consumption, water use, and waste to drive better outcomes for our customers and partners, our company, and our communities.

World-class customer support

We are a global company providing in-region support for OEMs, which means OEMs benefit from global insights and resources, plus experts who understand local markets.

IT'S TIME TO UNLOCK NEW VALUE WITH DIGITAL INNOVATION.

In a competitive landscape, building the right technology partnership can propel an OEM forward in achieving the most business value. Visit our website to learn how powerful digital technologies from Rockwell Automation can help you work more efficiently, deliver differentiated customer value, and expand your business opportunities.

Discover more with these resources:

Rockwell Automation OEM Partner Program

Machine and Equipment Builders

Rockwell Automation Customer Care

Connect with us.

rockwellautomation.com — expanding **human possibility**®