

# Business Transformation in the Digital World

## Manufacturing

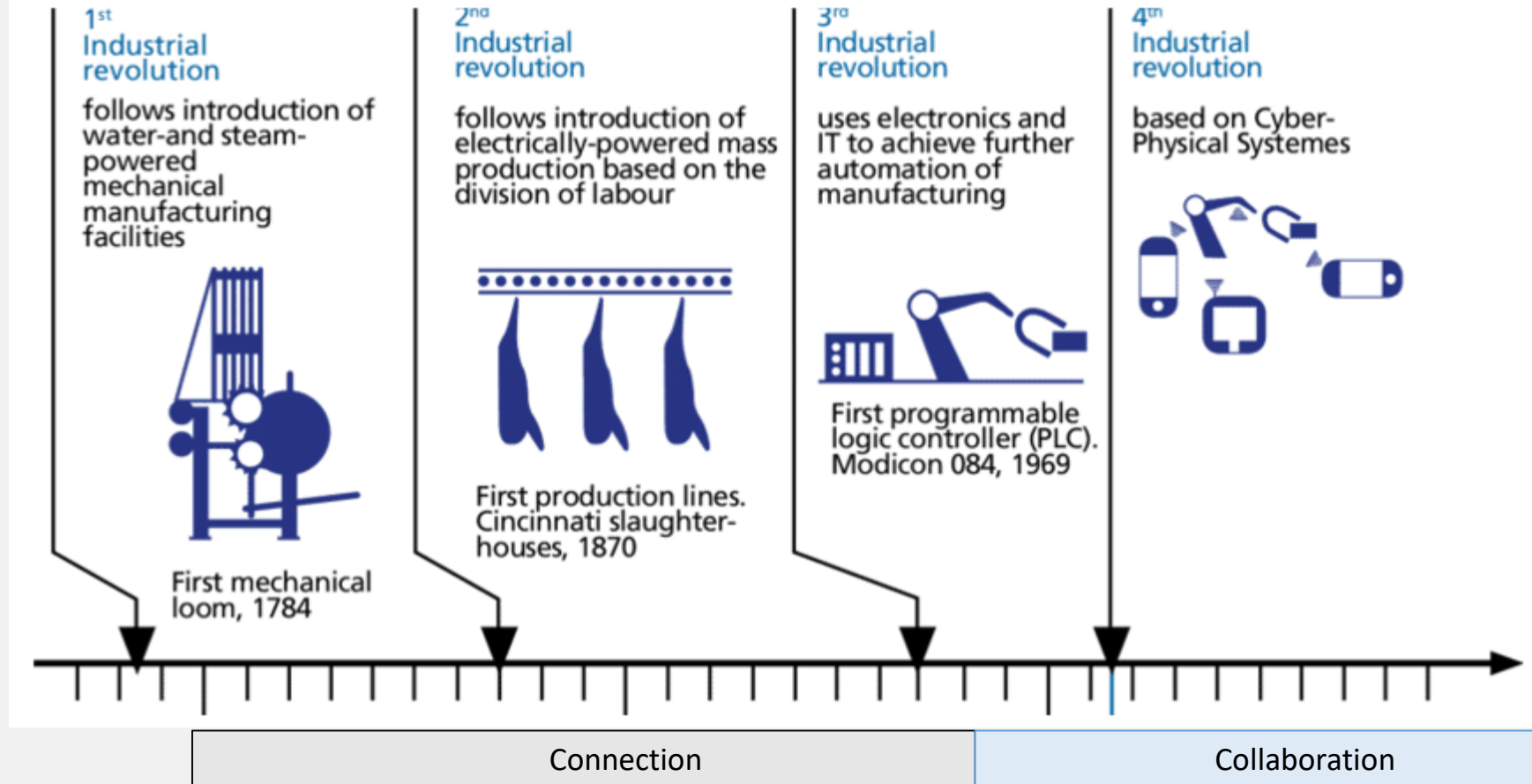
# A Industry 1.0 – Industry 4.0



- <https://www.youtube.com/watch?v=Wftm5BboxSI>

# Industrial Evolution

Figure 32. From Industry 1.0 to Industry 4.0 (Source: DFKI, 2011).



1991

## **VIRTUAL ENTERPRISE STRATEGY**

Corporations are facing a variety of increasingly difficult challenges as the world approaches the millennium:

- Customer/Consumer Satisfaction/Delight/Loyalty
- World Class Quality
- Market-Value Pricing
- Speed and Responsiveness (Shorter Cycle Times)
- Changing Demographics/Lifestyles
- Mass Customization (Differentiation)
- Shorter Product Life Cycles
- Innovative New Products

- Unpredictable Technology Changes/Dynamic Markets
- Think Global . . . Customize Local
- Global Rationalization of Investments (Economies of Scale, Scope)
- Global Competition (Products/Knowledge)
- Information Explosion
- Governmental Regulations
- Environment Sustainability
- Organizational Dynamics
- Employee Commitment
- Shareholder/Stakeholder Value



# Current Manufacturing World

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## Changing global trade agreements

- Will affect the contract with suppliers
- Long term, stable orders will be impacted
- Order will be focused on smaller lot-sizes, custom-product, custom-fulfillment

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## Fickle and experience based customers:

- Will be very discriminative in experience and brand
- Order customization and personalization is the norm
- Orders will need to be fulfilled based on custom delivery service levels



# Current Manufacturing World

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## Retail Channel consolidation

- In combination with supply-chain disruptions distribution channel disruptions will create volatility in manufacturing
- Quick setup, changeover, and processing times will be needed
- Flexible and intelligent machinery will be required

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## Disruptive business models

- Can accelerate bankruptcy
  - Strategic Agility as an organizational mission
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# Custom Orders



...preferably locally grown, organic and in a biodegradable container



# Current Manufacturing Management

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Focus on managing operating expenses and capital investments – Cash Flow

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Managing short-term return in value for stakeholders, shareholders and customers - Profit

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Reactive Management - Expenses

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Siloed functions and process – Productivity

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Temporary Workforce – Operating Costs

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# Reactive Management

BRAND CAMP

by Tom Fishburne

## DRIVING BY THE REAR VIEW MIRROR

LOOK OUT! THE  
COMPETITION HAS  
GAINED SHARE WITH  
A NEW PRODUCT LAUNCH



THEN WE'D  
BETTER HIT  
THE GAS AND  
LAUNCH IT TOO

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# Organizational Silos

BRAND CAMP

by Tom Fishburne

## SILO FARMING



# This is where BMW is want to be



- <https://www.youtube.com/watch?v=VpwkT2zV9H0>

# Future Manufacturing Management

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Focus on managing dynamic customer demand  
suppliers – Cash Flow

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Managing for long-term value for stakeholders,  
shareholders and customers - Profit

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Proactive Management - Expenses

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Collaborative functions and process – Productivity

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Invested Workforce – Operating Costs

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# What is the world doing ?to be



<https://www.youtube.com/watch?v=6G9BZTG-9IU>