

Deciding where to start

EARLIER in my career I worked with many ‘best in class’ lean manufacturers and I was struck by how many of their employees could remember, even years later, where it all started. They openly shared their story, and often I would meet the team that had been the catalyst for their ongoing lean deployment.

Years later, when working as a lean management consultant helping organisations commence their lean journey, I would ask the team what story they would like to tell me five years down the track, who they would introduce me to, where we would go on the site, and what tools from the extensive lean toolkit would have been their starting point.

When looking to start an Industry 4.0 journey, to explore the opportunity, I believe the same is true. Making the right call on how and where to start is crucial to getting people on board, both internally and externally. Three things should be considered:

engaging the right people, picking the right place to start, and applying the right controls.

Engaging the right people

People are at the core of every lean success story. They are the catalyst for continuously improving your operation and driving innovation. Similarly, finding the right people who understand the potential of Industry 4.0 and will thrive in an environment that offers them freedom and encourages them to explore new ideas and play with new technology is crucial.

At a recent futuremap event, I heard a great story about an organisation that had been looking to get into additive manufacturing. After buying their first 3D printer, the management team presented the technology to their workforce as the next new thing, only to be pleased to hear that three employees had similar printers at home and some great experience to bring. The organisation now has

a new offering in the market, from their additive manufacturing team. Getting the right people involved worked very well for them.

As well as those directly involved in developing the Industry 4.0 initiative, a support network is required. In his 1995 *Harvard Business Review* article, *Leading Change: Why Transformations Fail*, John Kotter discusses his eight-stage process for change management, with the second stage suggesting that businesses need a guiding coalition. The concept of a guiding coalition perfectly captures what is needed to support early stage Industry 4.0 adoption – a guiding group offering direction to the team. By describing it as a coalition, Kotter emphasises that guidance is most effective when it comes from a diverse group of people who value differences of opinion, challenge each other and bring different skills, backgrounds, and perspectives to the table.



When designing the team that will kick start the journey of Industry 4.0 transformation for your business, it is worthwhile reflecting on whether you have this diversity of thinking at the table. Is there perhaps a role for someone from the university sector able to stretch the art of the possible? Or perhaps, a customer representative could get involved, continually testing whether an idea will have business impact?

Picking the right place to start

With the right team in place, it is equally important to pick the right place to start – identifying an opportunity or area within the organisation that stretches the team’s innovative thinking while maximising the likelihood of some quick wins.

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contribute to all aspects of an organisation’s value chain, from the supply of the original materials to the end customers and everything in between. For an organisation operating a complex and/or extensive processing facility, the initial focus could be internal, for example, improving internal control and reducing costs through better data capture and smarter analysis. Installing sensors in a filling machine could provide a wealth of data that inspires the engineering team to find new productivity options. Or adopting augmented reality solutions for training purposes could reduce a long-standing safety risk and support staff in their daily routine.

Others might focus on their business model. Adding sensors to their products or joining the Internet of Things (IoT) could allow them to provide significant downstream services, strengthening and/or enhancing a product offering. Perhaps the questions to consider here are: which product would be easiest to move forward; which customer would be most responsive to the innovative idea and is there a market ready to accept change?

In either case, like the makeup of the team, this should be a conscious choice.

Applying the right controls.

While exploration implies that the end goal might be unknown, it will be important to support this initial Industry 4.0 exercise in the same way you would any other project. Thought should be given to issues like the assessment of returns. A full Return on Investment (ROI) expectation in these early stages may not be helpful, but the organisation needs to use these first steps to learn how an innovation could influence their market or cost base. Discussions should therefore include defining the opportunity value that the project is starting to open up. Similarly, timelines should be established to ensure that the project continues to get leadership focus and that exploration does not revert to meandering. Incorporating a go/no-go gate or two will also prove useful.

Considering these three elements is a key starting point as an organisation begins to move towards Industry 4.0. Exploration must of course include the freedom to try new things and importantly the freedom to fail, but it is the role of leadership to ensure this is done in the right context that creates not only learnings but establishes something extremely valuable – momentum. **M**



Making the right call on how and where to start when embarking on the Industry 4.0 journey is crucial to getting people on board.

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