FUJITSU

Big changes bring big opportunities
Getting it right in manufacturing with Fujitsu and SAP S/4HANA

shaping tomorrow with you

More than making do

Nothing is certain in today's world. And that goes double for the world of manufacturing. Economic uncertainty has had a huge impact on business. Growth has slowed. And 2020 only brings more short-term volatility in costs and policy decisions. The COVID-19 pandemic means some manufacturers have changed what they're producing to support health services. Others have been forced to cease production entirely.

Beyond that, in the long term, there's the need to adapt to new ways of working – whether that's integrating the Internet of Things into your processes or automating plants with robotics and dynamic inventory control. All of which generates vast swathes of data – but how best to use all that information?

It's too easy for businesses to make the wrong choices and create all manner of problems for themselves. So, what are manufacturers doing to survive in this climate? But even more than that, what are they doing to thrive?

Strength in flexibility

The answer is in rethinking their core operations. To cope with everything this uncertainty brings, businesses are redesigning their fundamental applications and infrastructure to be more robust. But also more adaptable. More agile.

A key part of this restructuring is to transform your digital core – your ERP system. SAP S/4HANA provides the means to capitalize on the opportunities arising in the digital economy. It can analyze vast amounts of real-time data, unearthing insights and suggesting actions. That means huge improvements in the value you can deliver to your clients. It means adaptability. It means resilience. And it means business agility.

Are you ready to deliver that?

With Fujitsu and SAP S/4HANA you are

Transform your digital core with SAP S/4HANA. Connect and consolidate your applications and discover how much more efficient your business could be. Streamlined processes, valuable insights, and the information you need, where you need it.

We have the experience and qualifications to lead you through the whole process. Let's co-create your next evolution and seize the opportunities this technology brings.

Come with us.

Industry 4.0:
Easier said than done

Those who are investing in the future are already seeing the benefits of Industry 4.0. Factories are becoming increasingly automated and self-monitoring. And this manufacturing revolution is increasing productivity, shifting economics, fostering industrial growth, and changing the profile of the workforce. So, why isn't everyone doing it? What's stopping them?

Limited expansion

Few companies have yet to scale past the pilot stage of digitizing their plants. Early success promised a lot to come, but many businesses simply don't know how to go about taking it further.

There are some serious challenges in taking up these new technologies. Businesses need to learn a lot more about them and the practical ways to use them. Then, develop and implement the digital strategies that work for their business model.

But the most common concern isn't so much the technology, but how to secure it. It's all well and good integrating all your systems online, but it's not going to help you if you can't defend that system from security breaches and data leaks. That means security research is critical.

Cost effectiveness

Those businesses taking the lead in the race for smart factories are partnering at a higher rate than most. This drives productivity and output. But such transformations don't come cheap. And risks need to be carefully assessed.

To reap the rewards of Industry 4.0, businesses need to make huge investments in new technology. That's a cost decision and risk analysis that can only be made at CEO level. What's more, this huge capital requirement can alienate smaller businesses and might cost them their market share in the future.

< >

Naturally cautious

The manufacturing mindset is naturally risk-averse. That presents problems when it comes to dramatic modernization – or responding to unique situations like the COVID-19 pandemic.

Workers will also find a shift in the skillsets employers are looking for – meaning a big retraining cost. And while it may help boost employment rates, it will also alienate big sector workers. Particularly those who are older or whose work is repetitive or manual.

As supply chains are broken, production is disrupted, and skillsets change, it'll be the most open-minded, quick-thinking manufacturers that lead the sector.

A maze of systems

Multiple plants, tiered suppliers – each with decentralized software platforms, across multiple acquired companies. That's an immensely complex system to coordinate. Connecting all those dots is a minefield of organization. And no one can afford the downtime if things go wrong.

Then there's the matter of privacy. It's a big concern for both customers and suppliers. To make such an interconnected industry work, producers need to collect and analyze data. However, customers could see that as a threat to their privacy. Similarly, businesses aren't used to sharing their data. So, embracing a more transparent way of working is going to take some getting used to there, as well.

Market volatility and political influence

Economic uncertainty is a major concern in the industry. Such volatility isn't good for business and makes planning next to impossible. Meanwhile, consumers are also pushing businesses to be more transparent and socially conscious. Adapting to these concerns means manufacturers need to become more agile to survive.

Free trade disruption

Uncertainty, fueled by political unrest, has disrupted the free trade haven that once existed. Trade tensions are on the rise, with tariffs hurting business sentiment and confidence around the globe.

To handle this, manufacturers need to carefully evaluate their supply chains and make them as efficient and profitable as possible. This is an ongoing process that needs to be constantly monitored and reviewed. Get it right, and you'll be ahead of the game, with everything arriving where you need it, when you need it.

The global downturn

Markets have been badly hit of late, and many manufacturers fear for the future. No doubt this will slowly pick up again, but businesses need to adapt now to weather the lean times.

To survive, manufacturers must take advantage of opportunities and cope with the challenges. That means agility, but also demands a robust growth strategy, built on solid foundations.

Social responsibility

Responsible manufacturing has become a duty to the environment and to society itself. A duty driven by customer opinion and government regulation. The businesses that will reap the true benefits of this trend are the ones who build sustainability processes. Processes that show a commitment to the cause.

The environment is on everyone's radar. Both industry and academia are working hard to find solutions in this emerging field of research. Solutions to problems with product lifecycles, disassembly, material recovery, remanufacturing and the prevention of pollution.

Manufacturers need to have processes in place that can adapt quickly to these new solutions as they emerge. Adopting such working practices, quickly and efficiently, puts you ahead of the competition and presents a strong brand image.

< >

Supply chain management

Manufacturing supply chains are at a pivot point. Businesses need to adapt to optimize their network. That includes making decisions based on real-time data and moving on from a one-size-fits-all approach. The current siloed model is flawed. With so many separate systems, collecting data across the whole supply chain is a big challenge. That leads to a lack of analytics. And without any tools to help make decisions.

To change or not to change

Many businesses are understandably wary of investing when the market is volatile, but creating a lean environment is key for profit. To transform the supply chain into a true enabler of growth, organizations need to completely embrace and adopt digital.

Digital supply chains are a hot topic. Most businesses have taken on some digital initiatives in an effort to transform their supply chain. However, these are mostly siloed or small-scale projects. They deliver value at certain points, but don't go beyond that. Very few are wide-ranging enough to really disrupt and unlock those next-generation benefits that the technology keeps promising.

Cost-cutting isn't what it used to be

Old cost-cutting models don't work anymore. Labor arbitrage is out. Reducing mistakes and streamlining process is in. Modern technology not only supports your people today, it also attracts top talent tomorrow.

Too often, when manufacturers move their operations from a high-cost region to a low-cost one, they often use more labor rather than investing in advanced tools and automation. That's a short-term win, but doesn't bring about the fundamental transformation that's needed to really take a business to the next level.

Where to invest?

Many businesses find it hard to prioritize their digitization. Should customer experience be a key driver? Or internal process improvement?

Level three readiness requires the dynamic optimization of the supply chain from end to end. Supported by advanced analytics, which draw on machine learning and AI. Very few businesses have reached this level. Most are at level two: using some specialist analytics to optimize certain functions. But many are still trying to get to grips with their data and are still stuck in the world of spreadsheets.

To advance through these levels, manufacturers have four key actions to consider.

1 **Optimize core supply chain processes**

Bring your supply chain up to date by building a powerful data infrastructure on top of your ERP systems. This needs to happen across all five core processes: planning, procurement, manufacturing, logistics and return. But using legacy systems as the foundation for digital transformation is filled with problems. Patching simply isn't going to cut it. Some things simply need to be rebuilt from the ground up.

2 **See your supply chain as a business process**

Many organizations recognize new product development and customer relationship management as essential to their business. But that's not enough. Just as important is managing the supply chain as an end-to-end process. To do this, you need a change in organizational structure. Breaking down the boundaries to promote strategic rather than functional goals.

3 **Pilot new technology without the risk**

Any new process brings a risk of failure, but manufacturers shouldn't be afraid to "fail fast" – so long as they are ready to catch the fail and learn from it. To minimize risk and maximize learning, new functions should be developed gradually. Apply new technology to an existing process, or new processes with existing technology – but not both at once. That way, if the pilot fails, the reason is clear.

4 **Explore new business models**

Environmental and social costs are beginning to outweigh the economic benefits of consumption-driven growth. This is redefining business models. We're moving from the provision of products to services, supported by a new kind of supply chain. And digital technologies are the driving force behind this.

Transform your business with the experts

Digital transformation is the future. Not because you need to keep up with the competition, but because of the opportunities it brings to your business. But how to do it?

You need SAP S/4HANA

To succeed in the digital economy, your ERP system must be flexible enough to cope with business change and future growth. SAP S/4HANA provides a powerful foundation for digital transformation. It lets you integrate and embed intelligence in manufacturing processes, with a single source of live information. These tools let you coordinate planning and execution processes, covering all aspects of the manufacturing cycle, from planning to shop floor.

SAP S/4HANA empowers Internet of Things (IoT) devices to automatically respond to fluctuating signals. It also provides predictive indicators for preventative maintenance and product service. All while understanding the cost implications and tradeoff scenarios.

Access your data wherever you may be. Gain insights with AI, machine learning, and predictive analytics. And know that it's all secure and compliant with industry and government regulations.

This intelligent ERP solution provides the most current information on demand. That allows manufacturing processes, resources, and capacity to be tightly aligned to market and customer demands. And that ensures optimal production efficiency and profitable, timely product delivery.

You need Intelligent Technologies

Take it a step further, with Intelligent Technologies. This gives you access to machine learning (ML), artificial intelligence (AI), Internet of Things (IoT), analytics, blockchain, data intelligence, big data, and robotic process automation (RPA). What's not to like?

Well, what about that old ERP system that you've spent years fine-tuning? The systems that everyone knows inside out? Or the risks inherent in any step into something new? Can your business afford the time, costs, and effort involved in such modernization?

Choose Fujitsu

The right partner is crucial to your transformation. You need an expert who understands your digital journey is unique. And that the right approach comes when you co-create.

Fujitsu is a leading global partner in the manufacturing industry. We have a proven track record of integrating applications, systems, and cloud services to help businesses transform. We work together with customers to improve processes and manufactured products, to find new ways to address previously unmet end user needs, and to identify new business models and opportunities. We manage and support systems with millions of users around the globe. And we understand the complexity involved in digital transformation.

Fujitsu is a world-class manufacturer with 50 years of experience itself. We understand the challenges you face on the road to digital transformation. Choose a partner that delivers solutions 'with you' and not 'to you' to co-create solutions that reduce costs and re-deploy skilled people. That lets you move staff away from maintaining traditional systems, to supporting new products and digital innovation.

< >

So, when it comes to your S/4HANA migration, we work with you and your SAP technology to make every part of your business perform at its best. You become more agile, more flexible and more efficient. So, you can speed your path to growth.

And then go further. With emerging technologies like AI, IoT and blockchain at your disposal, you're ready to innovate. And stand out from the competition.

It's the most suitable ERP for the manufacturing industry, combining our own manufacturing expertise and unique development capabilities. From a single provider, you get a solution that brings together infrastructure, services, licensing and consulting. We address specific requirements that typical standard SAP packages do not respond to, by integrating self-developed applications with SAP S/4HANA. We help manufacturers deliver more value and a better user experience, by integrating new capabilities into standard SAP manufacturing solutions.

So, you have everything you need to put intelligence at the heart of your business.

We do this together. Come with us.

Drive digital transformation with SAP and Fujitsu solutions.

Guaranteed outcome:
Agree a scope and timescale for your migration project.

Industry experts:
Benefit from the experience of highly trained consultants.

Global reach:
Get the help you need, where you need it.

Reduced risk:
Avoid costly mistakes with highly automated migration processes.

Co-creation:
Harness the power of collaboration, driving quick, tangible outcomes.

Fast time-to-value:
Employ industry-templated solutions with Fujitsu intellectual property (IP).

Find out more

askfujitsuhq@ts.fujitsu.com
fujitsu.com/sap

> Read more on SAP S/4HANA

FUJITSU