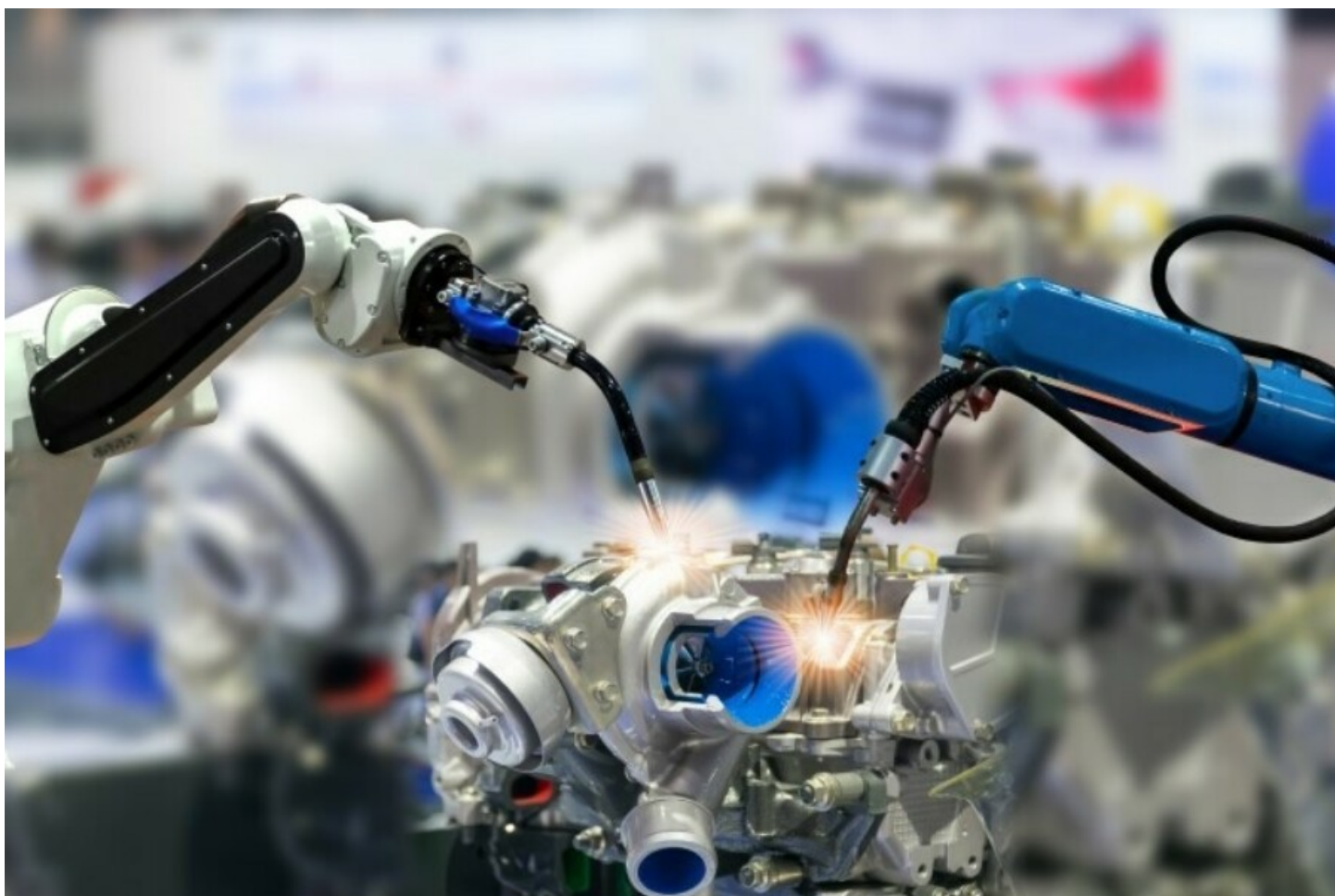


Insights

ASUG News + Views

ASUG Executive Exchange Roundtables Focus on SAP Industry 4.Now and the Digitization of Supply Chains

Rachel Bykowski February 11, 2021 6 minute read



ASUG Executive Exchange hosted two Executive Exchange Virtual Roundtables on [Feb. 3](#) and [4](#) to address how SAP Industry 4.0—or better referenced as SAP Industry 4.Now—will benefit discrete and process industries. The two-day roundtable hosted by ASUG featured speakers from SAP along with SAP customers who have successfully deployed SAP Industry 4.Now and are benefitting from the transformation of their supply chains.

Both roundtables culminated with members of SAP conducting isolated, model demonstrations, showcasing how deployment of SAP Industry 4.Now transformed both discrete and process industries' supply chains and



the two webcasts.

What Is SAP Industry 4.Now?

In June 2020, [SAP announced](#) the deployment of SAP Industry 4.Now, which addresses the increase in business volatility with building a resilient supply chain and agile manufacturing process. This fourth industrial revolution incorporates Internet of Things (IoT), digital transformation of supply chain, and intelligent technologies to capture the digital thread of an asset. By capturing the digital thread of products, SAP Industry 4.Now maximizes innovations and transforms a reactive supply chain into a resilient industry. SAP Industry 4.Now gives adopters a holistic view of their business strategy, answering the question, “how do we take digitalization and tie it across an entire supply chain?”

Now, organizations can break down their silos with common taxonomy and achieve true visibility across all plants. Companies can collect data straight from the shop floor and improve customer experience with the ability to view the entire life cycle of a product and allow for quick customer customizations to occur at any stage in the manufacturing. The holistic visibility is created by SAP Digital Manufacturing Cloud, combining with edge computing, giving a hybrid view into local survivability of the manufacturing execution systems (MES) offerings.

Making Customers More Agile

The ASUG Executive Exchange virtual roundtable began with a conversation on SAP Industry 4.Now for discrete industries. The goal was to understand how companies can take advantage of the advancement of automation and intelligence built into technology for manufacturing devices. Rakesh Gandhi, Industry 4.Now hub North American regional lead and global operations design at SAP, outlined the importance of creating a resilient supply chain. According to Gandhi, “if you look at all the things happening around us in the last several years, change has been constant. ... Companies are now looking at building the resiliency in their supply chains so they can react to all the changes that are hitting us.”

Rakesh continued to elaborate on how SAP Industry 4.Now increases agility and visibility across the operational, Line of Business (LoB), and enterprise level of strategy. SAP Industry 4.Now collects data from the local silos of one plant and shares it to the cloud, achieving cross-plant visibility. The data can then be applied directly to the supply chain operations and fed to executives who can better assess the financials of a product.

How Milliken Is Leveraging SAP Industry 4.Now

James Lafever, senior SAP Business Applications analyst at Milliken, joined the roundtable to discuss Milliken’s journey with SAP Industry 4.Now. Milliken, a privately held global company with headquarters in South Carolina, supplies components of materials to businesses to develop products such as protective wear, clarifying agents in their chemical distribution centers, plastic, flooring, and more. “You come in contact with Milliken products 50 times a day and you wouldn’t know it,” Lafever said.

Lafever revealed that while Milliken was efficient with measuring downtime, it needed assistance with evaluating performance and quality of goods produced. Milliken’s use of SAP Manufacturing Integration and Intelligence (MII) platform allowed for rapid adoption of any manufacturing processes. In addition to SAP MII, Milliken incorporated SAP MII Overall Equipment Effectiveness (OEE) as a pre-delivered order execution system. SAP MII OEE allowed for conversation between the SAP MII system and ERP system, captured root causes for downtime, and allowed real-time performance analysis.



in January, Milliken implemented a seamless SAP S/4HANA conversion with the new backend ERP system.

“One of the clear values of the ERP backend that SAP is providing is the fact these processes are horizontally stacked,” said Salvatore Castro, senior director of solutions management and digital manufacturing at SAP, “meaning they are leveraging common events in the data set to ensure the processes are linked and coupled together to make sure everyone in the organization is moving as one.”

SAP Industry 4.Now leveraged the manufacturing software to provide an OEE view across the plant and different production areas that are integrated into a central ERP plan. The integration allows logistical awareness to any disruptions or delays, continuing to provide Milliken visibility into operations.

Achieving Holistic Support of Product Development

The roundtable culminated its two-day discussion on SAP Industry 4.Now with a focus on process industries. Castro elaborated the key fundamentals for SAP Industry 4.Now in process industries is leveraging the manufacturing processes for tracking HR, people, assets, asset usage, and the material mix. This tracking assists with product redesign and helps to ensure precise recipe ingredient mixes when accommodating different batch sizes.

The goal is holistic support of the product development process. SAP Industry 4.Now allows visibility from the introduction of a recipe to the formulation of the product and launch stage. According to Castro, this digital thread “allows us to interject and manage costs and track quality as early as the initial trial and formulation phase of the recipe itself.” SAP Industry 4.Now integrates an end-to-end supply chain processes to synchronize resources and capacity to forecast inventory, all linked together for a live inventory view.

SAP Industry 4.Now is an innovative revolution to digitize a company’s supply chain. To achieve deployment, Applied Industrial Technologies, an SAP customer and partner, discussed a brownfield challenge and how to achieve a digital thread. Silas Robertson, SVP of sales and marketing at Applied Industrial Automation, stated the best way to begin the digitization of a company is to find a realistic approach and start small. Robertson suggests a company should begin with identifying the equipment and areas of the factory it wants digitized, and create a plan specific to those areas. Then, prepare an organizational structure to establish a long-term plan, and do not forget about the network security.

Customers tell SAP there are three areas for justifying why they invest in SAP Industry 4.Now: creating value for customers and their customers’ customers, reinventing production, and connecting the entire company.

To accomplish these steps, a company needs visibility and data-driven capabilities provided by SAP Industry 4.Now. When manufacturers have visibility into how they conduct their production activity, they can create innovations. Manufacturers can step outside the four walls of a factory and look at their entire enterprise from an end-to-end perspective.

Make sure to register for [ASUG Best Practices: SAP S/4HANA](#). Spread across four weeks in March, this virtual conference series will take attendees through every step of the SAP S/4HANA journey, from developing a strategy to effectively adopting the ERP solution.

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