



A 4-D FRAMEWORK TO MAXIMIZE THE VALUE OF YOUR MES IN THE TIMES OF COVID-19

INTRODUCTION

COVID-19 has forced manufacturers around the world to embrace a new normal. In the current scenario factories are focused on managing core processes with disrupted supply chains and limited manpower. Factories are working at higher operating costs to ensure that supply chains don't dry up and products continue to reach customers.

The impact of COVID-19 will be seen on the global economy for at least the next few quarters. This leads to many questions in the minds of leaders in the manufacturing sector. Does the strategy formulated pre-COVID-19 still hold? What strategic changes are required to stay profitable? How do we address unpredicted demand fluctuations? When will demand peak again? How will the segmentation of customers and suppliers change? The list of questions is clearly quite long! Uncertainty will require companies to have a robust strategy and a much higher level of rigor towards cost optimization, productivity and efficiency improvement.

New investments are likely to be deferred and the focus will be on maximizing the utilization of existing infrastructure. Companies will hunt for cost saving opportunities and IT spends will be no exception. There will be a need to explore innovative approaches, business models and solutions from service providers that can successfully manage the manufacturer's current landscape and programs while reducing the overall cost.

Organizations that have MES in their plants will try to maximize its utilization to improve plant performance and at the same time reduce support and maintenance costs. There will be a possible need to develop point solutions to tackle challenges arising out of the current situation. Cost pressures are expected to delay ongoing MES rollouts and new implementation plans. We at ITC Infotech understand the role MES plays in improving plant performance and hence the importance of continuing with the ongoing rollouts. We have revised our solutions and offerings to address some of the challenges around managing ongoing MES programs. Our solution is in the form of a 4-D MES Framework (see Figure 1).

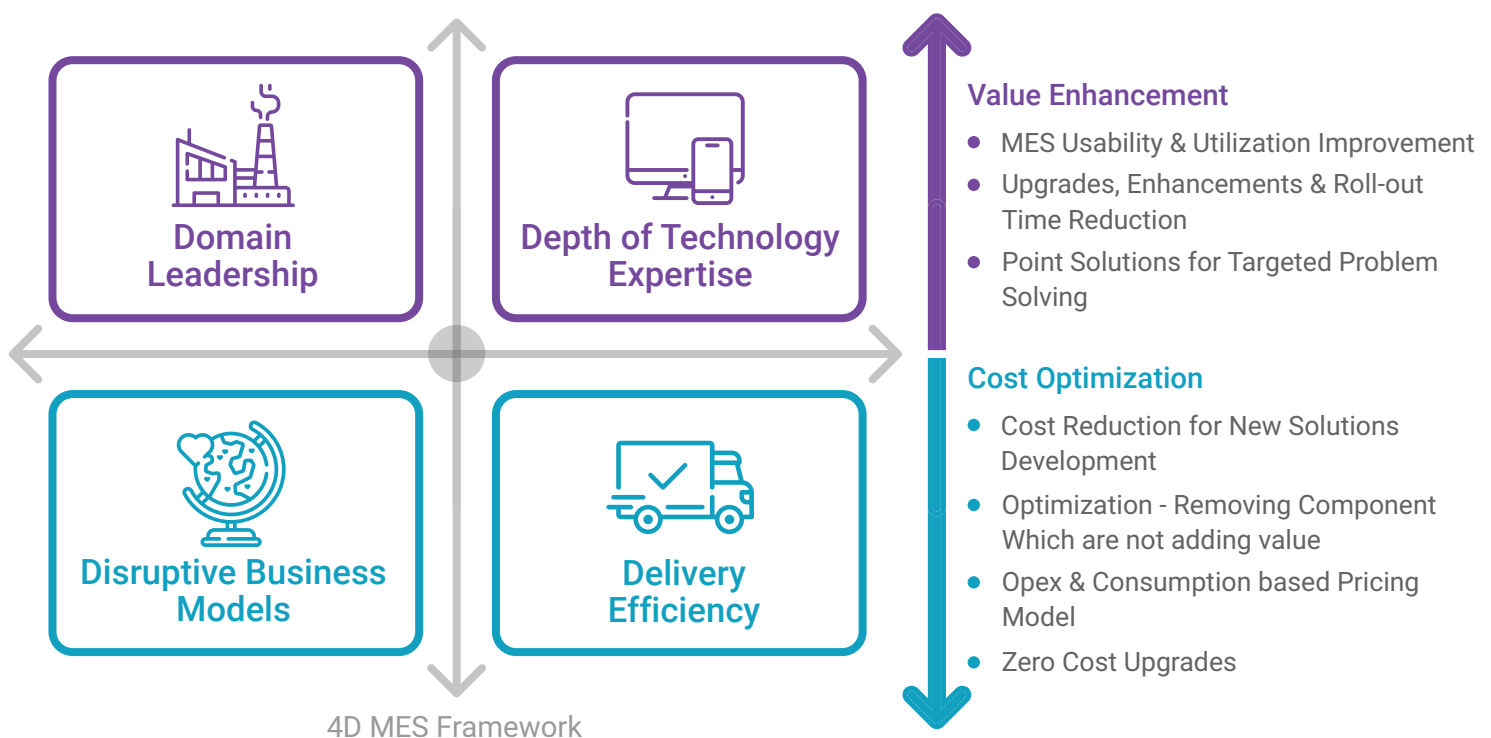


Figure 1

The 4-D MES Framework allows manufacturers to extract maximum value at optimal cost from their MES landscape. The framework optimizes cost in the current program and generates additional value from the existing solution without new capex or major investments. The revised delivery and business model ensure that manufacturers can continue with their ongoing MES implementation with minimal financial impact or risk. The four dimensions of the MES framework are:



- **Domain leadership:** Access to our parent manufacturing organization ITC Ltd. gives us insights into real shop floor challenges, which enable us to create quantifiable benefits for manufacturers. We use this in-depth knowledge to define and design point solutions for specific problems. These point solutions create business value with minimal investments. Our pre-built modules and industry templates allow manufacturers to rapidly address specific needs. Our point solutions have delivered 3-5% improvement in productivity, a 5-6% reduction in Cost of Poor Quality (CoPQ) and a 12-15% reduction in shop floor inventory in previous projects.
- **Depth of technology expertise:** We leverage our “Technology Assessment Framework” and technical expertise to identify and utilize MES components for efficiency improvement available with the manufacturer that have been unutilized/underutilized. In addition, our team reviews and modifies the existing architecture, landscape and applications to improve application speed and user friendliness which lead to performance enhancement. Automation (DevOps & Test Automation) toolkit is used for automating MES program Lifecycle and large program management. We utilize pre-built connectors and libraries for external systems integration, and we extend the platform capabilities through our wrappers & accelerators without the need for new integration components.

- **Disruptive business models:** Our proprietary assessment framework helps quantify benefits from an MES implementation. Taking our core value of “Customer Centricity” we offer a consumption-based service model. This enables manufacturers to continue their MES journey even in these testing times. Subscription-based pricing linked to number of users and factories, variable bandwidth-based support engagements and commercials linked to outcomes and benefits gained from the MES implementation helps manufacturers reduce the overall investment and risks associated with a milestone-based payment model.
- **Delivery efficiency:** Our team structure leverages the concept of shared resources to improve resource utilization and optimize overall development cost. Manufacturers can also take advantage of the fact that we offer upgrades in new releases at zero cost. Our MES teams are equipped to work remotely at 100 percent efficiency, helping manufacturers design, develop, test and deploy solutions even in a scenario where mobility is severely restricted.

Using the 4-Dapproach, we have been able to reduce implementation lead time by 25-30 % and total cost of ownership by almost 20%. Manufacturers are anxious that with the impact of COVID-19 they may have to stop investing in improvements and ensure savings to keep the lights on. But our 4-D MES Framework sets them free so costs can be managed while new roll outs stay on track through targeted problem solving.



About ITC Infotech

ITC Infotech is a leading global technology services and solutions provider, led by Business and Technology Consulting. ITC Infotech provides business-friendly solutions to help clients succeed and be future-ready, by seamlessly bringing together digital expertise, strong industry specific alliances and the unique ability to leverage deep domain expertise from ITC Group businesses. The company provides technology solutions and services to enterprises across industries such as Banking & Financial Services, Healthcare, Manufacturing, Consumer Goods, Travel and Hospitality, through a combination of traditional and newer business models, as a long-term sustainable partner.

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