

Leverage Opportunities from Connected and Automated Operations



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INTRODUCTION

SAP is a leader in the cloud ERP category and has extensive manufacturing expertise, yet there is still white space to better solve the needs of the company's manufacturing customers.

Enter KINEXON, a company that specializes in connected and automated operations.

In a recent survey by IDC Manufacturing Insights, smart factory generally and factory floor transformation specifically were cited as top investment areas for manufacturers, with efficiency and worker productivity as the key drivers.



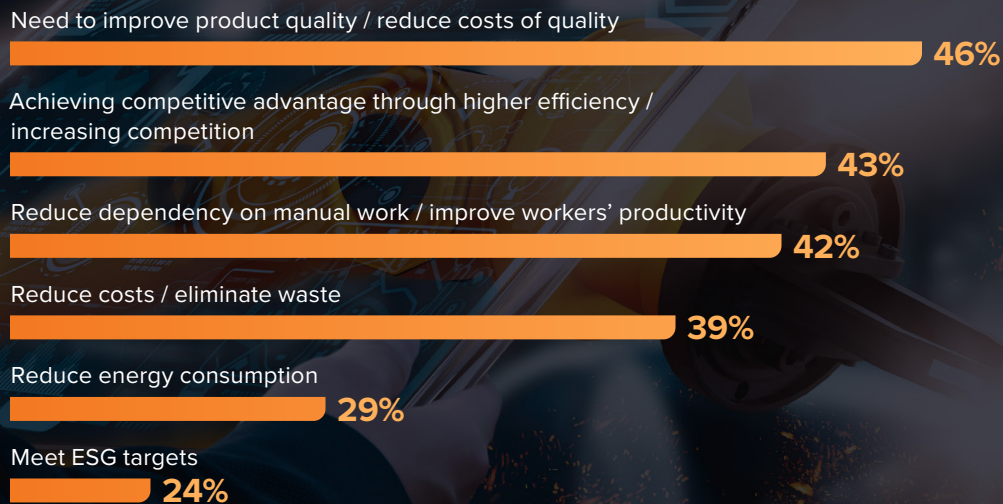
KINEXON forms the backbone for fully digitalizing our production."

—BMW

Top Areas for Investing in the Smart Factory

What is driving investment in the smart factory/digital transformation of the shop floor as a strategic priority?

(% of respondents)



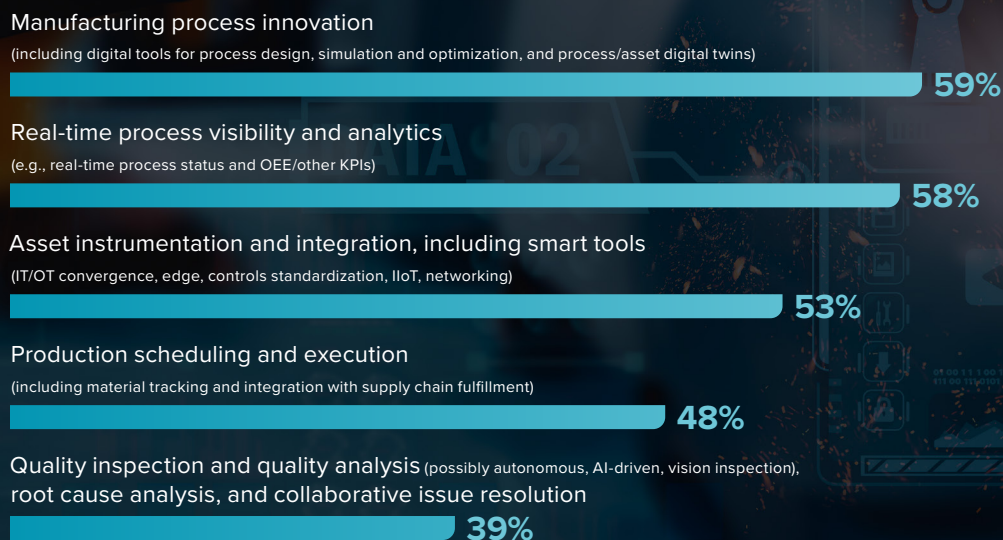
Source: IDC's Manufacturing Industry Intelligence Survey, October 2022

Process innovation, visibility, and automation are key initiatives to drive efficiency and productivity.

Key Smart Factory Initiatives

What are your key initiatives to execute your smart factory/shop floor transformation efforts?

(% of respondents)



Source: IDC's Manufacturing Industry Intelligence Survey, October 2022

The automation potential for operations is enormous — 80% of warehouses and 50% of factories are operated manually.

Business Outcomes

The collaboration between SAP and KINEXON integrates cutting-edge real-time tracking technologies to deliver efficiency and innovative capabilities to SAP customers. This showcases KINEXON's proficiency in automation and IoT while also carving out new avenues for value creation and business growth for partners within the SAP ecosystem.

KINEXON's solutions integrate with SAP Digital Manufacturing enriching the SAP DSC portfolio and offering clients a robust suite of tools. KINEXON provides versatile and strategic technology infusion at any point in the transformation journey. This approach ensures a consistent evolution of supply chain and production operations in line with the RISE with SAP's vision for business process innovation and intelligent enterprise development.

It enables productivity advancements by systematically eliminating inefficiencies, thereby refining operational excellence, and amplifying production throughout.

Savings include the following:



A 94% decrease in manual entries through automated bookings



A 10% productivity increase with better materials and order handling due to process automation



A total of €10 million annual savings in operating costs due to cycle time reduction



90% decrease in overdue items due to search and find of products and orders

Top Investment Challenges

What are the top three investment barriers/challenges to overcome to execute smart manufacturing/shop floor transformation initiatives?

(% of respondents)

IT security concerns

39%

Employee resistance to change

36%

Aging systems

30%

Unclear ROI

29%

Lack of digital skills to implement new applications

24%

Source: IDC's Manufacturing Industry Intelligence Survey, October 2022

ISV Partner Profile

KINEXON connects and automates operations in production and logistics for improved efficiency and sustainability and enabling AI capabilities.

KINEXON OS is the platform for orchestrating dynamic assets — if MES is the operating system for the stationary machine world, KINEXON is the operating system for the world of moving assets (robots, AGV, containers, workers).

KINEXON connects the IT and OT landscape with a scalable, easy-to-deploy OS with strong interoperability and real-time access to process data.

Challenges

Manufacturers exploring smart manufacturing and/or shop floor transformation face several challenges, including budget, lack of resources, and IT security.

SAP and ISV Partner Relationship

SAP and KINEXON are fully complementary, with KINEXON bolstering SAP's portfolio in niche operational areas.

KINEXON orchestrates the shop floor, acting as the OS for moving assets; SAP orchestrates the broader business processes; customers benefit from improved efficiency. This enables productivity gain by removing non-added value work, enhancing and increasing quality in the operations, and increasing throughput.

About the IDC Analyst



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As a program vice president, Simon Ellis is responsible for providing research, analysis, and guidance on key business and IT issues for manufacturers. He currently leads the supply chain strategies practices at IDC Manufacturing Insights, an IDC industry research company that addresses the current market gap by providing fact-based research and analysis on best practices and the use of IT to assist clients in improving their capabilities in critical process areas. Within the supply chain practice, Simon is directly responsible for the research in the supply chain planning strategies practice while also managing the supply chain execution strategies practice. These supply chain practices specialize in advising clients on supply chain network design, sales and operations planning, global sourcing (profitable proximity and low-cost sourcing), transportation, logistics, and more. He also supports IDC Retail Insights IT strategies practices.

[More about Simon Ellis](#)

Message from the Partner

KINEXON

KINEXON is a global technology leader that develops solutions for connected and automated operations in automotive, manufacturing, and aerospace industries.

The company is a pioneer of next-generation cloud software, connected devices and indoor location services. KINEXON's end-to-end solutions capture, analyze, and automate operations and enable AI capabilities for industry leaders such as BMW and Continental. Headquartered in Munich, Germany, KINEXON has grown to more than 300 employees across offices in Munich and Chicago.

For more information:

Visit www.KINEXON.com

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