

THE FACTORY OF THE FUTURE

Achieving Digital Excellence in Manufacturing, Today

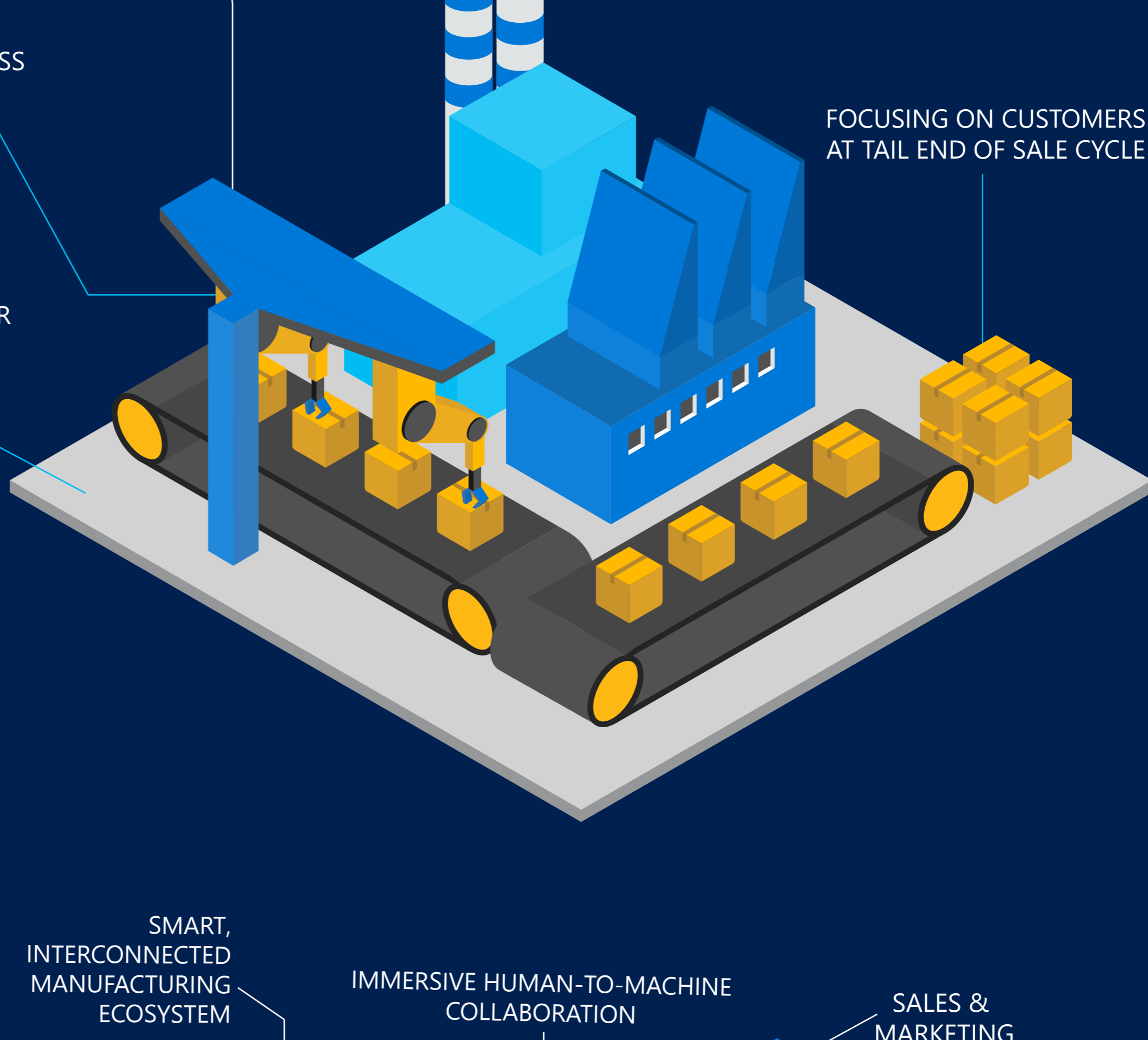
The Factory of the Future, today

Pushing the boundaries of Industry 4.0, the "Factory of the Future" means going beyond the walls of production to transform the entire connected ecosystem, across R&D, the plant, supply chain, product delivery, and customer service

PAST

ROBOT-DRIVEN PROCESS AUTOMATION
SILOED FACTORY FLOOR

FOCUSING ON CUSTOMERS AT TAIL END OF SALE CYCLE

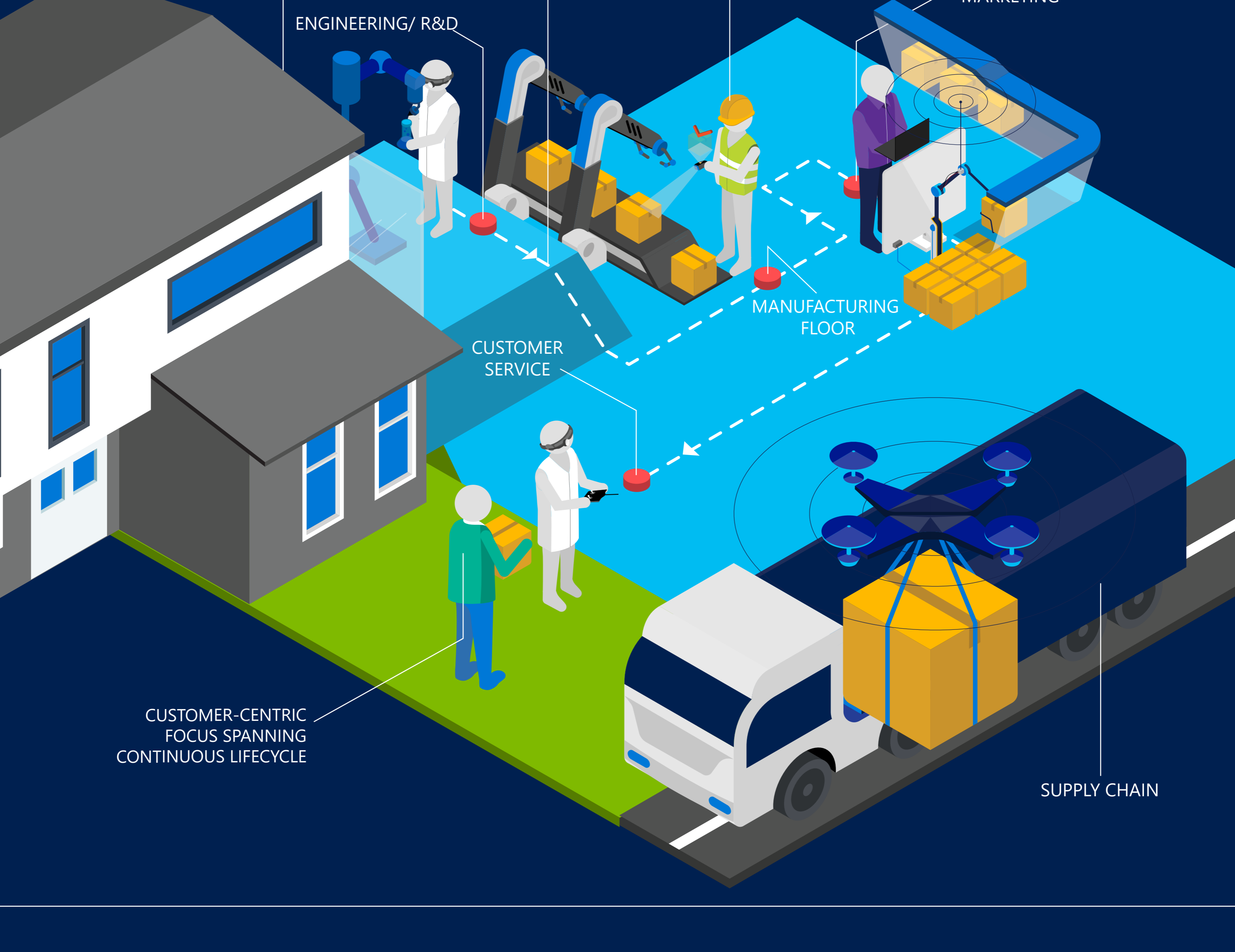


TODAY

SMART INTERCONNECTED MANUFACTURING ECOSYSTEM
IMMERSIVE HUMAN-TO-MACHINE COLLABORATION
SALES & MARKETING
ENGINEERING/ R&D
MANUFACTURING FLOOR
CUSTOMER SERVICE

CUSTOMER-CENTRIC FOCUS SPANNING CONTINUOUS LIFECYCLE

SUPPLY CHAIN



For many manufacturers, the Factory of the Future is delivering results that shatter all prior expectations

\$100M

Invested in smart factory initiatives by manufacturers¹

Within **3-5 years**,

hundreds of millions of manufacturing processes will be represented by digital twins²

47% more goods

produced, by workers, than 20 years ago through the development of automation, robotics, and advanced manufacturing³

\$500B

potential in savings for manufacturers and equipment makers from virtualization, real-time communication, and co-bot technology⁴

17-20%

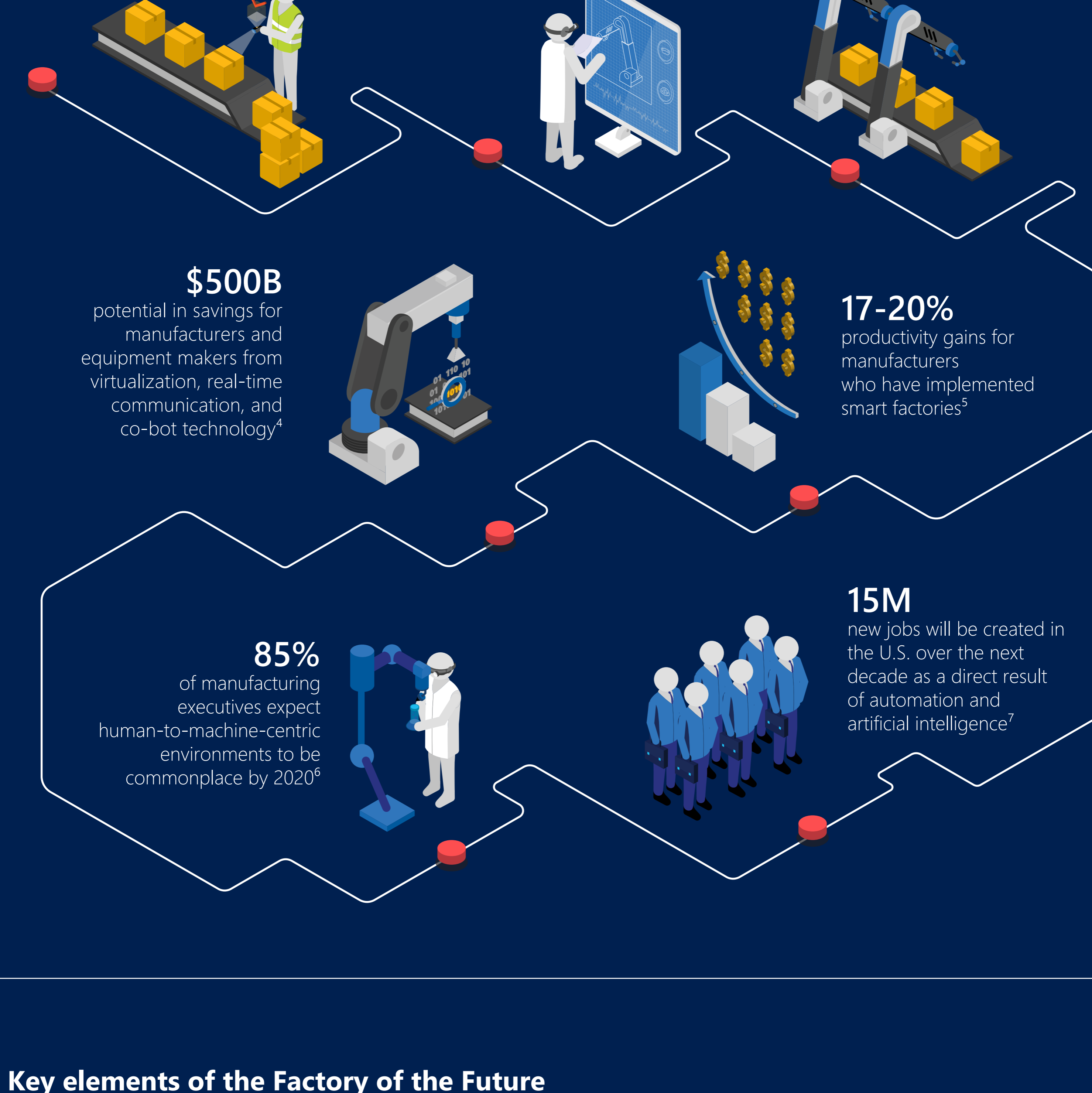
productivity gains for manufacturers who have implemented smart factories⁵

85%

of manufacturing executives expect human-to-machine-centric environments to be commonplace by 2020⁶

15M

new jobs will be created in the U.S. over the next decade as a direct result of automation and artificial intelligence⁷



Key elements of the Factory of the Future



Open value chain

Integration across entire manufacturing ecosystem

Connectivity and interoperability: Vertical and horizontal integration, and end-to-end engineering

Seamless system integration: Integrating automation, engineering, and business systems with a common data source

Smart factories: Fully automated, hyper-connected factory floor, with bidirectional data flow from devices to ERP and CRM systems



Flexible production

Quickly adapt manufacturing process to meet customers' changing demands

Customer-centric plants: Personalized products and mass customization through digital manufacturing, 3D printing, and robots

Customer-centric product designs: Informed by IoT-driven data and AI insights

Modelling simulations: Virtual planning and development of products and processes through digital twins

Advanced analytics for real-time decision making: Collecting and evaluating data from different sources, including production equipment, customer feedback loops, and enterprise systems

Digital Twin: Simulate and iterate through the end-to-end stages of design, production, and service to produce a digital representation of the plant floor, supply chain, and product lifecycle



Human-centered manufacturing

Co-Bots: Immersive human-to-machine collaboration

Autonomous, flexible, and cooperative: Through AI and smart sensor integration, robots will learn from humans

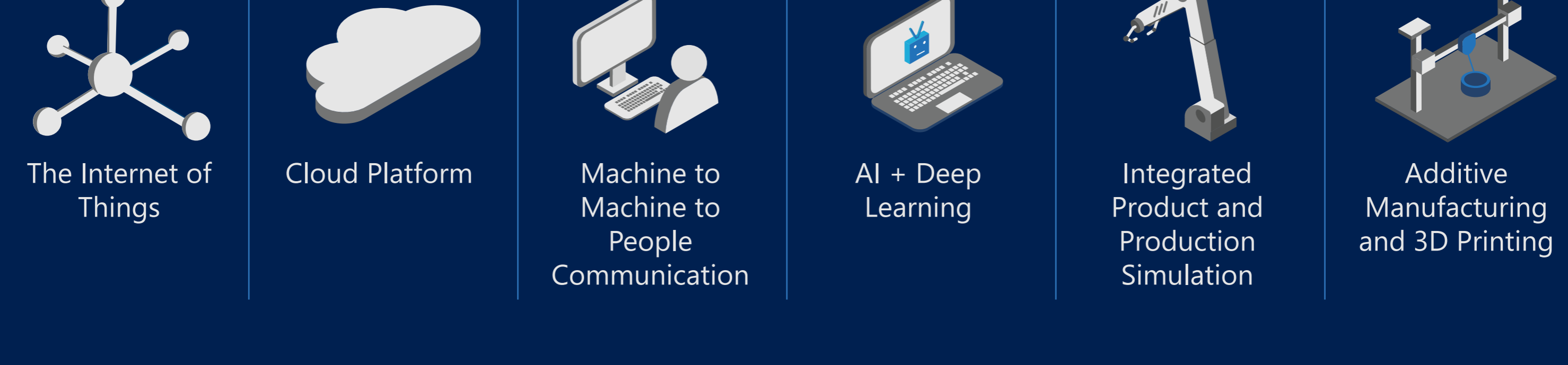


New business models

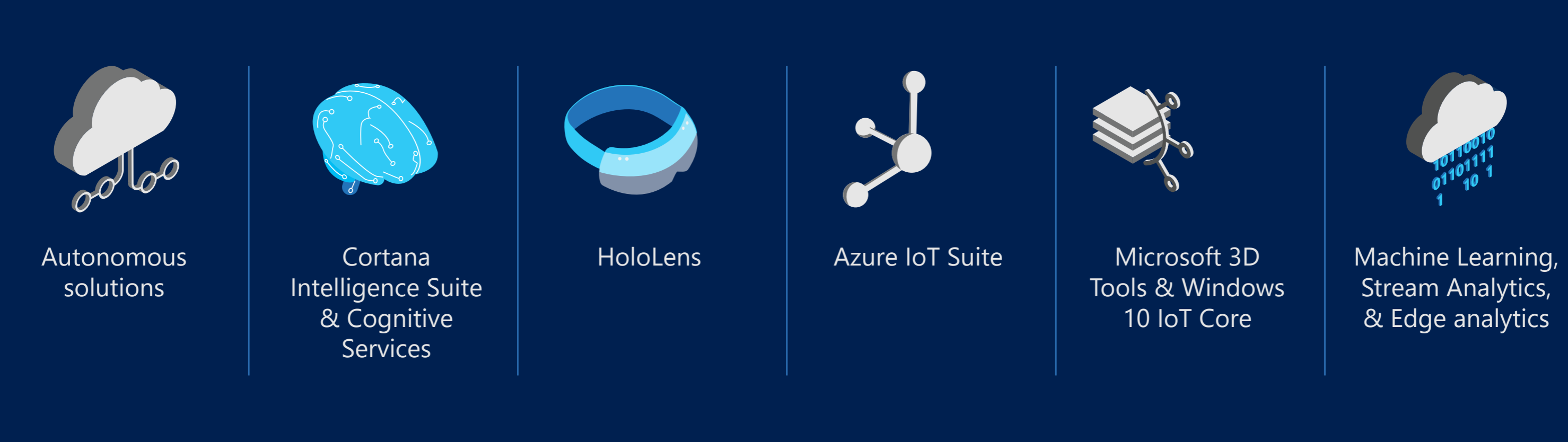
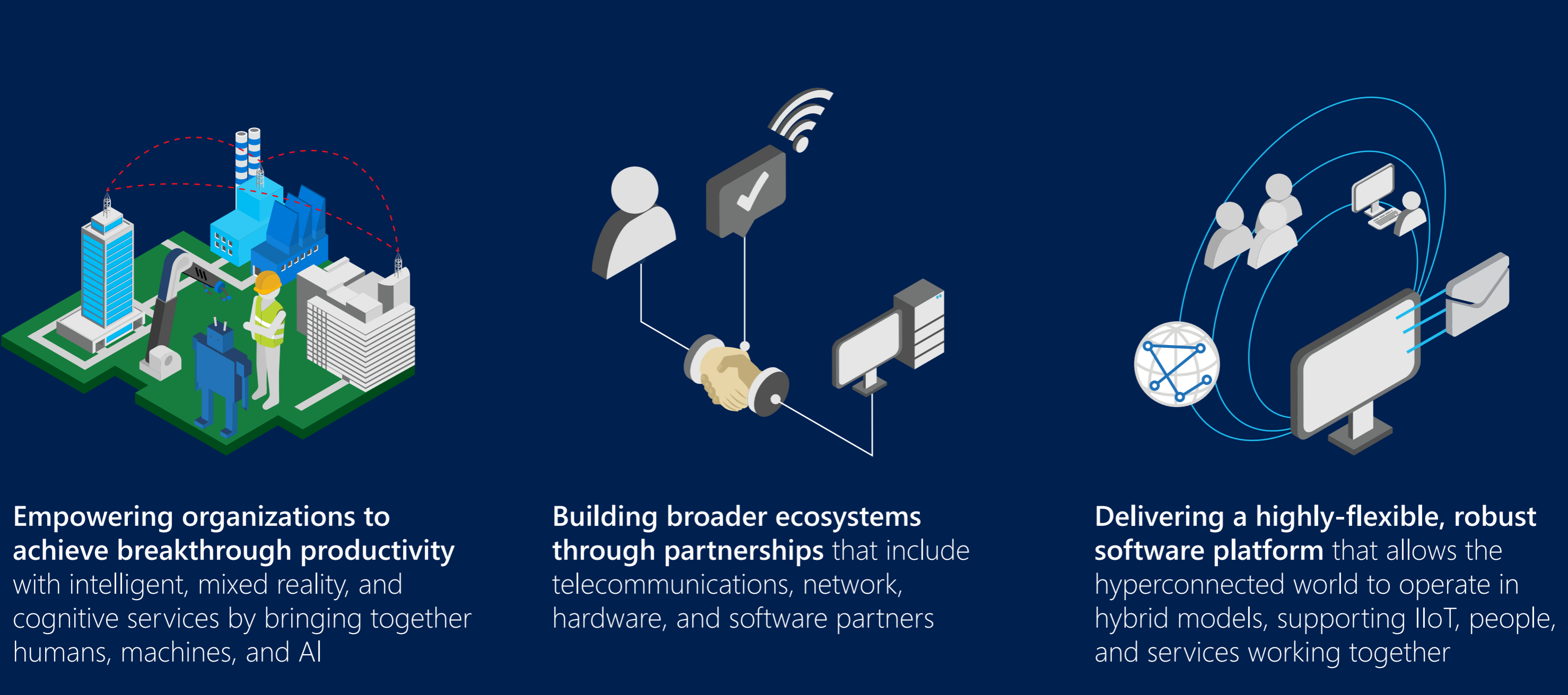
Leveraging a new flow of data to create new revenue streams: Manufacturers who can quickly capture and respond to customer feedback in the open value chain will create significantly service-related revenue opportunities including proactive service-delivery models, lifetime value-based services, self-service channels, and more flexible pricing



Capabilities enabling the Factory of the Future



Microsoft is enabling this reality in three fundamental ways



Solutions to build your Factory of the Future



<http://microsoft.com/manufacturing>