



INTELLIGENT
MANUFACTURING SYSTEMS

IMS Australia

Project File

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Executive Summary

Under the auspices of the Intelligent Manufacturing Systems program, an international consortium of service companies is pursuing a groundbreaking project, InCoCo, that will enable companies to deliver innovative integrated service solutions to industry. Stronger customer relationships and higher company revenues are anticipated as benefits flowing from this project.

Australian companies and universities are participating, however more Australian participation is sought.

Interested organisations should contact the IMS Australia Secretariat.

Australian Companies Collaborate Globally to Drive Service Innovation

Innovation, collaboration, coordination. Put these words and the concepts they encapsulate together and you have InCoCo, a groundbreaking project that will enable companies to deliver integrated service solutions to industry. Stronger customer relationships and higher company revenues will flow as the direct result. One of many projects nurtured by IMS - the global, industry-led international research and development program, InCoCo is presently in the final development phase. When given the green light, it will operate under the successful framework developed by IMS which has already brought to fruition projects with an aggregate value of US \$250M.

Genesis of the project

As with all IMS projects, InCoCo involves a consortium of industry and research partners from several IMS member countries. In this case it is Australia, Switzerland and the European Union. The company behind the InCoCo proposal and consequently the international coordinating partner is ThyssenKrupp Industrieservice, one of the leading companies within the services sector of the giant ThyssenKrupp group. It offers services ranging from maintenance and waste recycling to marketing and, depending on client needs, provides just one service or a comprehensive package. In many cases ThyssenKrupp Industrieservice will take over functions previously

performed in-house by entire departments.

Project objectives

The main objective of the ThyssenKrupp Industrieservice proposal is to develop practical methodologies and management decision-making tools to support innovation in industry service and leverage partner capabilities to compete more effectively. Taking a practical example, car manufacturers often delegate responsibility for complete plant operations to external service providers. The challenge providers face is to integrate the work of many local service companies into a homogenous and cost effective bundle of services while taking responsibility for the quality of work delivered. By equipping companies for this challenge, InCoCo would give them a competitive edge. The project therefore fits well with the stated aim of the ThyssenKrupp group of increasing the value of its service sales.

The specific products generated by the project will include a set of performance benchmarks developed through an audit of the service development, delivery and coordination processes of each of the participating industry partners. InCoCo will also deliver a simulation tool which can be used to show how different factors will affect innovation and performance.



Picture courtesy ThyssenKrupp

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SMEs may apply to the IMS Australia Secretariat for financial assistance for activities in preparation to joining an IMS project.

Australian participation

Australian partners the TCG Group of Companies, T3 Communications Partners and the Faculty of Business at the University of Technology Sydney (UTS) are excited about the project.

When Dr Sigg Gudergan of UTS approached Peter Fritz of TCG, the latter immediately saw benefits in coming on board. One of the university's first graduates, Fritz is a passionate advocate of collaboration between business, tertiary institutions and government. The group that he heads is itself widely recognised as a model of business cooperation. TCG - standing for Technical Communications Group - is a collection of private companies operating principally in the areas of environment, food, IT, services and technology parks. Member companies have their finances managed centrally and must offer other members the opportunity to quote on work within their particular field of expertise. They are however free to use outside services where the quote from a group company is uncompetitive or their work of an unacceptable standard.

Fritz forecasts that InCoCo will produce benefits for TCG on different levels. Through working with project proposer ThyssenKrupp Industrieservice, TCG will have the opportunity to expand its knowledge base and build links with the European Union. The TCG group had a pre-existing interest in Europe and was already planning an industry/government mission in 2003 to establish access to EU markets for Australian businesses. The methodology and tools developed under the InCoCo project will additionally promote understanding of how companies relate to each other. This is of special interest to Fritz who sees businesses in biological terms as complex, evolving organisms.

Carlos Perez, Managing Director of fledgling business T3 Communications Partners, was

also quick to see the match between his company's ethos and operational methods and the InCoCo proposal. T3 bundles landline communication services with office equipment in a similar way to a mobile phone plan with monthly charges and no upfront fee. The aim is to provide small to medium sized businesses with access to the latest technology, leveraging their call costs to create a competitive advantage. T3 partners with equipment suppliers, telcos and finance companies in putting the package together. Perez sees T3 growing through referrals from satisfied customers and through further mutually beneficial partnership arrangements.

The InCoCo project will be led by ThyssenKrupp Industrieservice, a leading services company, offering individual and integrated services ranging from maintenance and waste recycling to marketing

For his part, Dr Gudergan anticipates that UTS will gain not only from the process of international collaboration but also from the end products of that collaboration. The university has previously been involved in cooperative research with other academic institutions and, under the InCoCo project, will deepen relationships of potential long-term benefit with academic partners the FIR Research Institute for Operations Management at Aachen University of Technology in Germany and the Section for Manufacturing Management at the University of St Gallen in Switzerland.

When the project concludes, UTS will have access to the InCoCo simulation model under the intellectual property framework that applies to all IMS projects. The model will be valuable in teaching management students says Dr Gudergan. (Now proven as a workable rights regime, the IMS framework gives partners joint ownership of intellectual property (IP) created by a project. Partners

can use the IP royalty-free for research purposes and exploit it commercially.)

International industry partners

Turning back to the industry partners, InCoCo has an interesting mix. The companies joining ThyssenKrupp Industrieservice, TCG and T3 are:

- Commando Ltd - a UK company providing integrated industrial services to automotive manufacturers and other businesses
- Ventana Systems UK Ltd that develops simulation models for government. Their work includes a model for the UK Ministry of Defence which simulated peacekeeping operations in the Bosnian conflict
- Kluthe Iberica in Spain which supplies chemical products to industrial clients along with advice on extracting materials created by the use of their recyclable products
- Gaherma, another Spanish company, which provides technical services to the automobile, electrical, printing, cement and iron and steel industries
- Aixvision - a German company focused on enhancing business and marketing opportunities using the Internet and multimedia technologies
- Rockwell Automation from Magenwil in Switzerland - a global provider of power, control and information solutions for automation.

Each industry partner will provide access to their organisations for case studies, company data, manpower and other resources.

Opportunity

The InCoCo project is keen to engage further industry participants. Interested organisations should contact the IMS Australia Secretariat.