

# MAXION DIGITAL TRANSFORMATION

## How digital transformation drives business value

Maxion's digitalization strategy focuses on improving and transforming both the company and our work environment by understanding future business needs. The strategy enables the change through the smart adoption of the right tools, processes and technologies. This focus will help us to solve real business issues, create new core competencies and improve integration between functions and businesses.

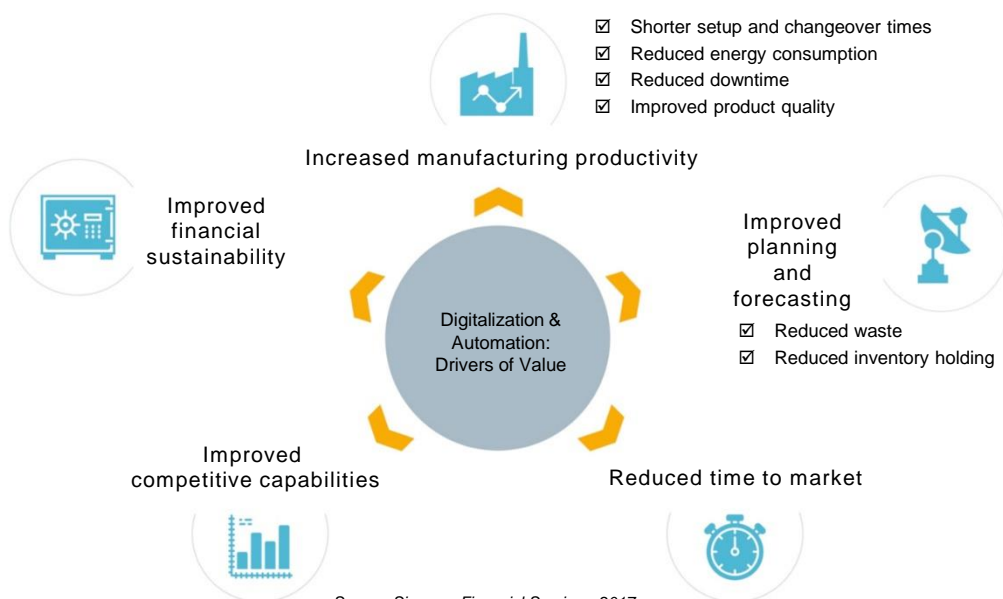
Our digital transformation is a journey that will offer new opportunities and also pose some challenges. It starts by understanding what our businesses need to improve so that, with an emphasis on profitability, we can define the right projects and set the right priorities. Confirmed digitalization projects will run in parallel with our existing business. This means we keep our current metrics and KPIs while developing new skills, products, processes and even businesses.

### THE VALUE OF DIGITALIZATION

We are excited about the new generation of digitalized, automated technology now available because we see the potential to improve our overall performance by tackling specific areas of our operations. For example, we can accelerate our time to market with the use of virtual product and process development tools, and we can increase our manufacturing plant and equipment uptime with remote monitoring and predictive maintenance tools.

### DEFINING DIGITALIZATION: Industry 4.0

McKinsey & Company defines Industry 4.0 as "a confluence of disruptive digital technologies that are set to change the manufacturing sector beyond recognition". Industry 4.0 brings with it large data volumes, higher computational power and a rise in the connectivity of everything. On top of that comes more advanced analytics and business intelligence as well as new forms of human-machine and machine-machine interactions. Industry 4.0 is clearly part of the digitalization process.



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## THE VALUE OF DIGITALIZATION CONT.

With digital sensors fitted to key parts of a production line to transmit real-time performance data to a central control system, subtle adjustments can optimize performance. Problems can be identified before they actually cause a loss in productivity or a shutdown. Such analytics enable predictive maintenance so that machine parts are replaced or serviced at times that minimize the impact on production peaks, actually reducing downtime and increasing overall equipment efficiencies.

Using sensor data, we can also identify and rectify process imperfections causing production faults and radically reduce faults per million – producing a significant impact on operational performance.

Digital data analysis can also match production more closely to actual and predicted fluctuations in market demand, thus reducing inventory and waste. But data analysis technology does not stop at the shop floor. We can use the tools in almost every areas of our business. For example, digitally linking data across the enterprise as well as with supply chain and distribution chain partners can improve planning and forecasting, delivering significant cost savings and competitive advantages.

Moreover, digital technology helps reduce time to market. The ability to speed up product development will help Maxion stay ahead of competitors and introduce product innovations that will drive market share and sustainably grow our business.

## EXECUTIVE TALK!

*“Digitalization is already transforming the manufacturing industry and will continue to do so because of the potential benefits – reduced downtime, improved operational efficiency, and lower operational costs. At Maxion, we want to harness all these potentials. We recently launched our first digitalization pilot project in our light vehicle aluminum wheel plants in Dello, Italy, and in Manisa, Turkey,*

*where we are evaluating new technologies to enhance traceability and gain new insights about material movement through the production lines. We will gradually roll out similar projects at other plants and exploit new technologies and process innovation opportunities, eventually digitalizing our entire value chain.”*



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