

WIE KÜNSTLICHE INTELLIGENZ FÜR IHR UNTERNEHMEN SINN MACHT

Paul Hofmann

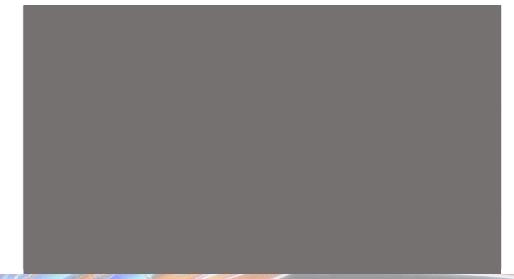
FH JOANNEUM | Institute Industrial Management Werk-VI-Straße 46, 8605 Kapfenberg, AUSTRIA



CURRENT SITUATION



SERVICES MATURITY MATRIX



AI/ML MATURITY CURVE New Business Modell **Remote Access** Maturity Curve Monitoring Applications Visualization Data Analytics Alarm Management Predictive Maintenance **Big Data Condition Monitoring** Data Collection Machine Learning/Teaching Data Storage

SMART ASSET BEISPIEL – KRANHERSTELLER

MAERSK

SMART SOFTWARE STATT TEURER SENSOREN

ZIEL Vorhersage der Alterung von Getriebeöl & Vermeidung von Schaden am Getriebe

AUSGANGSLAGE

Verschiedene Hersteller, ~ 30 Parameter, Offline Labortests ~ 50 € Sensor für ~ 2000 €

SF PLATTFORM

Daten: OPC UA & MQTT Datenmanagement mit inkrementeller Anpassung Basic Analytics von Viskosität, Permittivität, Durchlässigkeit, Feuchtigkeit, etc.

ML & AI LÖSUNG SW statt teurer

Ölalterungssensoren ARIMA zur Vorhersage von Feuchtigkeit & Viskosität Wavelets zur Vorhersage der Getriebealterung



CURRENT SITUATION



Underperforming asset utilization 2.4 M production jobs out of 16 M will not be filled in the USA in 2028

SHRINKING WORKFORCE

Source: Deloitte

MARGIN PRESSUE



EBITDA declined from 11.2% in 2015 to 8.6% in 2018

Source: Forbes

VALUE CREATION TRHOUGH AI & ML



FROM SELLING TO SERVING

OUR MISSION

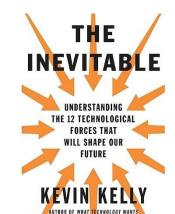
/ Products become services

• Uber, Gropius, Kuenz, BASF,...

 \rightarrow reduce risk

We design buildings as continuously evolving products to create the most exciting and affordable experience for all. We build for people and conserve the resources of our planet.

- / Everything requires maintenance
 - Endless upgrades
- / Objects become partners
- / AI will help us to serve & improve
 The Inevitable by Kevin Kelly





WHY SERVICES

- / More resilient
 - 2008 -> 2009 55% less orders in manufacturing vs. 20% less for services
- / Hardware + software bigger market cap
 - <u>Apple</u>
 - Tesla: create value from generated data
 - > 5% of EBIT attributable to AI 22% of respondents in McKinsey The state of AI in 2020
 - Al adoption is 24% within the product- or service-development & service-operations functions

/ Own product lifcycle \rightarrow align design and maintenance

- Design maintenance issues out
- Closer to the customer \rightarrow Understand how customer harvests value

/ Increased asset productivity

- Incentives are aligned
- / Solution locks competition out

SERVICES MATURITY MATRIX

Input Performance focused		<image/> <image/> <section-header></section-header>
	product related functional service Uniqueness \rightarrow	

EXAMPLE ROLLS ROYCE

/ Sell engine power per hour

• \$1 engine \rightarrow \$7 repair maintenance

/ From data to value

- Gather the data \rightarrow add sensors & connectivity (satellite)
- Create value with analytics, AI & ML
- \rightarrow predictive maintenance & schedule optimization
- / Design improvement \rightarrow less failures
- / Process enhancement \rightarrow global scale
 - Offer engineer on premise
- / Asset productivity 99,9% uptime

SERVICES ROADMAP

/ Own the whole lifecycle

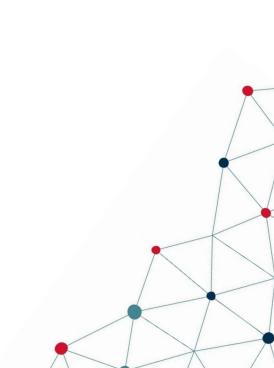
- parts and labor \rightarrow temp, humidity and uptime
- From free to fee

/ Process enhancement

- Gather the data \rightarrow add sensors & connectivity
- Create value with analytics, AI & ML
- →predictive maintenance & (schedule optimization)

/ Increased asset productivity

- Offer engineer on prem
- / From data to value
 - Sensors, AI and ML



AI/ML MATURITY CURVE

New Business Modell

Remote Access

Maturity Curve

Applications

Data Analytics Predictive Maintenance Condition Monitoring Machine Learning/Teaching

Big Data Data Collection Data Storage Monitoring

Visualization Alarm Management

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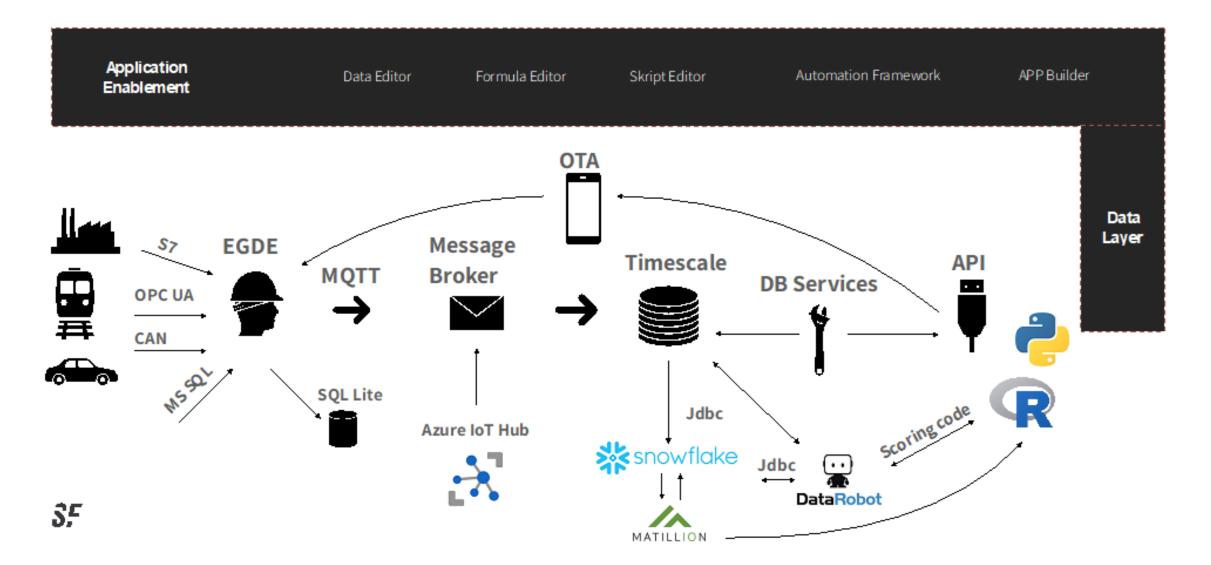
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EXAMPLE AI AND ML ARCHITECTURE



PAY PER ALCOHOL YIELD

UNDERSTAND PROCESS OF ALCOHOL FROM CORN

OBEJCTIV

1

Understand alcohol yield in detail to controll production process in order to sell alcohol yield instead of enyzme per kg

SITUATION

No deep understanding of customer production processes, yield varies by plant and no transparency into market demand



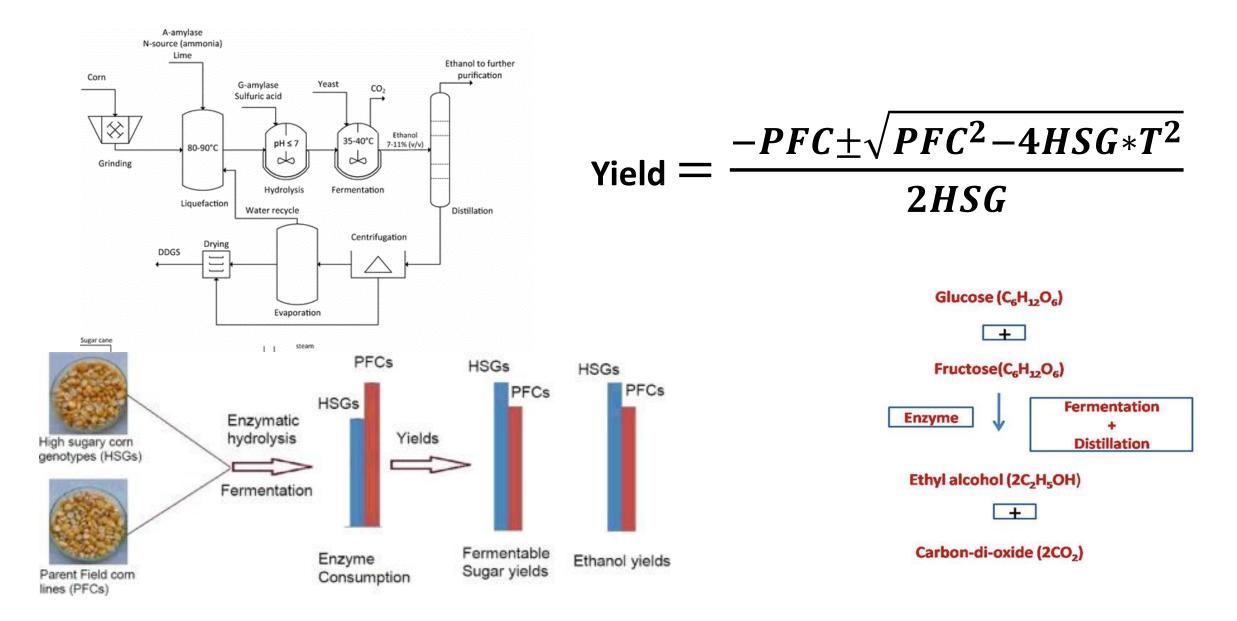
ACN AI PLATFORM

Collect data via MQTT and transmit into Cloud. Train operators on control tower and establish service hotline for second level support

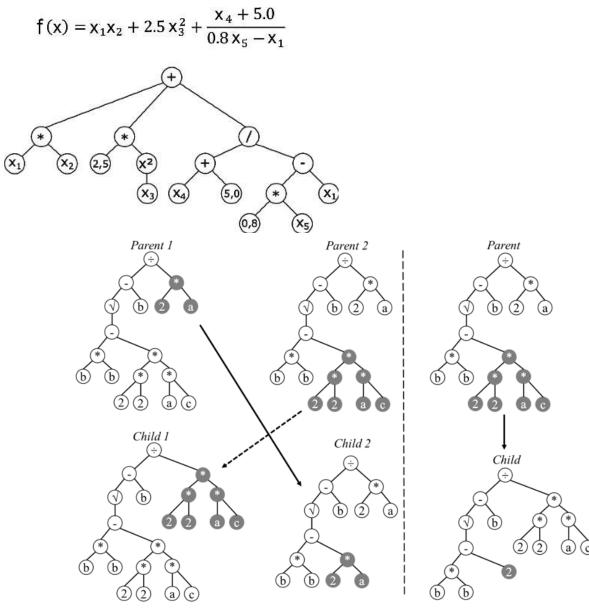


Establish a **pay per alcohol yield business model** Use genetic algorithm from DataRobot to solve geometric regression using about 200 machines.

CONTROLL ALCOHOL YIELD



SYMBOLIC REGRESSION



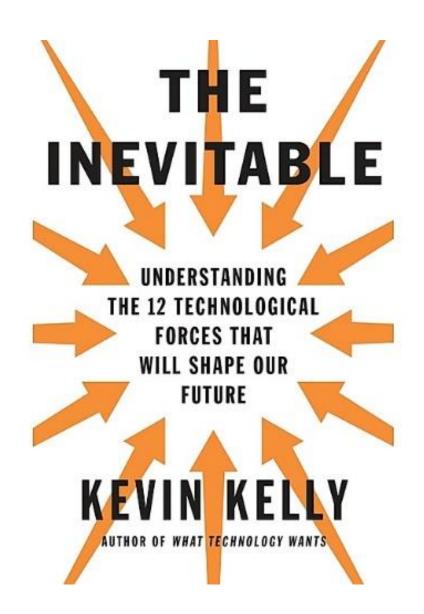
- Random equations are generated to reproduce the data using <u>evolutionary search</u>.
- Most of the equations do not fit but a few of the equations will fit the data better

→ used as the basis of a new round of several billion more equations until a sufficiently good fit is reached.

→ "invariant relationships" like <u>laws</u> <u>of nature</u>

FROM SELLING TO SERVING

- / Products become services
- \rightarrow reduce risk
- / Everything requires maintenance
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EXAMPLE NIKE

/ What do own?

- / Say selling \$100 sneacker
 - 60% margin
 - 40% shoe \rightarrow 10% COGS 30% design & marketing
 - From data to value

What do Nike and retailer owe?

- Brand, POS and customer relationship
- \rightarrow Move closer to customer
- \rightarrow Hard to copy solution

