

DI4TEX

Fostering the digital transformation
in the textile industry



www.di4tex.eu

The textiles and clothing manufacturing sector in Europe is facing several challenges; owing to the financial crisis, the competition from emerging markets, the environmental demands, etc., and the crisis generated by COVID-19.

The sector, one of the largest and most important in Europe, needs to reassess its position by assuming the two drivers of competitiveness: **green transition and digital transformation.**

The main objective of DI4TEX is to foster the digital transformation of the textile industry by providing its employees with the required skills to face the current challenges of the sector.



Topic 02: New Business Models

DI4TEX

Disclaimer

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Why Digital Transformation?

2015

- The top 100 European manufacturers could save an estimated **€160 billion** in the costs of scrapping or reworking defective products if they could eliminate all defects.
- With advanced analytics in predictive maintenance programmes, manufacturing companies can avoid machine failures on the factory floor and cut downtime by an estimated **50%** and increase production by **20%**.

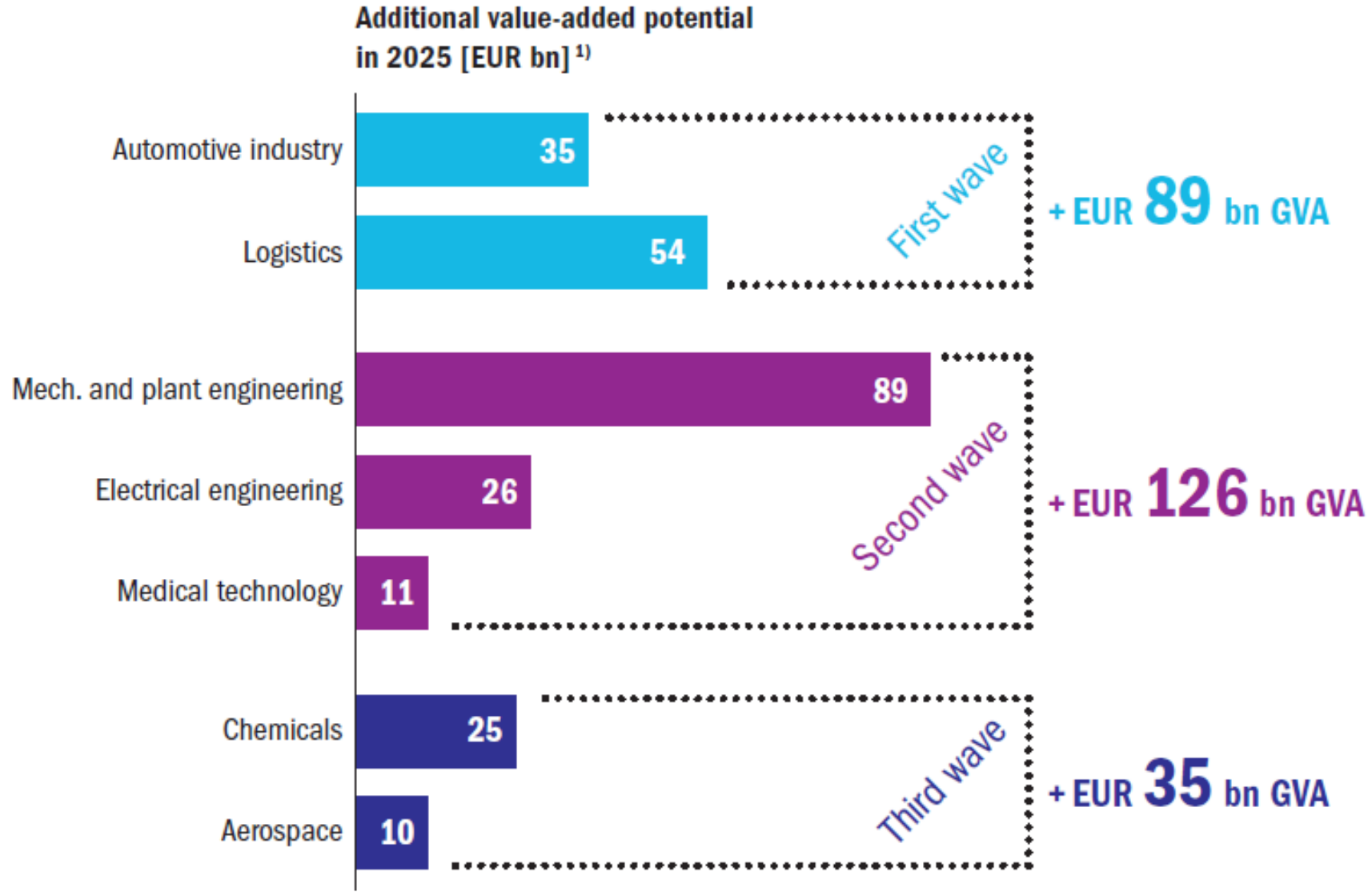
2018

- The World Economic Forum estimates that digitalisation could create US\$100 trillion of value to industry and society over the next decade, while the European Commission reports that digitalisation could add €110 billion per year to Europe's industry.

**THE DIGITAL TRANSFORMATION IS GIVING EUROPEAN INDUSTRY
THE CHANCE TO ADD 250 BILLION EUROS OF EXTRA VALUE PER ANNUM**

Overview of industries

Berger
2015



Digital Transformation Scoreboard 2017

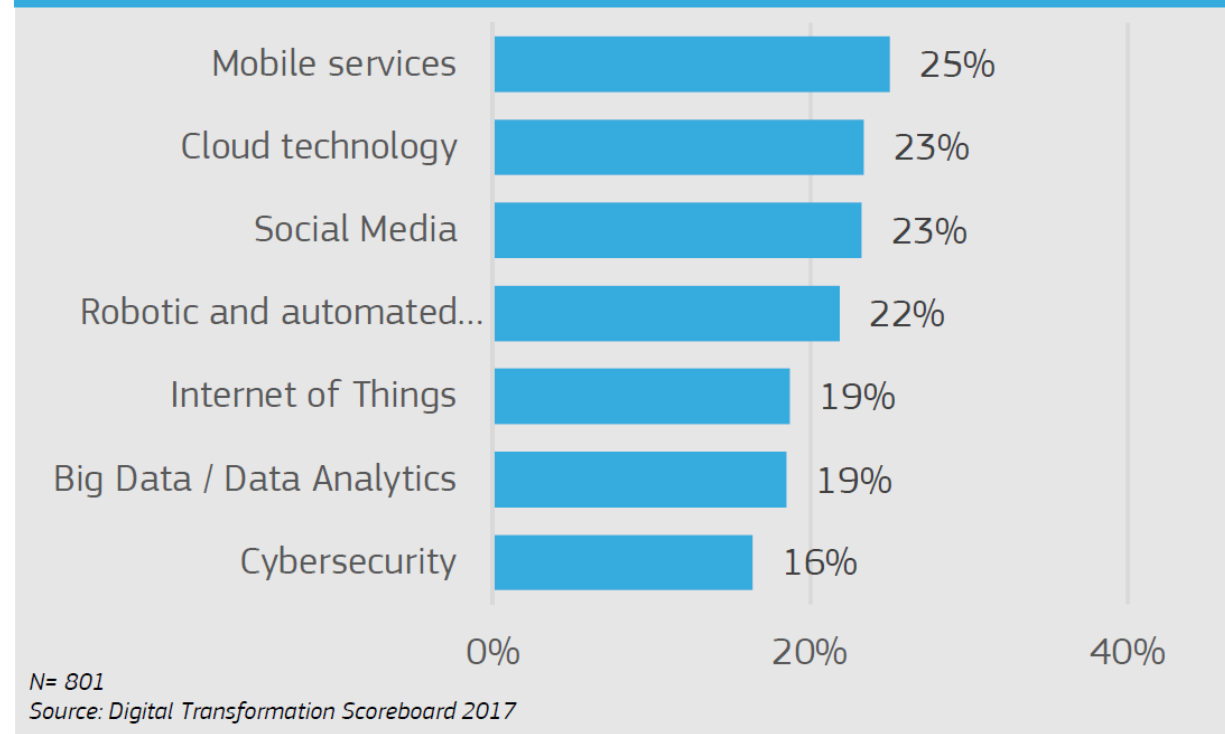
64% of companies investing in digital technologies have generated a positive outcome



75% of respondents regard digital technologies as an opportunity

“In the automotive and mechanical engineering sectors, only 20% to 30% of European businesses are aware of the importance of the digital economy and had integrated specific digital technologies”

Figure 4: Level of technology adoption among all survey respondents

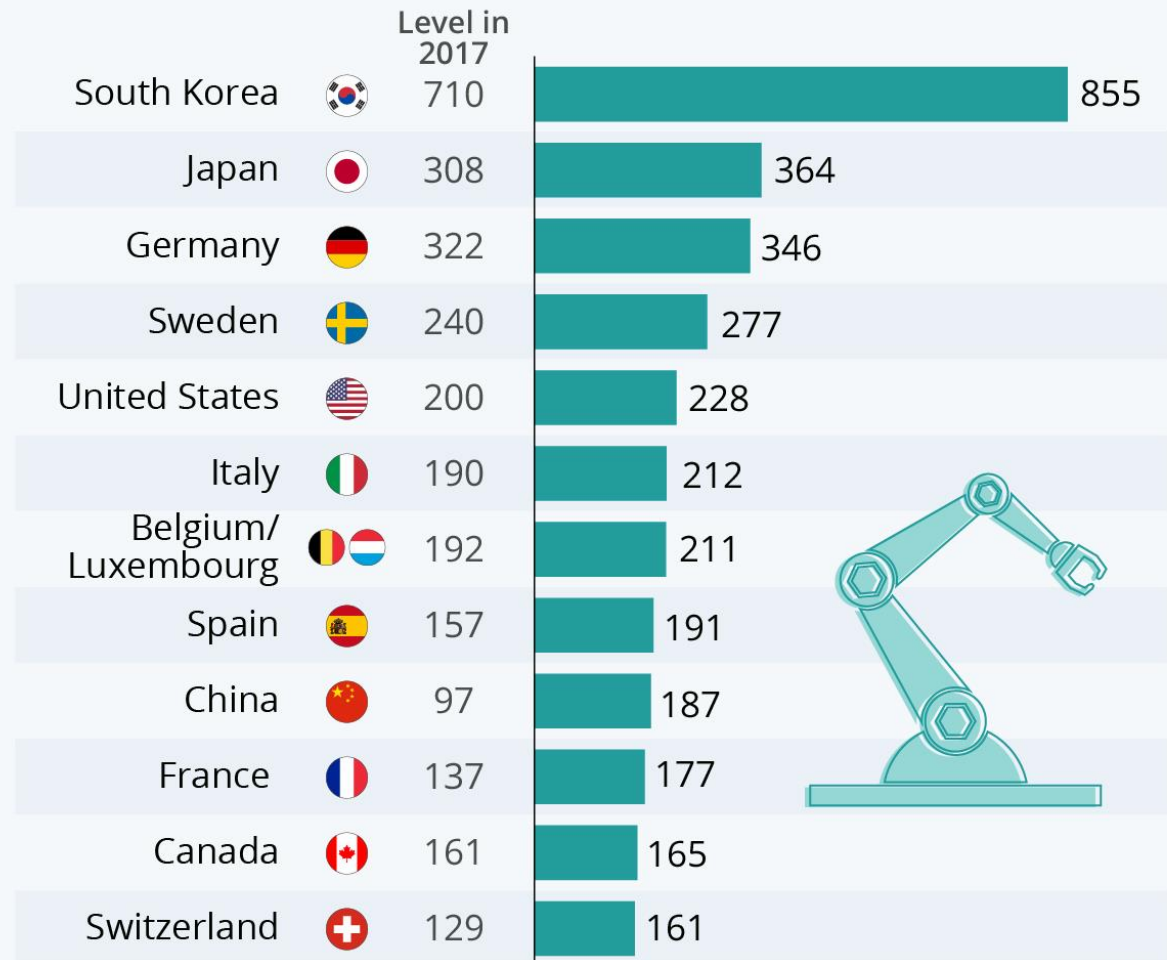


Maintain Competitiveness

- Between 2020-2022, there would be a 12% increase in shipments of robots worldwide
- In 2021, life sciences and pharmaceutical robotics orders had a **69%** YoY growth

The Countries With The Highest Density Of Robot Workers

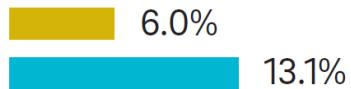
Installed industrial robots per 10,000 employees in the manufacturing industry in 2019*



Value Creation from Industry 4.0

- Simulated Results for an Automotive Manufacturer

PROFITABILITY



OVERALL PLANT UTILIZATION



STAFF



■ Today ■ Industrie 4.0

Task Destruction

- Digitalisation is expected to reshape the skills that will be required from the workers of the future, driving significant disruptions in the labour market.

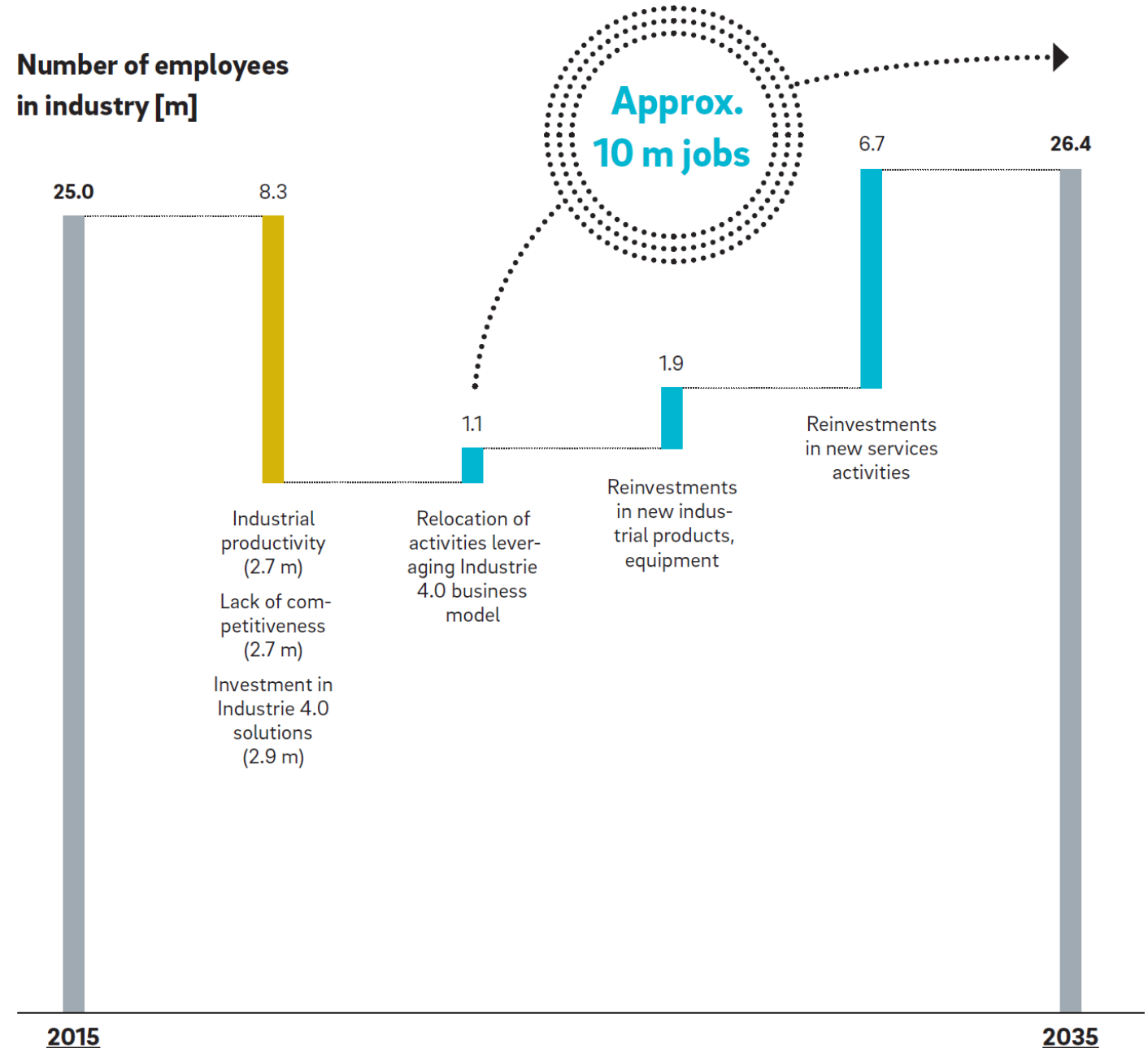
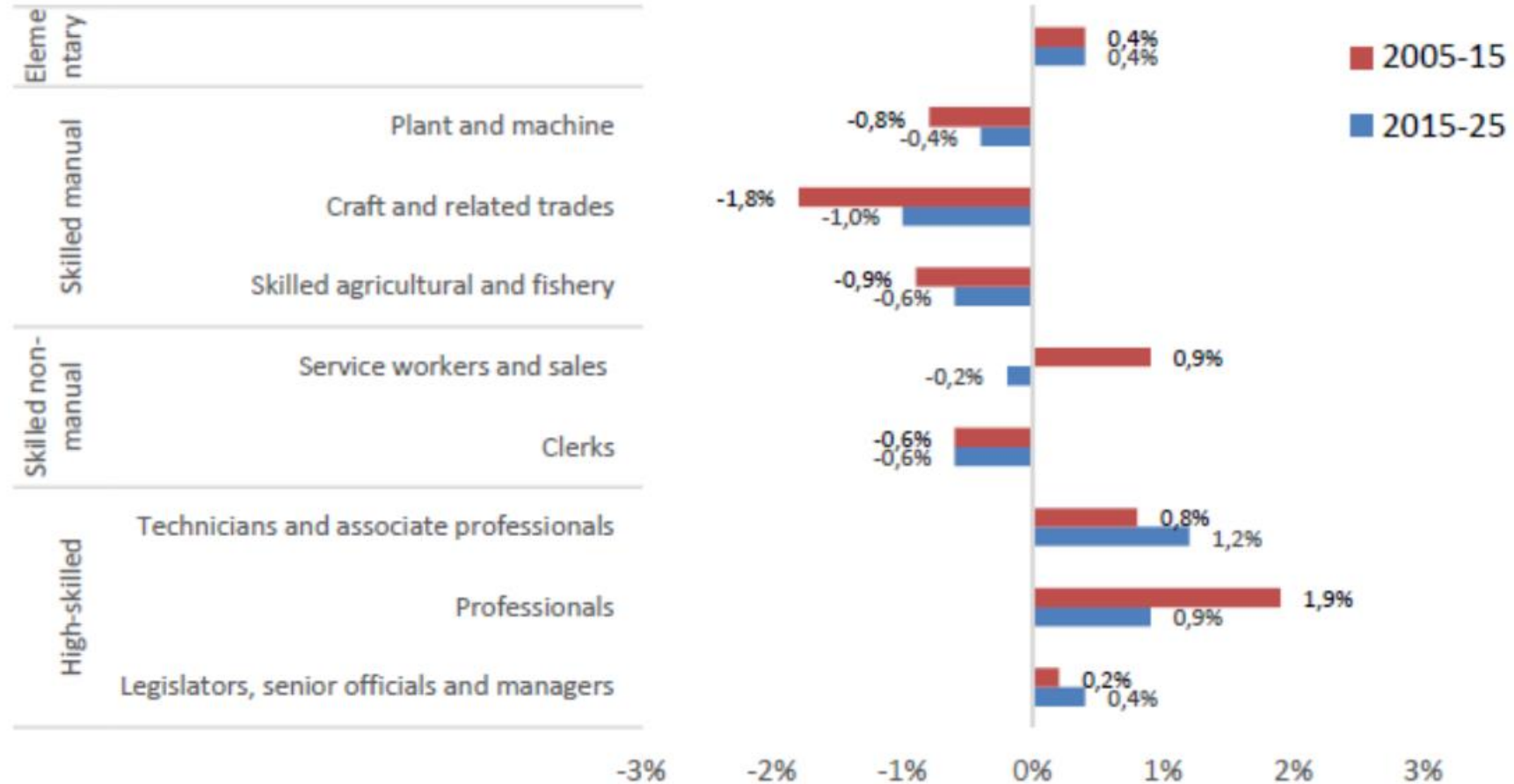


Figure 2.2. (Expected) developments in shares of occupations (2005-25)



Source: Authors' elaboration based on Cedefop (2016).

- **One in seven workers** in advanced economies are likely to lose their jobs to automation in the coming years - OECD. Automation is more likely to affect jobs in the manufacturing industry and agriculture.

Value Creation

(Plattform Industrie 4.0)

- Value creation is increasingly shifting from production to data-based services.
- Platforms play an increasingly important role in the orchestration of processes and business partners.
- A key finding of this analysis is that digital services cannot be provided by one company alone. Cleverly orchestrated value creation networks, in which each partner wins, are the key success factor for digital business models.
- Product + Platform = Profit

New Business Models

- Rolls-Royce – Jet Engines to ‘Thrust Hours’
- Hilti - Drills to ‘Holes’
- Michelin – Tyres to ‘Miles’
- Xerox – Printing machines to ‘Pay per Copies’



Key - Knowing what is really valuable to your customer.

Equipment as a service

- Equipment-as-a-service is a major trend. It produces up to **400% more revenue** (RR) for machine owners than traditional sales and secures new customers who are shifting from CapEx (capital expenditure) to OpEx (operating expenditure).
- More precise usage costs and better operating performance from a combination of live digital monitoring and feedback.
- EU Study - more than **70%** of manufacturers are expected to use services as a **key product differentiator**.
- Early adopters of service-based business models have experienced an **annual business growth of 5% to 10%**.

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