

European Commission

# The Sensing Enterprise - Enterprise Information Systems in the Internet of Things

### Keynote Lecture

28<sup>th</sup> April 2016

ICEIS 2016, International Conference of Enterprise Information Systems, Roma

Sergio Gusmeroli, ENGINEERING Ingegneria Informatica S.p.A sergio.gusmeroli@eng.it



WEND MAINTENANT OF THE STREET

## Engineering Ingegneria Informatica SPA ( ENGINEERING



### RESEARCH

researchers

live projects



### Innovation areas

Augmented Reality Big Data Border Security Cloud Computing Content & Media Cyber Security Digital Economy eHealth Energy & Green IT

Future Internet Internet of Things Open Data Open Public Service Innovation Payment Systems Smart & Social Enterprises Tourism & Culture Transportation, Logistics & Infrastructures

## ICT for Manufacturing – Why something else?





**Rosa García** Presidenta de Siemens en España

"Software, itself, does nothing, it does not build anything, it does not save lives. The objective should be to **adapt** it to industrial technologies. Unify the software with the tools already available".

The fundamental challenge is to start a business process digitalisation in sectors so far not digitised, which opens a world of opportunities for enterprises".

July 2014

## Digitising Industry vs. Digital Innovation



- 1. Different **Innovation** pace, speed, jargon, model between IT and Industry (Manufacturing in particular). IT/OT gap. E.g. Hackathons
- 2. An **Industrial** (Manufacturing) **Innovation** is not limited to software. Important roles are played by further intangibles (data, knowledge, models, human skills) and non-IT tangibles (production systems, engineering infrastructures). E.g. Engagement / Awareness
- 3. Evolution of basic FI Technologies (CPS, IoT, BigData, Cloud) and integration of domain independent with domain dependent **Software Enablers**. E.g. Industrie 4.0 and RAMI 4.0 compatibility
- **4. Cloud Strategy**, Journey, Adoption methods and tools are needed for EU industry in order to fully trust the Open Cloud Value Proposition and its SLAs (availability, scalability, performance, security). E.g. Industry-oriented SLAs and commercial value propositions

## Digital **Innovation** in Manufacturing: disruptive-incremental - push-pull?





## Speech of Commissioner Oettinger at Hannover Fair 14 April 2015

COMMISSION PRIORITY

Objective: Making sure that any industry in Europe, wherever it is located, can make the best use of **digital technologies** while adapting our workforce to the change

- Wide-spread adoption: access to technology and knowledge
- Leadership in digital platforms for industry
- Closing the digital skills gap

Digital Single Market

**Smart regulation for smart industry** Bringing down barriers to unlock online opportunities



Digital Single Market: making the EU's single market

An EU wide strategy for digitisation can ensure "scale", mobilise actors with value chains spreading across Europe and support interoperability and standardisation.

http://europa.eu/rapid/press-release SPEECH-15-4772 en.htm

## Digitising European Industry April 19th





Brussels, 19.4.2016 COM(2016) 180 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Digitising European Industry Reaping the full benefits of a Digital Single Market

{SWD(2016) 110}

The purpose of this Communication is to reinforce the EU's competitiveness in digital technologies and to ensure that every industry in Europe, in whichever sector, wherever situated, and no matter of what size can fully benefit from digital innovations.

Facilitated by a dynamic framework for coordination and experience sharing between public and private initiatives at EU, national and regional level, the proposed actions are expected to mobilise close to **50** B€ of public and private investment in the next 5 years, explore and adapt when needed the legislative framework and reinforce coordination of efforts on skills and quality jobs in the digital age.

## Digitising European Industry: 3 steps



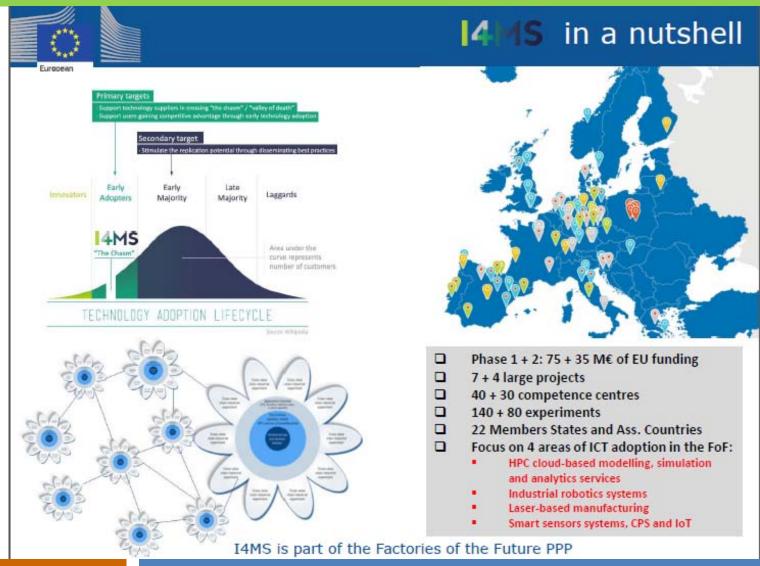
The **DSM** strategy, especially the pillar on "maximising the growth potential of the digital economy", contains all the major levers for improving industry digitisation with actions in areas such as the data economy, IoT, cloud computing, standards, skills and e-government.

With about 4% of GDP, the ICT sector in Europe represents an important share of the economy employing more than 6 million people. The value added of this sector in the EU (production of digital goods), spanning from components to software products is above 580 B€ and represents close to 10 % of the added value of industrial activity overall. Recent studies estimate that digitisation of products and services will add more than 110 B€ of revenue for industry per year in Europe in the next 5 years. Just in Germany, further digitisation of industry is expected to bring up to 8 % of productivity growth over ten years and a revenue growth of about 30 B€ per year. It will also lead to a 6 % increase in employment.

- **Digital Products**: Driven by the development of the Internet of Things. this includes developments of markets like the connected car, wearables or smart home appliances.
- **Digital Processes**: the further spread of automation in production and the full integration of simulation and data analytics over the full cycle from product design to end of life (circular)
- **Digital Business Models** by re-shuffling the value chains and blurring boundaries between products and services. to increase profitability by up to 5.3% and employment by up to 30%.

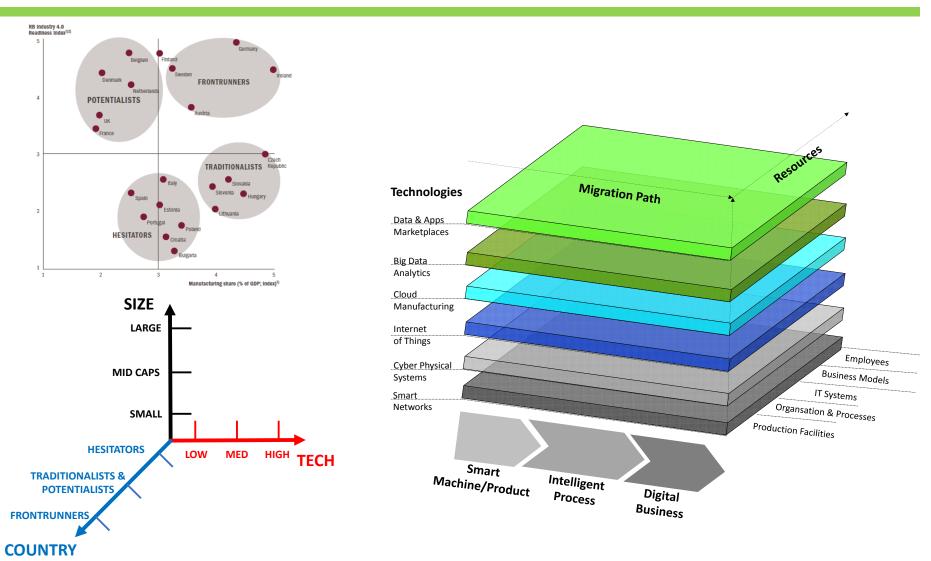
## **I4MS Programme: Innovation for SMEs**





## Migrating Industry to ICT: a Methodology





## Industrie 4.0 and Digital Skills gap



Several national and regional initiatives such as **Industrie 4.0** (DE), Smart Industry (NL), Catapults (UK) and Industrie du Futur (FR) were launched recently to tap into the opportunities offered by digital innovations in industry. They show the commitment across Europe to seize the digital opportunities ahead. However, addressing the challenges of digital transformation at national level alone bears the risk of leading **to further fragmentation** of the single market and to efforts below the critical mass needed to attract private investments.

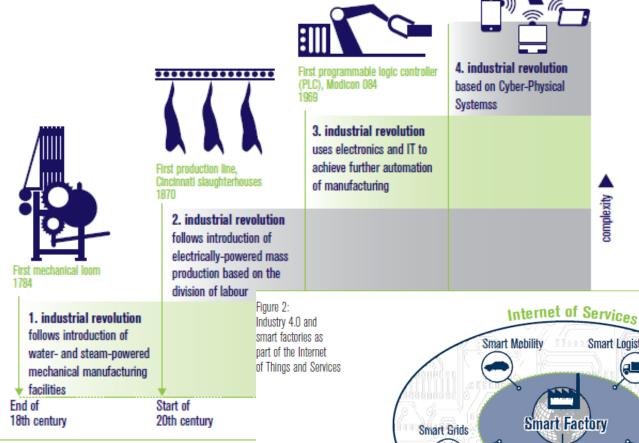
About 40% of EU workers have an insufficient level of digital skills. The **need for new multidisciplinary and digital skills** is exploding, such as combined data analytics and business or engineering skills. The gap between the demand for, and availability of digitally skilled workers in Europe is growing. Digital innovations have also a great potential for additional jobs creation in industry with the growth of new businesses and by helping preserve and re-shore industrial jobs. Looking only at ICT professionals, more than a million additional jobs have been created over the last three years. Despite this, it is expected that rapidly growing demand will lead to more than 800 000 unfilled vacancies by 2020. At the same time, advances in automation, robotics and smart systems are increasingly transforming the nature of work, not only for repetitive tasks but also for sophisticated tasks in administrative, legal or supervisory functions. Work in a digitised economy will involve also new skills and capacities including more creativity, communication and adaptability. It will require a massive upskilling of the workforce at all levels. The above hurdles require a collective public and private effort.

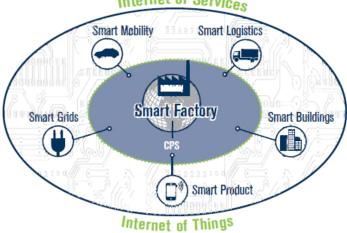
www.fiwareforindustry.eu

## Industrie 4.0: the EU CPPS value proposition (



Figure 1: The four stages of the Industrial Revolution





complexity

## Which Skills Shortage in manufacturing?



Percentage of European companies reporting skills shortages (covers Germany, UK, France, Italy, Switzerland, Belgium, The Netherlands)



IT skills	20
Business skills	21
Technical/Engineering knowledge	38
Language skills	19
Other, specific job-related knowledge	27
Other areas	7
Other areas	- Company 2000

www.fiwareforindustry.eu

## **Regional Digital Innovation Hubs**



The Commission plans to focus 500M€ investment from H2020 on **digital innovation hubs** on:

- Networking and collaboration of digital competence centres and cluster partnerships.
- Supporting cross-border collaboration of innovative experimentation activities.
- Sharing of best practices and developing, by end of 2016, a catalogue of competences.
- Mobilising regions with no Digital Innovation Hub to join and invest22.
- Wider use of public procurement of innovations to improve efficiency and quality of public sector

The Commission will also set up in June 2016 a thematic **smart specialisation platform for industrial modernisation**.

The Commission encourages **Member States** and Regions to invest in DIH and incentivise industry to embrace digital innovations and foster synergies with other key enabling technologies..

## **14MS Open Call for Regional DIH**



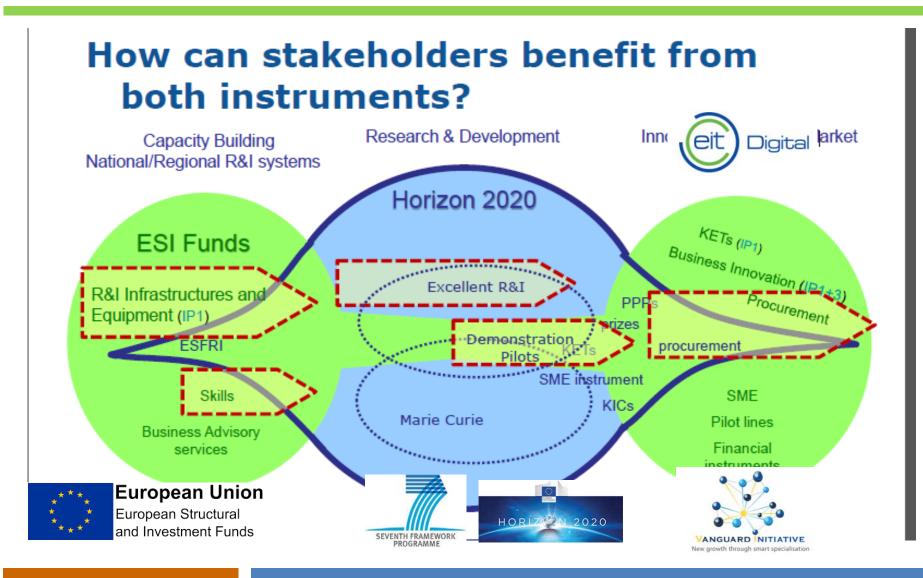


<u>I4MS</u> as a whole aims to do business from **EXPERIMENTS**. This is the concept of DIH: 'one-stop-shops' for any business to access support in understanding digital technologies and support on how to finance/nurture the necessary investments

- i. <u>Hub expands the Competence Center with</u> non-technological services and activities to support SMEs/MidCaps with business dev
- ii. Services include networking, showcasing, matchmaking, brokerage, startup support, advice on IPR, and dissemination activities, etc
- iii. Development of the innovation network with regard to the (regional) ecosystem is supported
- iv. Organisations involved are triple helix and horizontal/vertical supply chain actors

## Confluence ESIF, H2020 and gotomarket





## Digitising European Industry April 19th



Overall, more than 20 B€ are already planned to be invested in the coming 5 years in the digital-sector PPPs by industry and the EU in support of strategic R&I agendas.

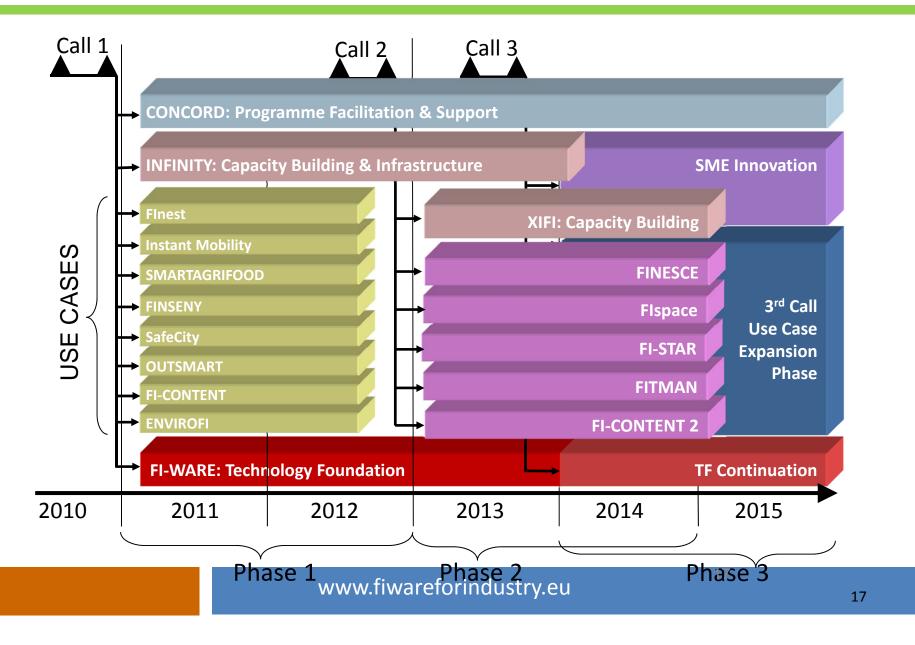
Given the national level of public support to R&I in ICT, the **total investment can reach up to 35 B€** in the next 5 years if Member States would dedicate at least 3 B€ per year to these strategies including financing opportunities from **EFSI and ESIF**. Such levels of focused investments will bring a radical step change to Europe's innovation capacity and endow industry with unique differentiating factors to compete at a global scale.

**Leadership in IoT:** The Commission will invest in demand-driven large-scale pilots and lighthouse initiatives in areas such as smart cities, smart living environments, driverless cars, wearables, mobile health and agro-food.

The investment will address notably **open platforms** cutting across sectors and accelerate innovation by companies and communities of developers, building on existing open service platforms, such as **FIWARE**. The accompanying **staff working document on IoT** outlines a.o. standardisation and regulation challenges and opportunities for IoT and the role of **the Alliance for IoT Innovations (AIOTI)**.

## The FI PPP Programme in FP7





## The FIWARE Open Platform









- http://fiware.org
- http://lab.fiware.org
- http://catalogue.fiware.org/

#### FIWARE GENERIC ENABLERS

Generic Enablers (GE) offer a number of general-purpose functions, offered through well-defined APIs, easing development of smart applications in multiple sectors. They will set the foundations of the architecture associated to your application.

Specifications of FIWARE GE APIs are public and royalty-free. You can search for the open source reference implementation, as well as alternative implementations, of each FIWARE GE in the FIWARE Reference Architecture.



Data/Context (Tanager Easing access, gathering.

processing, publication

and analysis of context. information at large



SonAcus Enoblement Make connected things

available, scarchable

accessible, and usable









The perfect solution to make your app focus on a specific vertical.

The FIWARE Catalogue will be extended to include domain-oriented enablers to be

combined with those serving general purposes (Generic Enablers - GE). They will

cover functionalities that are specific and will help accelerating development of

DOMAIN SPECIFIC ENABLERS







Make delivery and useon of services trustworthy by meeting security and



Sold removators has efficient distributed applications, exploit advanced network capabilities and easily manage robote devices



Provides computation resources to manage



Concreate, publish, prosersell and consume applications/services, addressing all business aspects.

Partifications of Rookcottons

### BUNDLES

The business Framework Consumption Bundle includes a set of GBIs that support different monetization and revenue sharing features.

#### WIRECLOUD MODETIZATION

The Wirecloud (App Mashup) Monetization Bundle represents one of the uses cases of the business Framework and Intends to show the potential of the BF features provided by FIWARE in a concrete use case. This use case is based on the use of the business framework.

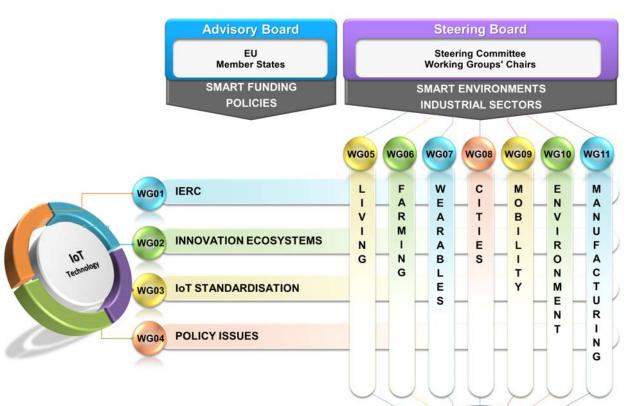
Context Streams generation storage and analysis.



## **Open Platform: the AIOTI Alliance**



#### **ALLIANCE FOR INTERNET OF THINGS INNOVATION - AIOTI**



### www.aioti.eu

Four horizontal working groups and seven (for the time being) verticals covering different application domains.

Call ICT 2016 and IoT.1 Large Scale Pilots in five different domains



IoT APPLICATIONS LARGE SCALE PILOTS



## **Open Platform: the AIOTI WG11**



## WG11 Smart Manufacturing

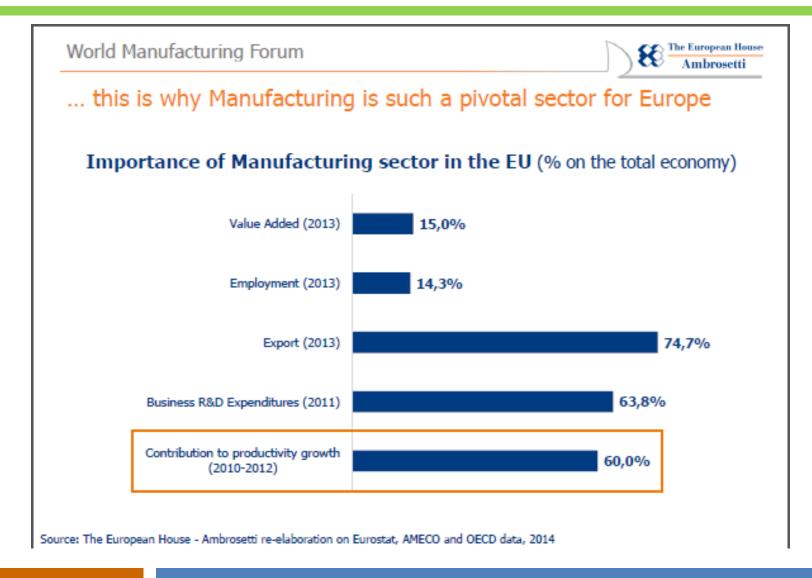




Contact For More Information: Zeljko Pazin (Zeljko.pazin@effra.eu)

## Manufacturing Renaissance in EU



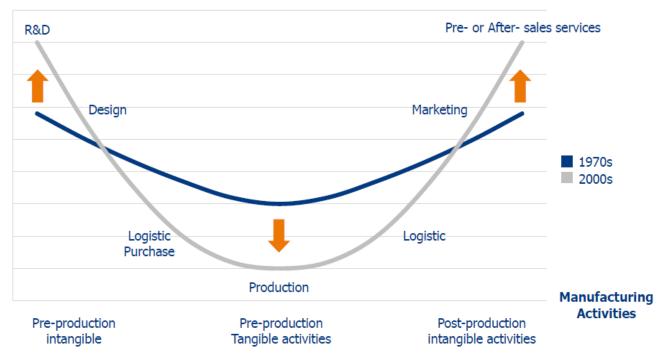


## Manufacturing evolution 1970s-2000s



## The "SMILE" challenge: European businesses must focus on high value added activities

#### Value Added

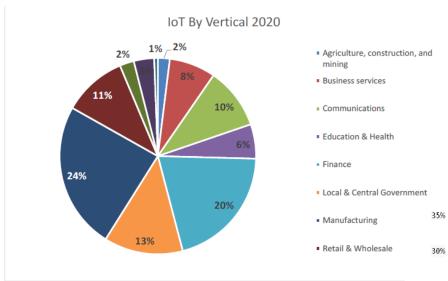


 Value creation in Manufacturing is progressively shifting towards pre-production (R&D and Design) and post production (marketing and Pre-or-After sales service) activities

Source: The European House - Ambrosetti re-elaboration on Bruegel data, 2014

## FI-driven Innovation in Manufacturing

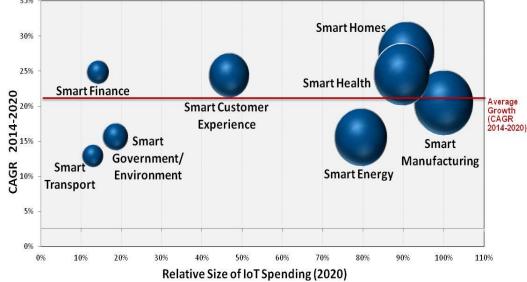




Smart Manufacturing excels not just in the potential size of the market, but is also well positioned regarding the estimated growth of such a market

Source: IDC 2014

Smart Manufacturing is one of the most promising domains for IOT-driven innovation (24% of the estimated IOT EU market size)



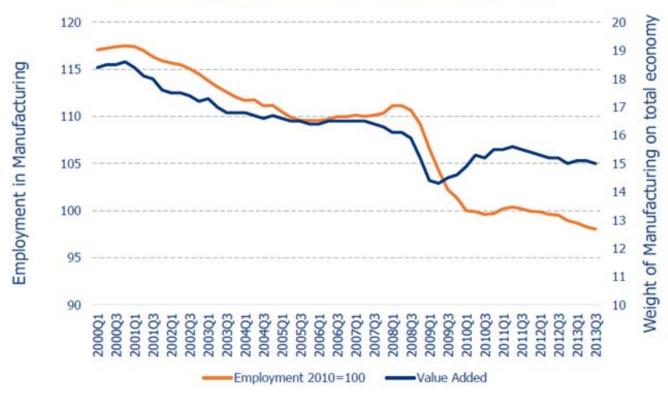
http://ec.europa.eu/digital-agenda/en/news/definition-research-and-innovation-policy-leveraging-cloud-computing-and-iot-combination

## Growth and Jobs in Manufacturing



But European Manufacturing is also affected by a long-term structural decline ...





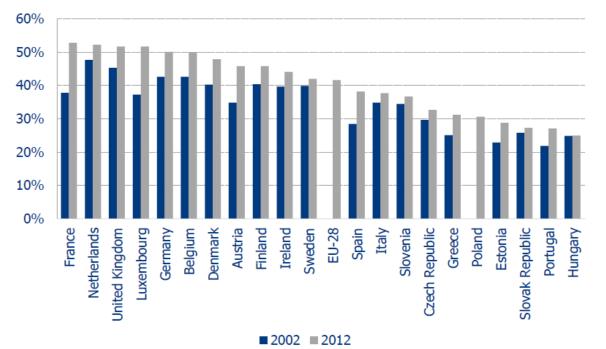
Source: The European House - Ambrosetti re-elaboration on Eurostat and AMECO data, 2014

## IOT driving Manufacturing Service Innovation EU



## ... as the boundaries between Manufacturing and Services are blurring

## Share of service-related jobs in the manufacturing sector, 2002-2012



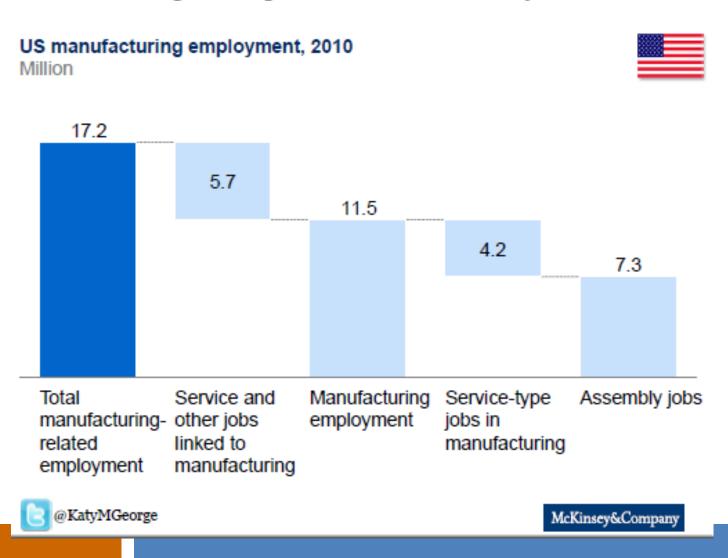
- Producing goods is becoming a smaller part of manufacturing firms' activities
- Manufacturing now provides a wide spectrum of services: from pre- and after- sales services, to design, R&D and marketing services
- Ultimately, the boundaries between Manufacturing and Services are blurring

Source: The European House - Ambrosetti re-elaboration on OECD data, 2013

## IOT driving Manufacturing Service Innovation US



### Manufacturing drives production and service jobs



## Factories of the Future Partnership



- Factories of the Future is Europe's advanced manufacturing partnership
- A public-private partnership funded by Horizon 2020 (budget of €1.15 billion 2014-2020). 1st Launched under EU's FP7



- Jointly supported through European Commission's DG CONNECT
   & DG Research and Innovation
  - Research & innovation priorities identified by industry/research community
- Over 1,000 organisations participating,
   High involvement of SMEs: 200+
- 180 Projects to date. 400+ results reported on EFFRA Innovation Portal

http://www.effra.eu/ --- http://www.effra.eu/portal



http://www.eurida-research.com/downloads/17.-cross-cutting 2016-2017 pre-publication.pdf page 19+

### Factories of the Future 2020

## Strategic Roadmap







#### **Research & Innovation Priorities**

### Challenges & **Opportunities** Manufacturing **Future Products**

 Economic Sustainability Social Environmental

**Domain 1: Advanced Manufacturing Processes** Innovative processing for both new & current materials or products

#### Domain 2: Adaptive and Smart Manufacturing Systems

Innovative manufacturing equipment at component & system level, including mechatronics, control & monitoring systems

#### Domain 3: Digital, Virtual & Resource Efficient **Factories**

Factory design, data collection & management, operation & planning, from real-time to long term optimisation approaches

**Domain 4: Collaborative & Mobile Enterprises** Networked factories & dynamic supply chains

**Domain 5: Human-Centred Manufacturing** Enhancing the role of people in factories

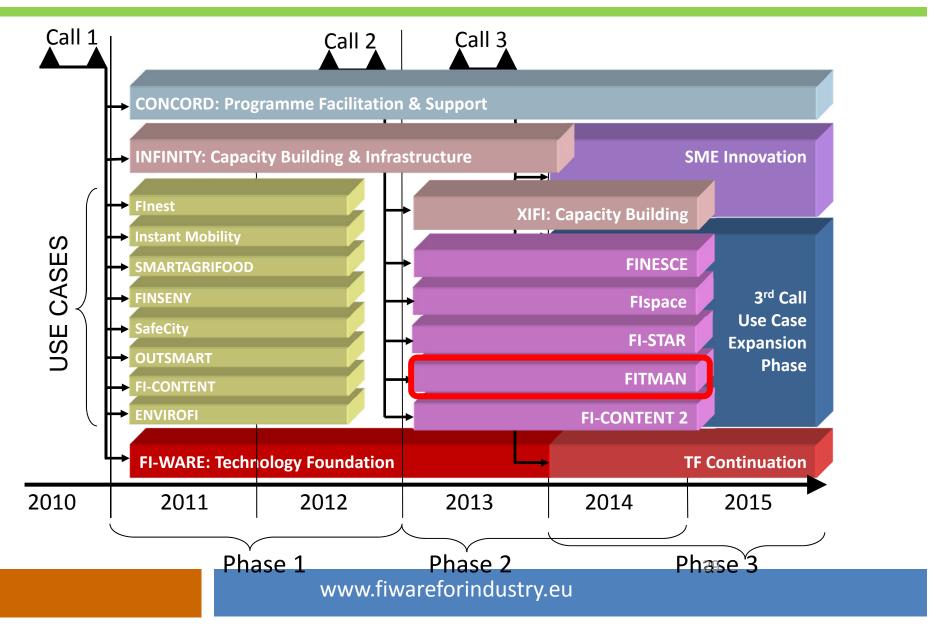
Domain 6: Customer-Focused Manufacturing Involving customers in manufacturing value chain, from product process design to manufacturing associated innovative services

### **Technologies & Enablers**

- Advanced Manufacturing Processes
- Mechatronics for Advanced Manufacturing Systems
- Information & Communication **Technologies**
- Manufacturing Strategies
- Knowledge Workers
- Modelling, Simulation & Forecasting

## The EU FI PPP (FIWARE) and FITMAN





### **FITMAN Factsheet**



Project No: 604674

Project Full Name: Future Internet Technologies for MANufacturing

Duration: 30 months

Start date: April 1st 2013

Partnership: 36 partners, 11 countries

Strategic Objective: FP7-2012-ICT-FI

FI.ICT-2011.1.8: Use Case scenarios and early trials

Total Eligible Cost: 18.034.000 EURO

EC Contribution: 12.890.000 EURO

Project Web Site: <a href="https://www.fitman-fi.eu">www.fitman-fi.eu</a>

### **FITMAN Beneficiaries**



### Core Consortium (10 partners)



















#### Original Equipment Manufacturers (4 partners)









#### SME Networks and Associated S/T (14 partners)





























#### Open Call winners (8 partners)

















### FITMAN Results



One FITMAN Generic Platform for Manufacturing Industries, as a collection of several Generic Enablers

Three FITMAN Specific Platforms as a collection of several Specific Enablers **Implementations** 

> **Smart Factory Platform**

**Digital Factory Platform** 

**Virtual Factory Platform** 

Ten FITMAN Trials Platforms as instantiation of the selected Generic and Specific Enablers for 10 industry-driven multi-sectorial Trials



















One generic and flexible **Trials Verification and Validation Framework**, encompassing concepts, methods and tools for Manufacturing Trials

### FITMAN Reference Platforms: 14+15 Enablers



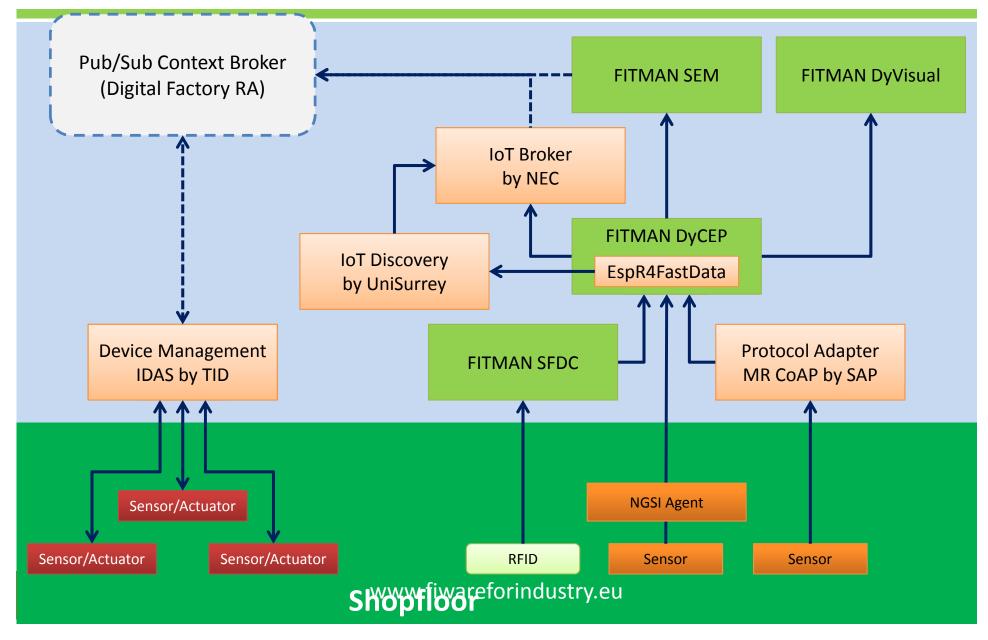
#### Smart Platform GE1 • IoT.Backend.IoTBroker · Reference Impl. by NEC GE2 • IoT.Backend.ConfMan . Orlon Context Broker by Telefonica I+D • IoT.Backend.DeviceManagement GE3 • IDAS by Telefonica HD IoT.Gateway.ProtocolAdapter GE4 • ZPA by Telecom Italia IoT.Gataway.DataHandling GE5 • Esper4FastData by Orange • Shopfloor Data Collection SE1 • SDC by Uninove & ATOS Secure Event Management SE2 . SEM by TXT Dynamic CEP SE3 DyCEP by FZI & NISSATECH Dynamic Visualization & Interaction · DyVisual by DFIG

#### Virtual Platform **Digital Platform** Apps.Marketplace Data, PubSub GE1 Reference Impl. by SAP GE1 • Context Awareness Platform by Telecom Apps.Repository Italia Reference impl. by SAP Apps.ApplicationNashup Apps.Mediator Wirecloud by UPM GE3 Reference impl. by Telecom Italia / Thales Data.UnstructuredDataAnalysis UDA by ATOS Apps.Registry Reference impl. by SAP Unstructured & Social Data Analytics GES Apps.LightSemanticComposition Anizer by NTUA COMPEL by ATOS Semantic Mediator front-end & Data.SemanticSupport SE2 back-end Semantic Application SEMed by BIBA Support by ATOS • 3D Scanning Storage and Collaborative Asset Management Visualisation SE1 - CAM by ENG 3DScon by DATAPIXEL Collaborative Business Process SE2 Management Collaborative 3D Web Viewer SE4 - c3DWV by DFR BPM by ENG • Supply Chain & Business SE3 Ecosystem Appe SCApp by TXT Data Interoperability Platform SE4 Services DIPS by TXT Metadata and Ontologies SE5 Sementic Metching SeMa by NTUA Management of Virtualized Assets SE6 MoVA by DITF Generation and Transformation SE7 of Virtualized Assets

GeToVA by UIBK

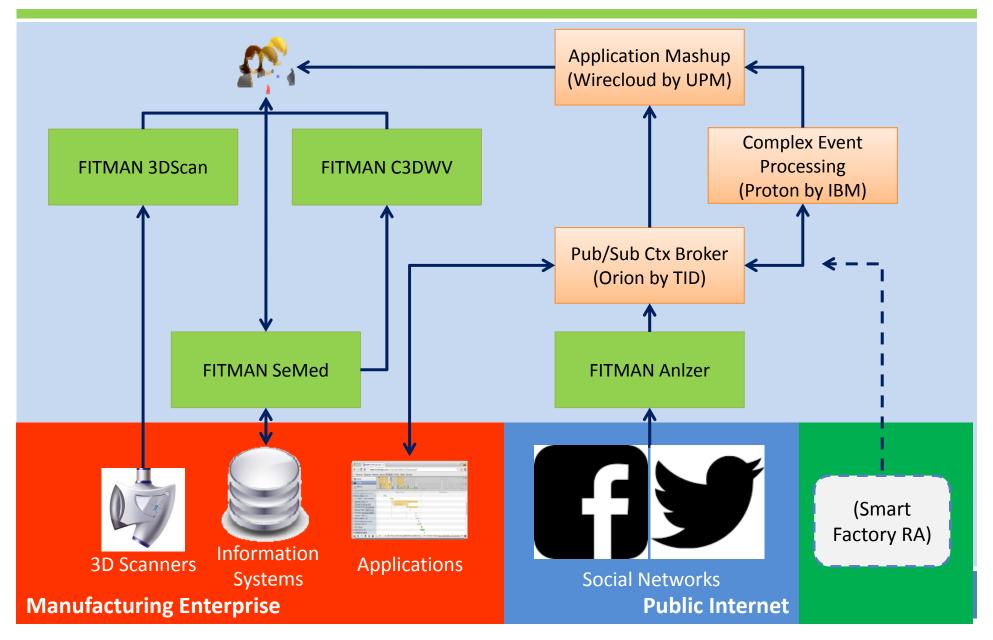
## FITMAN Smart Factory RA





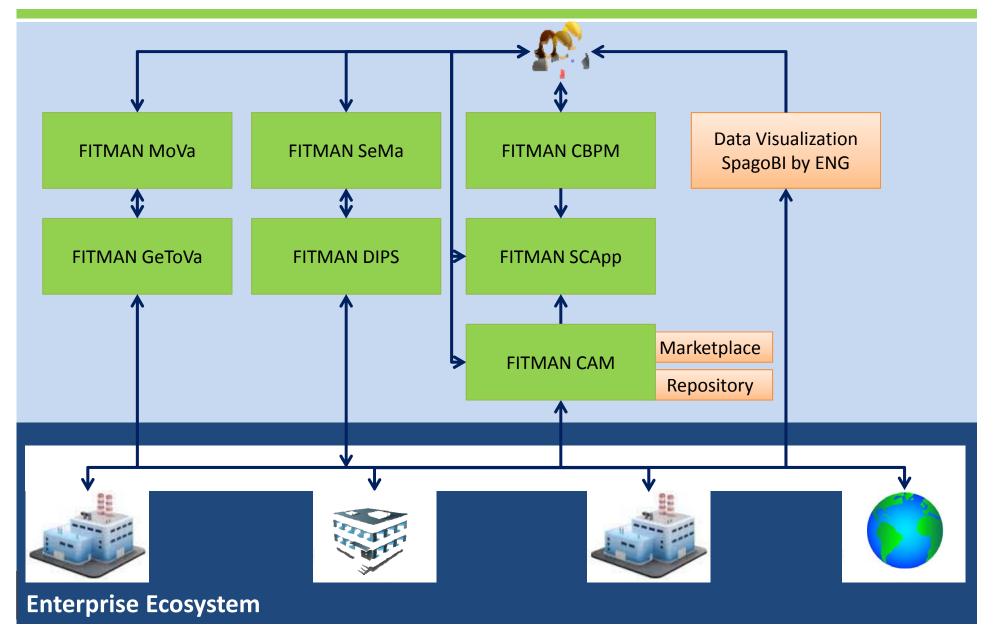
## FITMAN Digital Factory RA





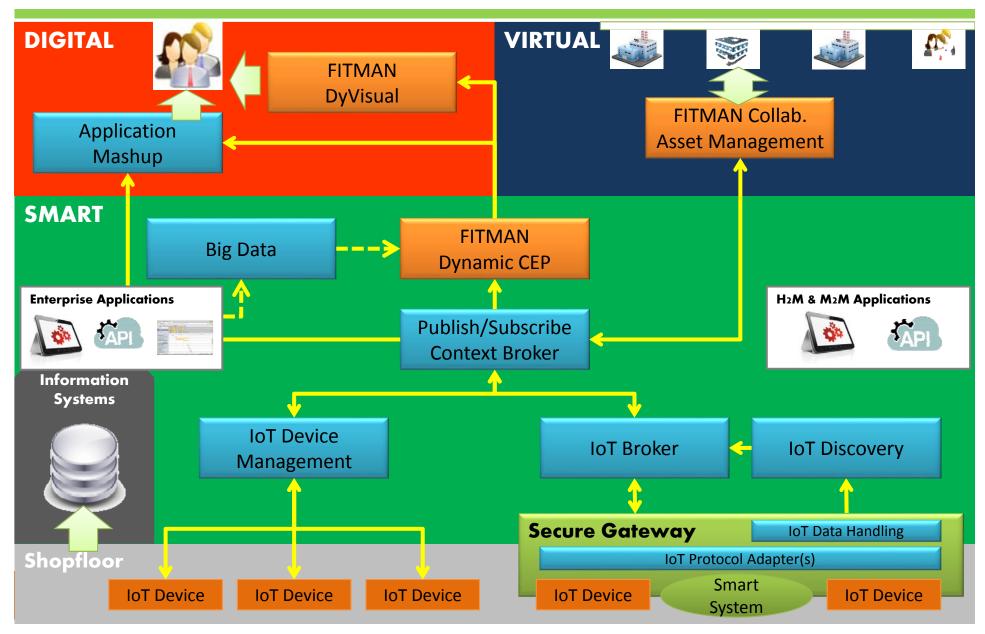
## FITMAN Virtual Factory RA





### FITMAN Industrial IOT Platform





### Ten FITMAN Trials in Six Countries







### The FIWARE-based BEinCPPS





# BE IN CPPS

APPLICATIONS

FIACPPS PLATFORM

FACTORIES

Cloud Level
FI Platform
Factory Level
IoT Platform
Field Level
SS Platform

SS Platform

FACTORIES

### BEinCPPS, Business Experiments in Cyber Physical Production Systems

Coord. POLIMI, technical coordinator ENGINEERING

Regional Innovation Ecosystems in Lombardia Euskadi Norte Baden-Wuertemberg Rhone-Alpes

## Open Call opportunity to join BEinCPPS



### **BE** in **CPPS** Business Experiments in Cyber Physical Production Systems

Factories of the Future obj. 9: ICT Innovation for Manufacturing SMEs;

Budget: EUR 8,000,000; Open Calls for SMEs: EUR 2,250,000;

Start Date: November 1<sup>st</sup> 2015 – End Date: October 31<sup>st</sup> 2018

### **OPEN CALL for APPLICATIONS EXPERIMENTS**

- i. Big Data RT Decision Support, Planning
- ii. Cyber-physical High speed Ramp-up
- iii. Energy efficient Manufacturing
- iv. Zero Defect Manufacturing
- v. Smart Logistics Applications
- vi. Visualisation and Training at worklplace
- vii. End of Life in a Circular Economy
- viii. CPS equipment development integration

Up to 80k per experimentation project OPEN DATE MAY 2<sup>nd</sup> CLOSURE JUNE 15<sup>th</sup> www.beincpps.eu







European Commission

# The Sensing Enterprise - Enterprise Information Systems in the Internet of Things

### **Invited Lecture**

28th April 2016

ICEIS 2016, International Conference of Enterprise Information Systems, Roma

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