



I D C V I E W P O I N T

Smart MFPs: Optimizing Business Operations and Processes for the Factory of the Future

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Manufacturing is a key contributor to most Asia/Pacific economies, be it developed countries like Australia and Singapore or developing countries like China, India and Indonesia. Faced with intense competition within their own countries as well as neighboring countries for global manufacturing opportunities, Asia/Pacific manufacturers today are forced to reassess their strategies, processes and tools, looking toward digital transformation (DX) to create new ways of operating and growing their business.

According to IDC's Asia/Pacific C-Suite Barometer Research 2016, 64% of manufacturers believe that IT will enable cost savings and productivity gains, while 40% believe that DX will help them to transform and stay competitive in this hyper-digital era. In the same study, manufacturers cited their top 3 business priorities as operational efficiency and productivity gains (18%), company-wide cost savings (17%), and market expansion (15%). Manufacturers today are also increasingly moving toward Industry 4.0 as a vision and transforming their factories into smart factories. Customer centricity, focus on new technologies and transitioning the production function from "capacity" to "capability" centric are the key factors driving manufacturers' smart manufacturing investments for the factory of the future.

With documents remaining important in the overall operations and workflow for Asia/Pacific manufacturers, optimizing document workflow and processes through the use of MFPs, for example, will enable manufacturers to reap efficiencies and cost savings. In the next 3–5 years, the document workflow of manufacturers is expected to change, in alignment with their factory models and how these models are expected to transform. In China, manufacturers' factory models will most likely stay the same with a few large factories producing multiple finished goods, while Australia and India's will move toward a modular platform. In ASEAN countries, factory models are expected to be diverse, falling between what China and Australia/India will have. In light of the different factory models and expected changes to document workflow within the manufacturing industry, IDC believes that smart MFPs will increase in relevance and importance.

- China's factory network model will require documents to be stored in the cloud, and MFPs will become a hub to scan/archive/retrieve documents at various locations. In addition to being able to connect directly to the cloud, these smart MFPs will need to cater for different formats and sizes up to A3 in order to accommodate the various departments' requirements.
- Manufacturers in Australia and India are expected to quickly adopt smart MFPs in view of the shift in factory models and considering that hardcopy documents are still key to their daily operations. However, the shift will be more significant than countries like China, as manufacturers will first need to integrate and maintain their existing infrastructure in different locations to standardize workflow and processes. In addition, as the modular platform will require manufacturers to work with suppliers close to customers' locations, there will be a need for manufacturers, suppliers and

customers to integrate their digital workflow. As such, manufacturers will need to source for vendors that can integrate/support and maintain the MFPs at different locations. More importantly, vendors need to look into specific manufacturing applications/solutions that can integrate the company's workflow. An example would be invoicing that integrates with the e-invoicing systems at different locations/countries, where scanning and printing are made easier by using the same devices that are set based on the solution's architecture.

- While ASEAN manufacturers are currently uncertain as to which direction to take for their factory model, larger manufacturers will likely adopt technologies and devices (including MFPs) that are secured but scalable in the near future for existing implementations.

As manufacturers look toward leveraging smart MFPs to enable smarter business operations and processes in their journey to the factory of the future, there are a few key considerations to note. These include a scan function that can accommodate different sizes (up to A3) and thickness with strong OCR (optical character recognition) function, the ability to accommodate different file formats and connect to cloud with business analytic tools in a secured manner, good color printing, fast speed of printing with low breakdown rate and low total cost of ownership. Finally, remote monitoring/support and maintenance services would be important especially for distributed manufacturing plants.

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