

Seizing the opportunities of sustainable value chain innovation in manufacturing

The case study on Surface Finishing

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Surface Finishing - Scenario 3: HYDRAULIC PISTON RODS - Overall goal

Demonstrate significant **reduction of materials + energy** use, **environmental impact** and manufacturing **costs** of a mechanical engineering component by acting on the **business processes** of the **value chain**.





Surface Finishing - Use case 3: HYDRAULIC PISTON RODS - Value chain actions

Initial Situation & Targets

- Challenges: high cost pressure; smarter manufacturing;
 CO2 emissions and hazardous chemicals.
- Issues: materials properties cause heavy production disturbances; conventional business models; compliance.
- Target: Significantly improved value generation and compliance through optimised business processes



Benefits & Achievements

	cradle to gate	cradle to grave
energy	- 26 %	- 26 %
CO ₂	- 21 %	- 28 %
costs	- 23 %	

Solution Elements & Innovations

- a. MEMAN Surface Finishing process models
- b. Advanced materials specifications to enable failure-free value chain operations
- c. MEMAN integrated ERP / MES system
- d. Integrated chemical risk management solution
- e. Fully automatic ,in-line plating' robot





Transfer Potentials

- all metal-mechanic products with hard chrome finishing;
- global market size of chrome plating alone roughly 4 bn €, global market size of chrome plated parts ~ 80 bn €













Surface Finishing - Use case 3: HYDRAULIC PISTON RODS - Innovations

Innovation a. PROCESS MODEL OF THE SURFACE FINISHING VALUE CHAIN

Blueprint to value chain innovation in Surface Finishing

- Process models, key process data and procedures applicable for many Surface Finishing value chains
 - value chain level: interactions between companies,
 - factory level: inventory of typical production processes,
 - process level data: inputs, outputs, production data
- Analysis of materials & energy flows to
 - identify value chain innovation potentials,
 - evaluate resource and cost saving options;
 - assess production disturbances due to value chain defaults;
 - evaluate new value chain business models
- Testbed to design advanced process control and risk management solutions

Stahl Judenburg

GMH GRUPPE

Commercial application:

ROI: 1 - 2 years

Main

Partners:

Market: all surface finishing value chains

Innovation b. Advanced materials specifications & data management to control materials properties for failure-free operation

- Detailed knowledge and control of interdependences of raw material properties and manufacturing disturbances (steel microstructure, chemicals impurities, corrosion mechanisms)
- Control of defect structures of the steel substrate together with steel producer (gas concentration; scrap content; non-metallic inclusions)
- Advanced control of chemicals composition and impurities of electroplating bath together
- 80% reduction of manufacturing disturbances

KPIs (cradle-to-gate savings):

Direct energy: - 8 %; CED: - 10%; CO2: - 11%; Costs: - 7%

Commercial application:

- Market: value chains of hard chrome plated products
- **ROI:** < 1 year





MEMAN stands for "Integral Material and Energy flow MANagement in MANufacturing metal mechanic sector". This project has received funding from the European Union's Horizon 2020 Programme under grant agreement no. 636926.

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Surface Finishing - Use case 3: HYDRAULIC PISTON RODS - Innovations

Innovation c. MEMAN INTEGRATED ERP / MES SYSTEM

Rapid simulation and control of resource efficiency and costs in daily operations

- Optimisation and simulation of resource use in the ERP
- Integrating actual production and consumption data to analyse environmental impact and resource use per product produced and per time
- Automated calculation of costs of manufacturing disturbances due to supply disorders
- Resource efficiency optimisation in MES to control single process performances
- Control of drag-out of chemicals from electroplating baths Process level assessment of manufacturing disturbances

KPIs (gate-to-gate; i.e. single factory savings): Direct energy: - 10 %; CO2: - 10%; Costs: - 15 %

Commercial application:

- **ROI**: < 1 year
- Market: all Surface Finishing businesses



Innovation d. CONCEPT OF CHEMICAL RISK MANAGEMENT

Analyse and assess a company's chemicals use in view of present and emerging requirements of the European Chemicals Directive. Control of chemicals exposition of workers in various exposition scenarios.

- Substantial improvement of regulatory compliance,
- Potentially absorbed dose of chemicals substances can be calculated for all workers individually based on their job profile.
- Proactive risk management of different work tasks can be considered in workplans.
- Assessment of process changes on their impact on exposition.





Market: all Surface Finishing businesses





Main Partners:





Innovation e. , IN-LINE PLATING' ROBOT

Fully automatic electroplating units – integrated directly into mechanical production lines as smart, flexible, plugand-play manufacturing cells.

- Energy and materials savings due to process intensification; significant reduction of finishing needs; avoidance of transport with related corrosion protection and packaging.
- Smart manufacturing solution with remote monitoring and predictive maintenance.
- 15 % cost reduction compared to existing business model of large central plating plants.

KPIs (cradle-to-gate savings):

Direct energy: - 19 %; CO2: - 19%; Costs: - 15%

Status: Pilot plant under construction, operative in 1 year.

Commercial use:

- Market: all surface finishing value chains
- ROI: ~ 2.5 years







Surface Finishing - Use case 3: HYDRAULIC PISTON RODS – KPIs achieved



CONTRIBUTIONS TO KPI ACHIEVEMENTS:

- Main contribution from 'in-line plating' surface finishing fully integrated in overall manufacturing line (new business model of product specific plating units). Key issue elimination of transport.
 - Energy / CO2 reduction of ~ 20 %
 - Cost reduction ~ 15 %
- Substantial reduction from elimination of value chain manufacturing disturbances through advanced materials specification and management
 - Energy / CO2 reduction of ~ 10 %
 - Cost reduction ~ 7 %
- Significant local (gate to gate) improvements also achieved through integrated ERP / MES system:
 - 10 % Direct energy use; 15 % Cost reduction







Sustainable value chain innovation is highly effective to generate real impact!

Coherent body of knowledge on sustainable value chain innovation created:

- Methodology for structured and comprehensive approach to sustainable value chain innovation
 - Reliable identification of potential hotspots where innovation and investment will yield highest gains in terms of efficiency increase and cost savings.
- MEMAN Toolbox as a backbone of this methodology for numerical modelling and simulation of value chain processes and related resource flows
- Three comprehensive business cases of sustainable value chain innovation, each tested and evaluated in different highly relevant industrial environments.
- Set of relevant, competitive technological innovations substantiating each of these business cases.
- Show cases of innovation approaches in each of the three dimensions of value chain innovation
 - Innovative technology to improve value chain performance;
 - Innovative structure of the value chain through new concatenation and integration of manufacturing processes;
 - Innovative business processes through new interface specifications, advanced data management, and smart manufacturing concepts



Thank you for your attention!

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