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COVER STORY

LESSONS FROM THE LOCKDOWN

Part 2

AS THE SPREAD OF THE PANDEMIC LED TO THE SHUTDOWN OF THE ECONOMY IN POLAND IN MID-MARCH AND APRIL, AMCHAM QUARTERLY CONTACTED TOP MANAGERS OF SEVERAL MEMBER COMPANIES TO LEARN WHAT LESSONS THEY HAVE DRAWN FROM THE LOCKDOWN.

IN THIS DISPATCH, **RADOSŁAW RUDECKI, END USER SALES MANAGER AT ROCKWELL AUTOMATION**, TALKS ABOUT HOW THE COMPANY ADAPTS FOR MEETING THE NEEDS OF ITS CLIENTS IN THE TIME OF THE PANDEMIC.

COVER STORY

LESSONS FROM THE LOCKDOWN

Rockwell Automation

AMERICAN COMPANIES MOVED SMOOTHLY INTO WORK-FROM-HOME MODE. THEY CONTINUED TO ADAPT TO THE CHANGING SITUATION AND HAVE LEARNED LESSONS OF STRATEGIC IMPORTANCE TO THEIR BUSINESS.



Industry 4.0: Robotic solutions help companies optimize their operating costs and increase production efficiency.

I, ROBOT

THE ECONOMIC CRISIS LED MANY COMPANIES TO CONSIDER INDUSTRY 4.0 SOLUTIONS AS LABOR COSTS CONTRIBUTE TO THE DISRUPTIVE BUSINESS ENVIRONMENT.

In today's world, it is hard to fathom a production company that could function without robots and workflows supported by automated processes. After the pandemic hit, Rockwell Automation, a provider of industrial automation and robotics solutions, found itself deeply embedded in challenges the production and manufacturing sector across Poland and Europe was facing.

Many Rockwell clients, such as pharmaceutical companies, saw a decline in their markets. An important position on the Rockwell client roster, automotive and tire producers, nearly froze production right after the lockdown and only began operating at a limited capacity later in June.

On the other hand, Rockwell clients in the fast-moving consumer goods industry observed steady market demand for their products and recorded a steep rise from

the demand side due to the rising popularity of e-commerce sales channels. It soon became clear that some clients would face challenges in keeping their production processes operating in a higher gear, which means new challenges and opportunities for Rockwell.

HOME OFFICE

Like other companies during the lockdown, Rockwell implemented anti-Covid procedures across its factories and sent many of its people home, including marketing and salespeople. Face-to-face meetings with clients were reduced to the minimum necessary, and Rockwell engineers served clients online.

Some automation engineers and production managers were also able to supervise production from home using IT tools.

The engineering-related professionals faced a considerable challenge in supporting their

clients, though, as not all technological processes are easy to discuss and solve by team members who are physically in different locations. Before the pandemic, they would usually meet face-to-face and only held online meetings when they needed to cut costs or there was a time issue.

Yet the technology at hand evolves, and Rockwell has been using communication solutions that allow team members to simultaneously talk, view, and draw on a document by touching the screen of their handheld devices. This substantially facilitates the communication process. Salespeople are also working online. According to Radosław Rudecki, End User Sales Manager at Rockwell Automation, remote work saves travel time when it comes to meetings with clients in distant locations and is good for maintaining relations with clients. Yet, face-to-face

meetings give more opportunities for getting to know potential clients' perspectives on a range of business-critical issues when it comes to starting these client relations.

What is more, Rudecki said that some clients, mainly those aged 40 and over, still miss face-to-face meetings. Nevertheless, they must adapt to the present situation. "We have to act the way we do because, in today's world, there are no other ways to move forward," said Radosław Rudecki. "Everyone has to adapt themselves to the situation. We can perform many processes online now. For instance, we can do quality checks online for our clients."

GLOBAL COMPANY

Facing the changing market reality was a challenge for Rockwell in Poland, but managers found it helpful to share best practices through the international Rockwell network. They were able to obtain support from their peers in implementing specific solutions on their local markets that had already proven effective elsewhere. According to Radosław Rudecki, such knowledge sharing was especially useful for solutions the company offered across Europe because although the continent is culturally diverse, there are strong similarities in how business is conducted.

ADAPTING TO CLIENT NEEDS

Facing economic uncertainties and business disturbances, firms began to work on optimizing their production costs. Rockwell saw an increased demand for its services that help clients maintain their production. Generally, when a production line is stopped for too long, certain parts of the machinery will need replacing, entailing often considerable costs. Some Rockwell clients froze their investment projects that had been aimed at new robotic solutions and instead chose to repair and tune up their existing machinery. Repair costs can range from 20-70 percent of the new machinery's cost depending on the type of machinery, so savings are considerable.

Rockwell now offers new, flexible ways of financing machinery purchases as a response to the market's current financial situation. Many clients are interested in leasing Rockwell's IT solutions, such as data. Rockwell also sells software for drawing multiple-scenario analyses of how the Covid-19 virus may spread across operated production lines. It shows weak points and enables companies to implement effective procedures and measures to make the facilities virus-proof, thus

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safeguarding the continuity of production.

Rockwell opened its B2B platforms long before the pandemic offering IT software solutions. Machinery cannot be bought online as every order is "made-to-suit," and sales processes involve engineering analysis.

GOVERNMENT AID

Many of Rockwell clients use the government financial aid program, the Anti-Crisis Shield, and it helped to stabilize the market.

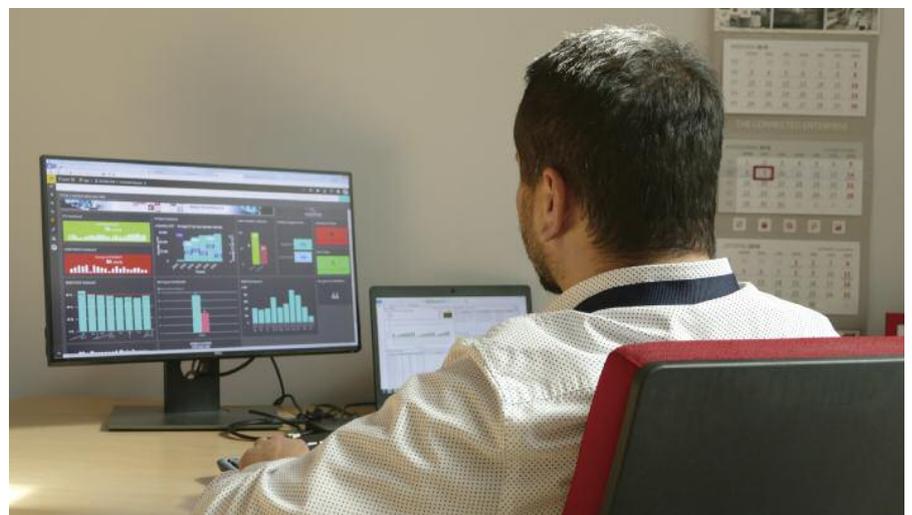
According to Radosław Rudecki, government aid and supporting activities are vital for manufacturers to get to new normal. Particularly those investing in Industry 4.0 solutions. Now is the time to act, as companies still have the budgets for such investment programs, whereas their budgets will inflate as the crisis continues. Anti-virus preventive measures are also costly; face masks wear out and need to be replaced after an hour of work and disinfectants flow.

Labor costs also rise for firms that experience disruptions in delivery chains or see demand peak. They have to pay extra hours to employees working longer hours and operational costs mount, and it is evident that a more extensive application of Industry 4.0 solutions would make a difference.

Yet, even when this is evident, economic

uncertainties keep many companies from even considering such a costly investment project. A robotized solution might take up to five years to pay for itself. Taking a five-year perspective is too long and includes too many risk-factors for firms who have seen disruptions in their business and are uncertain how the markets will look next year. Having an opportunity to use government aid in financing Industry 4.0 investment projects would undoubtedly lower risk-factors and encourage more companies to invest.

"We observe that in the current circumstances Poland can become a competitive economy and an important part of new supply chain." Radosław Rudecki said. "Yet we live in a global economy. If companies adopt Industry 4.0 solutions now, they will not only increase their resistance to the current crisis but also reinforce the long-term competitive advantage of the Polish economy."



Watchful eye: Rockwell engineers monitor the performance of their clients' production lines.