

# Global IT Strategy 2020

Through fiscal 2014, our IT strategy in support of the Omron VG2020 long-term vision consisted mainly of restructuring enterprise applications. At the same time, however, we recognized that most of these initiatives were the adoption of IT tools having little connection to management strategy or business process improvements. To address this situation, we created the Global IT Strategy in fiscal 2015. Under this strategy, we will make more effective use of strategic information and strengthen our IT governance.

## Global IT Strategy 2020 Overview



## Business Process Restructuring through Information Technology –

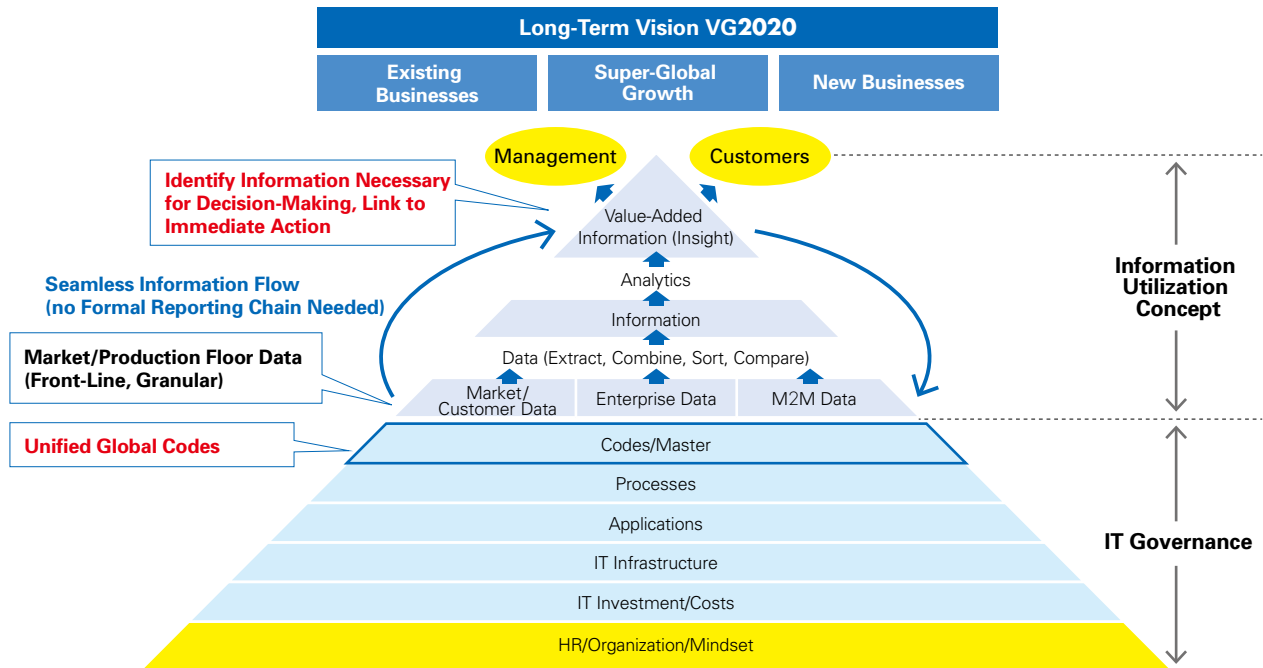
We intend to use IT to restructure our sales processes in a way that automates a seamless flow of information throughout our organization without the need for a formal report chain. We believe this restructuring will lead to improved accuracy in projecting global trends, letting Omron take decisive action while others wait. This new system will reduce the current lead time required for information to pass through our reporting chain, moving information quickly from the front lines of our business up to our decision makers.

We also plan to leverage IT to give us a competitive advantage in our sales activities. Using IT to visualize market and customer information in each sector, we can perform

cross-region analyses to avoid missed sales and identify new sales opportunities on a global scale. For example, we could take successful solutions for customers in Europe and implement them for customers in Asia through cross-region collaboration.

To achieve this goal, we plan to accelerate our adoption of a unified code system to create a master customer database. By managing customers through a unified global code system, we can cross-reference manufacturing processes and issues across our entire customer base. This will allow us to strategically approach customers based on region, as well as potential products and services, leading to much more effective business development.

Global IT Strategy 2020 Framework



## MES<sup>\*1</sup> as Global Standard for Production Floor Visibility

At Omron, we developed a proprietary manufacturing execution system (MES) in use at 13 factories worldwide. Greater visibility to the production floor is driving productivity improvement at each of these factories. The Kusatsu Factory<sup>\*2</sup> provides one case in point. Here, we have seen productivity gains by combining real-time production line information with greater visibility. Sequential analysis of production line variables, such as labor hours, production volume, and defects provides a clear picture of the impact that variances in labor hours by station and product have on productivity. Now, managers can identify areas for improvement without having to rely on the intuition and experience of floor workers. Since adopting this system in 2011, we have achieved an 80% improvement in productivity (as of fiscal 2015).

Future plans include incorporating IoT technology to capture an even wider range of production data. Using our own factories as a

test bed, we plan to create new value by providing managers with production floor information that even the most experienced workers would not be able to identify or communicate efficiently.

<sup>\*1</sup> MES: Manufacturing Execution System. Information system for capturing and managing manufacturing process information, providing guidance and support to floor workers.

<sup>\*2</sup> Kusatsu Factory: Manufacturing facility for the Industrial Automation Business and Social Systems, Solutions and Service Business. IAB manufactures FA controllers and other products.



Total visibility on one screen. See production line information at a glance. Red line indicates production line delays.