



# India, HR & Industry 4.0

---

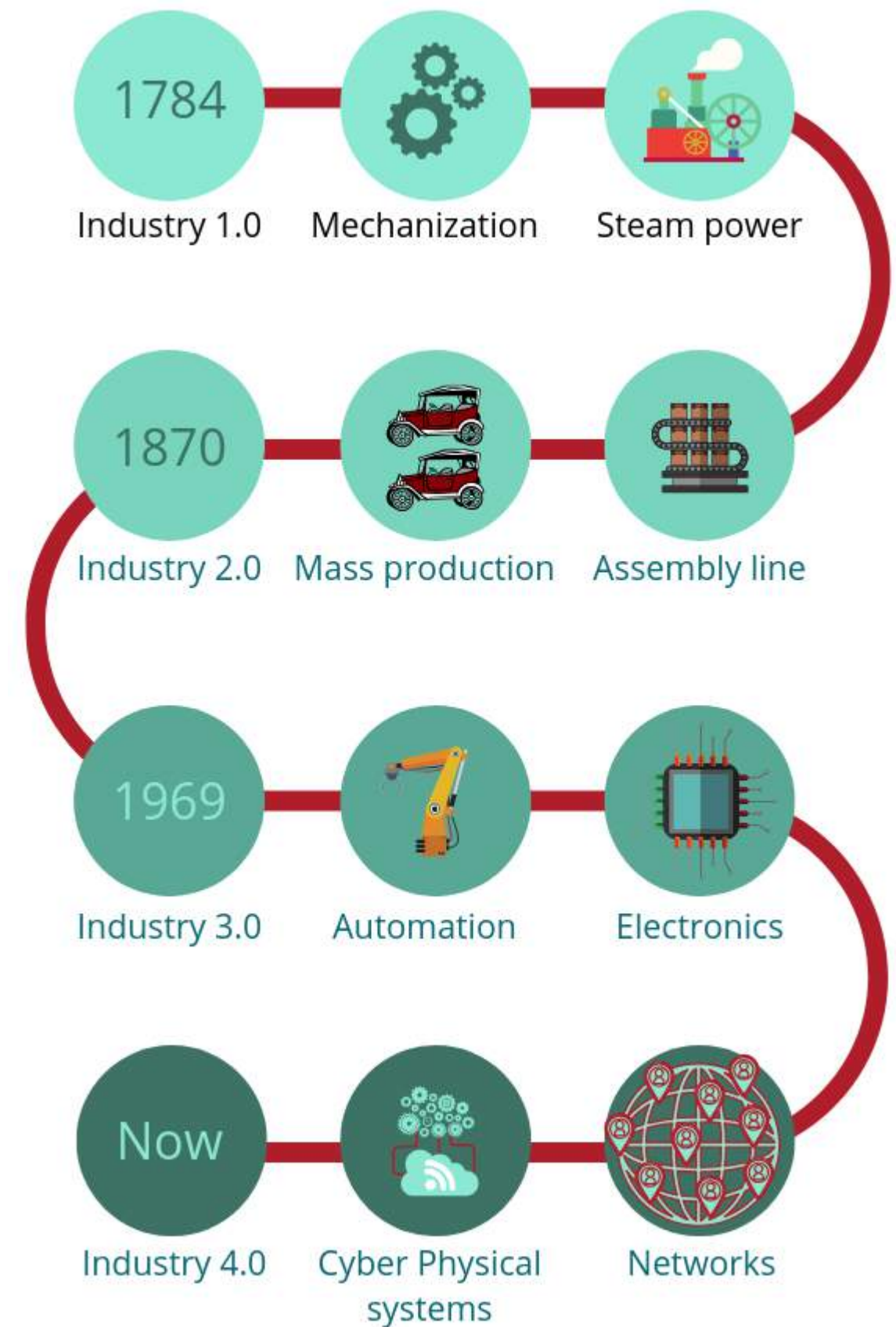
What changes are coming and how to be prepared

# INTRODUCTION

## What is Industry 4.0?

Industry 4.0 is the future that we all will work in - it is inevitable. In this future, industrial companies will become digital enterprises - digitally integrating value chains, suppliers, and bring highly customized innovative products and services. This will be transformational, and will have massive implications for companies in the Indian context, that is, to re-create a business model & strategy and refocus on human capital & culture. How well are businesses in India prepared?

VDMA & M+V have teamed up to ask German companies in India, how they are preparing for this change in their Indian operations. In this context, we conducted in-depth discussions with 12 companies (with representation from component manufacturers, automotive, solution integrators and robotics, categorized as mid-to-large setups in India). We are happy to bring you the answers in this report.



# SUMMARY

## Key Findings

- **It is inevitable:** This is happening and you need a strategic roadmap to manage the transformation to Industry 4.0.
- **The Value of Why?:** Adopting technologies is based on the value it promises to create and needs to be co-evolved with HQ.
- **Time will tell:** India operates Industry 3.0, but a change is expected, scale of impact is unknown.
- **New Business Models:** New business models to function with a collaborative eco-system shall emerge.
- **Jobs & roles will change:** Redundancy will be compensated by new specialized jobs which will be created.
- **Data & Digital is the Key:** Data Analytics & digitalization to augment and power innovations, is the heart of this transformation.



# LANDSCAPE

## India and Industry 4.0

India is at a very nascent stage of industry 4.0 – as most participants agreed, this is a journey and not a destination!

Industry 4.0 is an ecosystem with customer being a part of it, where companies are capable of delivering customized solutions at today's cost. On adoption of Industry 4.0, participants pointed towards the value drivers that are presently unclear to the target group.

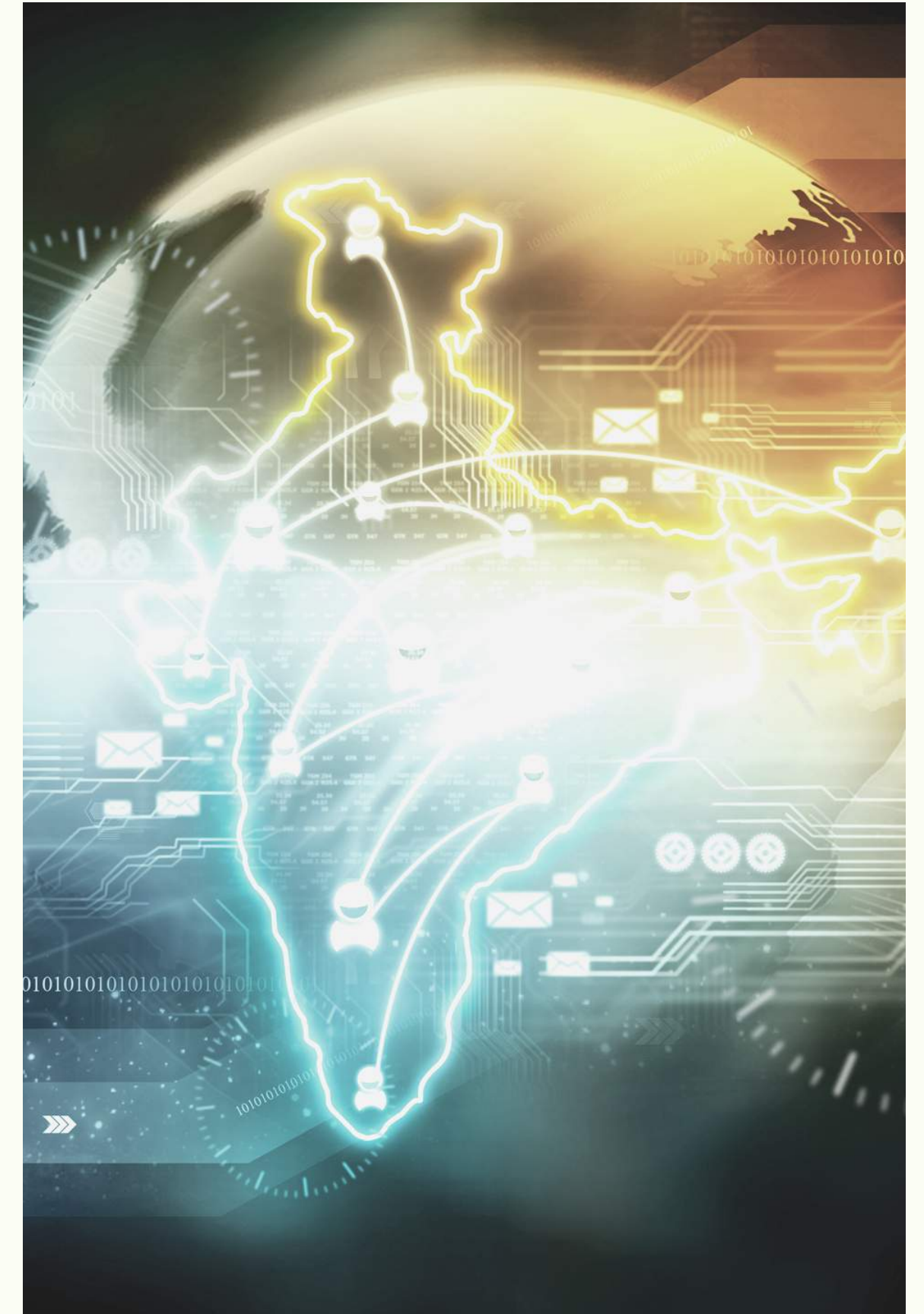
All companies understand the increasing importance of “Data” and realize the need for training on data analytics and making investments in advanced systems. Most of them realize that there will be a change in the business model, resulting in a major change in job roles and decision-making competency. Many still require more clarity on “How to make this transition?”.



# MAIN BENEFITS

## What can industry look forward to?

- Expected revenues and increased profitability.
- Improved productivity and efficiencies through real-time information sharing and analysis.
- Flexibility and agility to scale production.
- Access to data across the supply chain for better decision making & order visibility for customer ease.
- Reduced cost of manufacturing through reduced wastage, faster manufacturing, reduced downtime and fewer issues with product quality.
- Better customer experience through customized manufacturing that shall organize itself & enable customer-specific production.



# CHALLENGES

## What are the issues for companies?

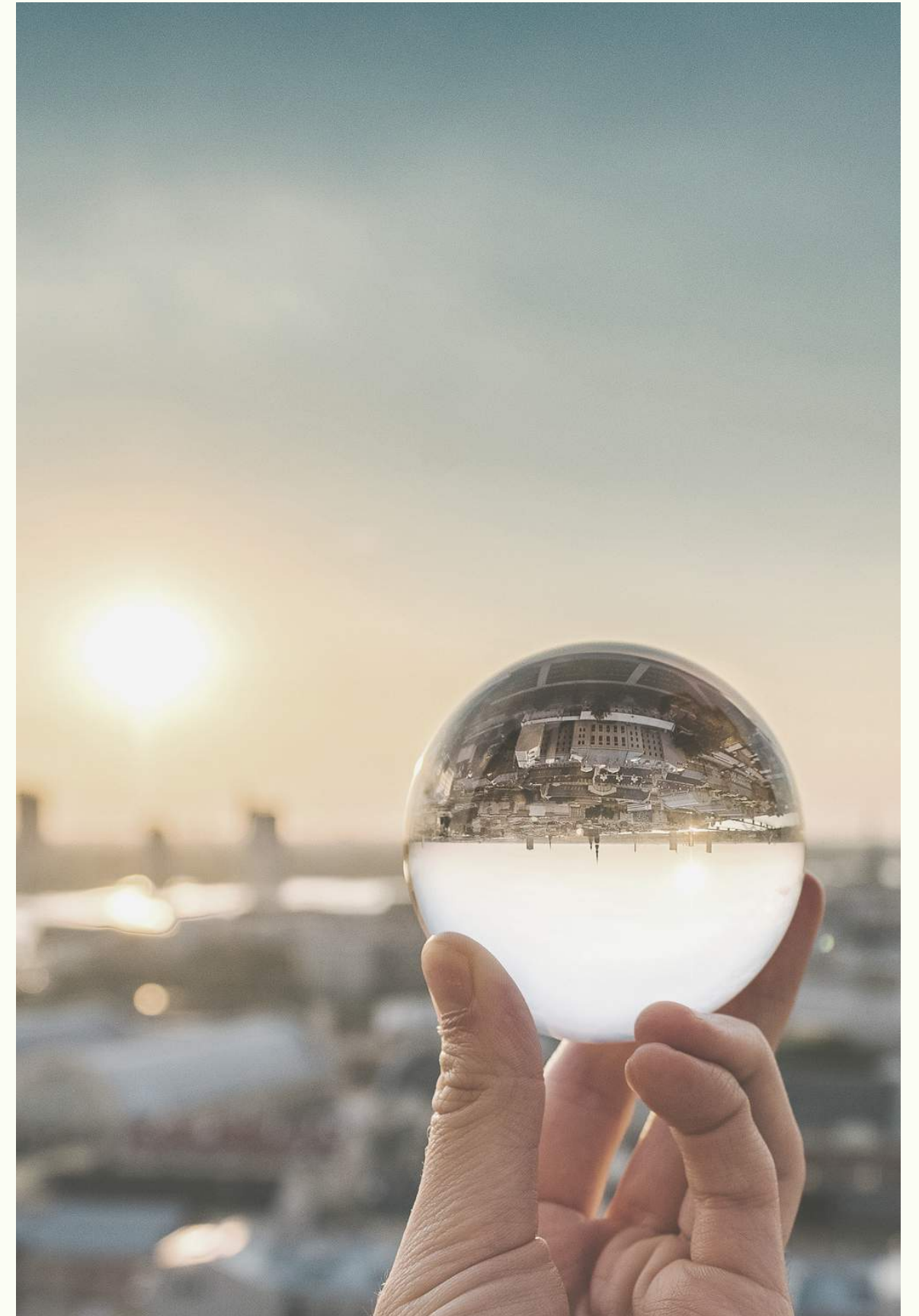
- Success largely depends on how clearly the digital leaders (CEO, CTO, CIO) define the digital strategy and roadmap.
- Absence of case studies to benchmark and learn from.
- Need to assess skill & competency gaps to operate successfully in Industry 4.0 environment
- Data analytics becoming a core capability for every industrial company, enhancing skills and organizational structures will be critical.



# INSIGHTS

## The future: learning from companies who have advanced in their adoption of Industry 4.0

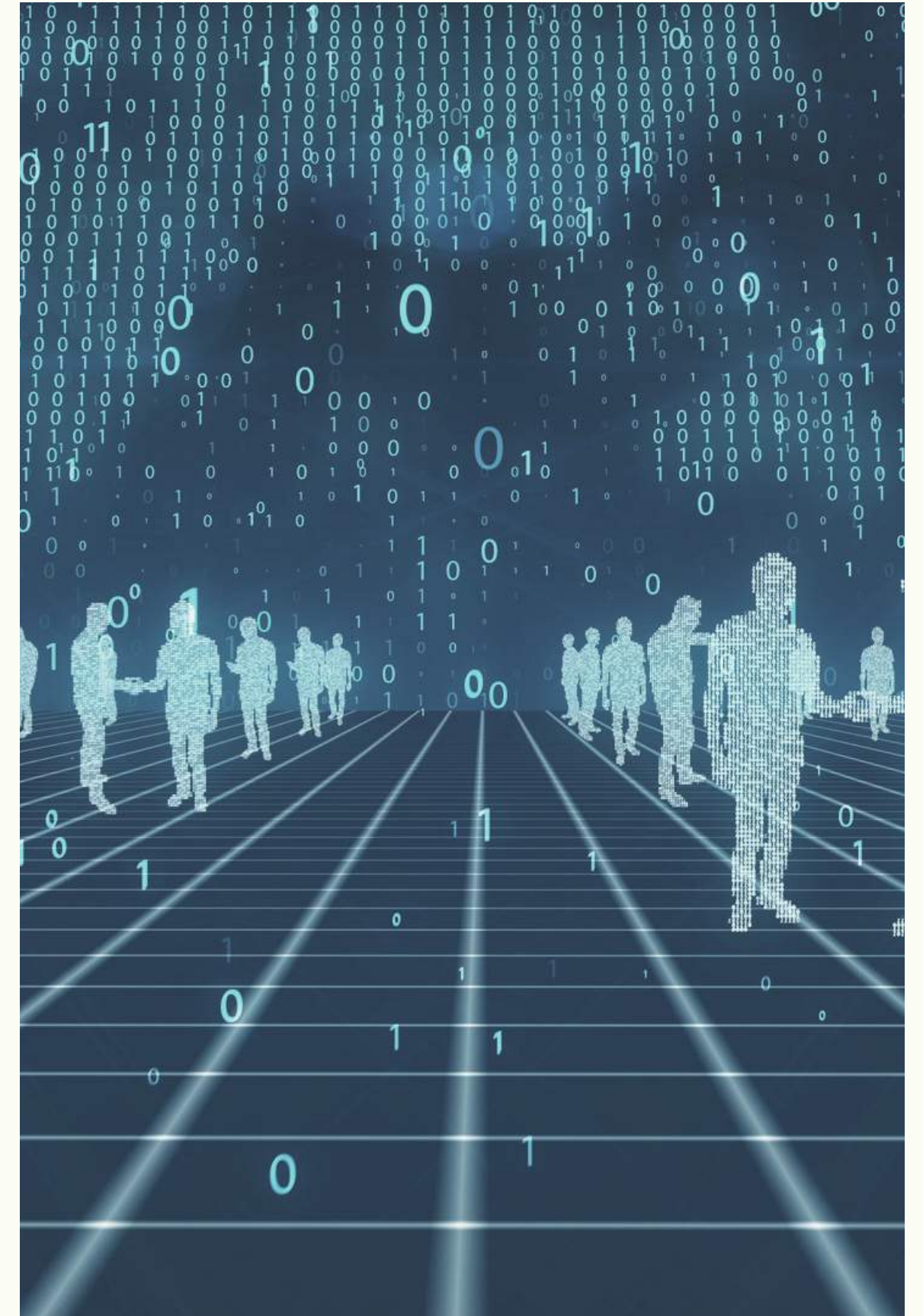
- Changes of this magnitude required planning of over 2-3 years, backed by strategy and execution.
- A collaborative business model shall emerge - with many systems-integrators, programmers, platform providers, and experts being engaged.
- Consolidation & standardization of technology platforms, with emphasis on cyber & data security.
- It is estimated that around 50% of the roles will undergo change, with advance specialization and multi-dimensional expertise required.
- Modernization & automation of warehousing and supply chain solutions will become imperative.
- The training budgets are on a rise, focusing on these competencies.



# INSIGHTS

## The future: learning from companies who have advanced in their adoption of Industry 4.0

- With heavy reliance on robotics, artificial intelligence & automation skill requirements will change drastically. It is expected that mid-level (supervisory/ managerial) roles will be impacted the most.
- The impact would be on working environments, processes will become interconnected and more complex - thus creating new team and organizational structures.
- The new work systems will require individuals to adapt to multi-dimensional work environments – electro-mechanical, programming and basic coding, advance data analytics, decision making etc.
- Leadership will focus on creation & communication of common vision, ability to collaborate, manage complex systems, design thinking, and adopt an employee focused approach.







# WHAT YOU CAN DO

## Learn & Adapt

Industry 4.0 is not merely a change in technology, it is a transformation of an organization – from strategy & business model to the way it relates to its customers & employees.

Based on similarities drawn from our study of companies who have made these changes successfully, and from our experts who research about how the industry landscape is changing, there are 5 things we think you can do.





**1. MANAGE CHANGE**

**2. CREATE A DIGITAL TWIN**

**3. FOCUS ON PEOPLE AND SKILLS**

**4. INVEST IN TRAINING**

**5. RESTRUCTURE TO IMPACT THE CULTURE**



# 1. MANAGE CHANGE

Evaluate & map your companies change readiness or digital maturity. Design a strategy that support the required change. Ensure company leadership is aligned, ready and willing to make the change.

# 2. CREATE A DIGITAL TWIN

Create a parallel organization - a "digital-twin", with a core team that replicates the process and allows the business to run as usual. It draws out insights from data at source for product & process innovations; provides a platform to evaluate the new structures, roles & tasks that need to be redesigned; and also gives inputs for the steering company on the potential pitfalls of implementation.

# 3. FOCUS ON PEOPLE AND SKILLS

Plan & prepare proactively for the organizational needs, by focusing on areas like job redesign, team & organizational restructuring, and technology deployments in recruitment and functional & behavioral assessments.

# 4. INVEST IN TRAINING

Invest in training & development to ensure talent is available at all times. On top of product, system and application training, focus is required on developing leaders for the future. Adoption of new technologies such as virtual reality, gamification, and artificial intelligence for situation simulations.

# 5. RESTRUCTURE TO IMPACT THE CULTURE

Restructure HR to focus on talent development, engagement, and retention of new-age employees and outsource all administrative roles.

# HOW WE CAN HELP

## Support from experts who understand

Maier+Vidorno's HR Consulting team finds solutions and creates successful and efficient organizational structures in India. M+V best practices originate from our wealth of practical experiences. We have managed hundreds of employees in India (both our employees and our customers' teams), and have consulted foreign companies doing business in India for many years. Our experts can identify HR-related risks in the organization.

We can help you work out if you have the right people, manage relationships, recruit, and support organizational restructuring. We can also help you benchmark yourselves against the industry, look at how to change and grow, manage your team's performance better through performance reviews, training and developing policies.



# TALK TO US

+91 124 412 1600

info@mv-india.com

[www.maiervidorno.com](http://www.maiervidorno.com)

