

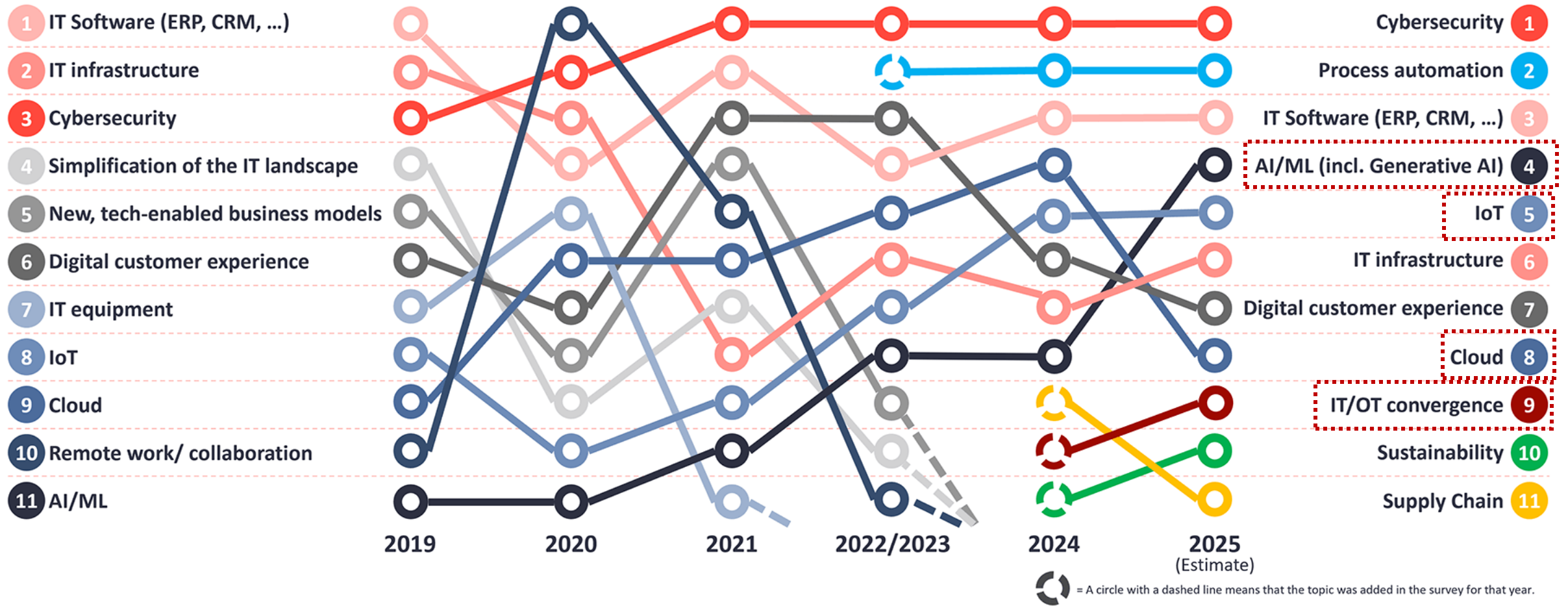


AI's Transformative Impact on **Industry** Leveraging Advanced Analytics, GenAI and IoT to Optimize Operations

Dr Bala Amavasai
CTO – Industry, Celebal Technologies
Internationales Forum Mechatronik, Cham, Germany
25-26th Sept 2024

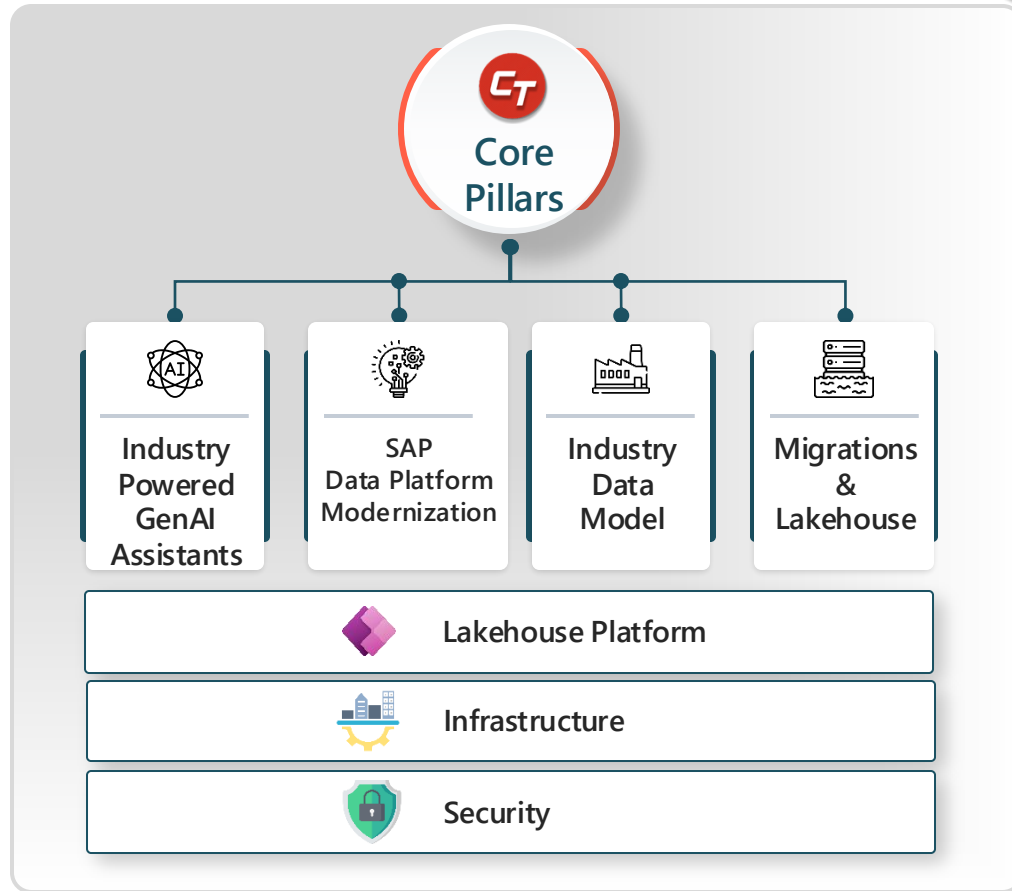
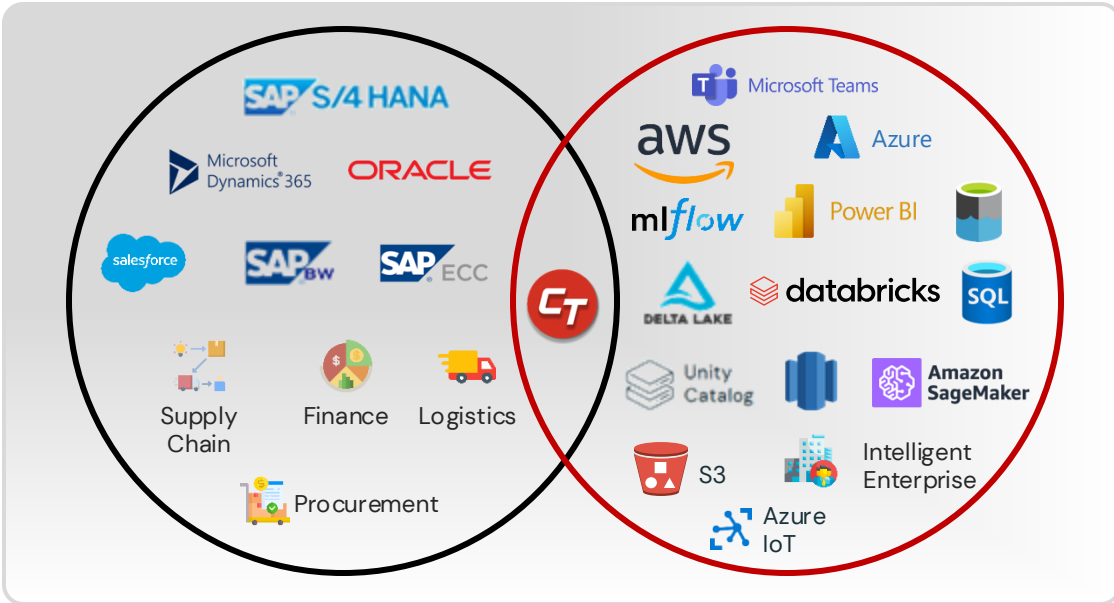


Shifting enterprise technology priorities 2019–2025



Note: Based on individual surveys between 2019 and 2024, each with n>100, targeting senior IT and digital decision makers in enterprises (with a focus on manufacturers and energy companies). Question asked: Please rank your organization's top 5 IT/Digital topics by priority in [respective year]
Source: IoT Analytics Research. We welcome republishing of images but ask for source citation with a link to the original post and company website.

Our Mission is to Propel Customers to Become Intelligent Enterprises



3000+
Employees

NORWEST
VENTURE PARTNERS

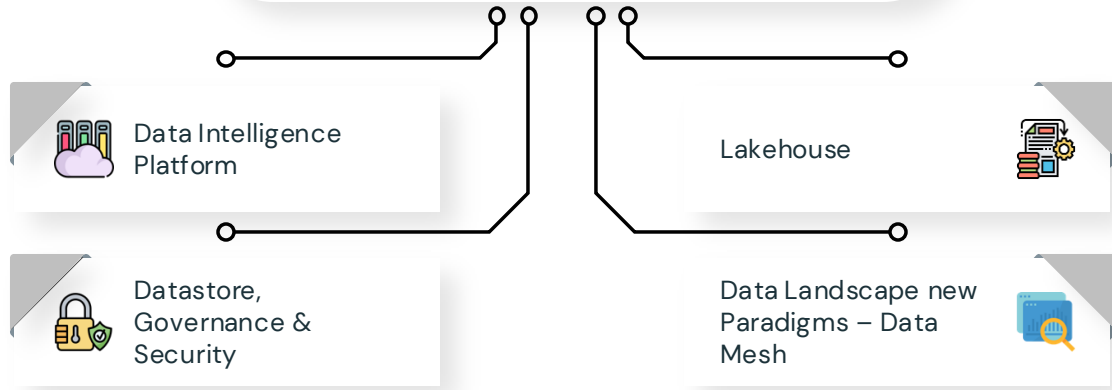
databricks Ventures
Partner Investment
September 2023

Locations USA | Europe | UAE | Canada | India | APJ | Australia

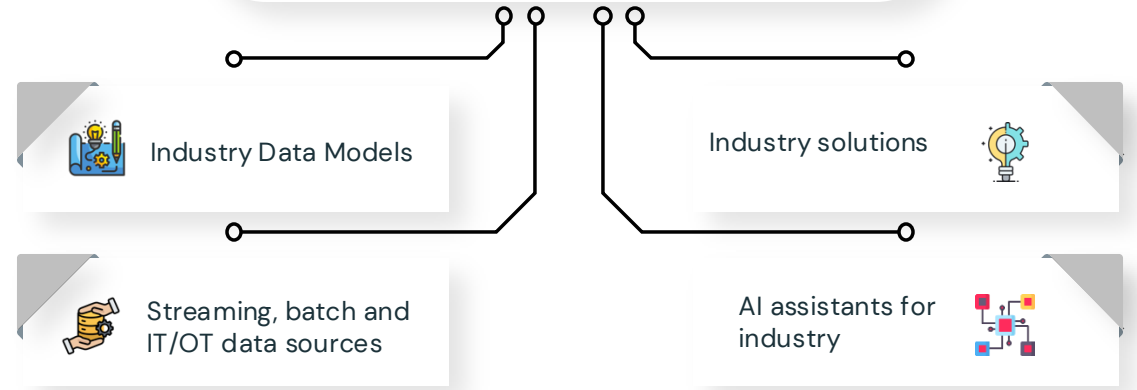
Partnerships

Core Competencies

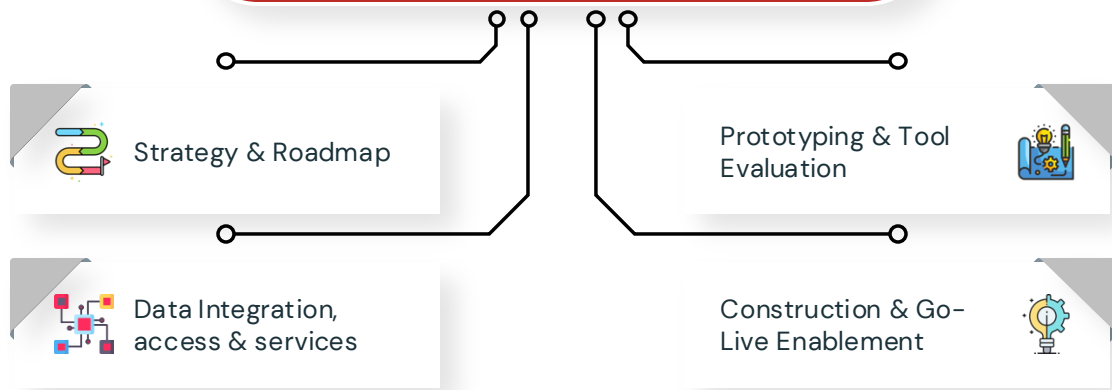
Enterprise Data Intelligence Platform



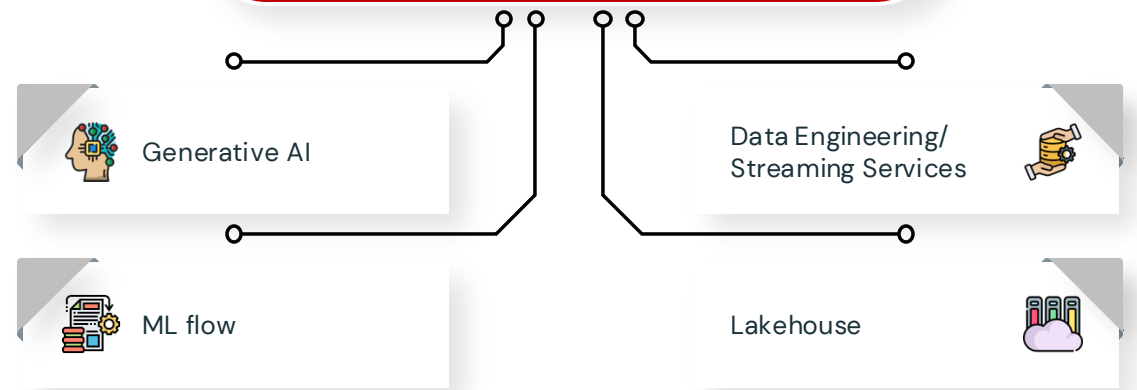
Industry Expertise

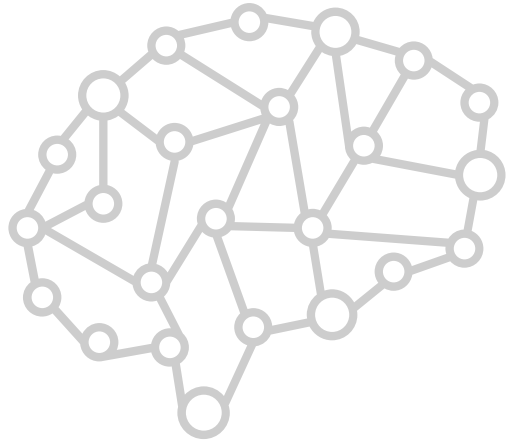


Large Scale Migrations



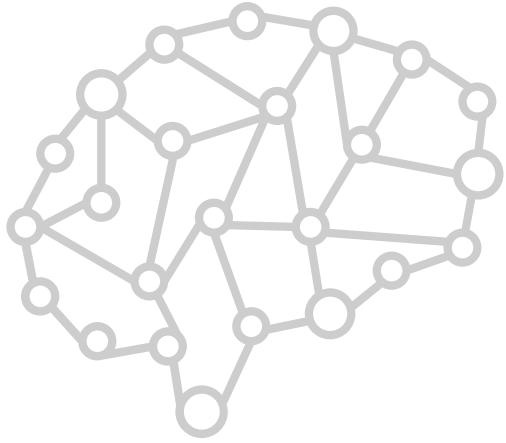
Scalable AI Team





data is the new oil
- Clive Humby



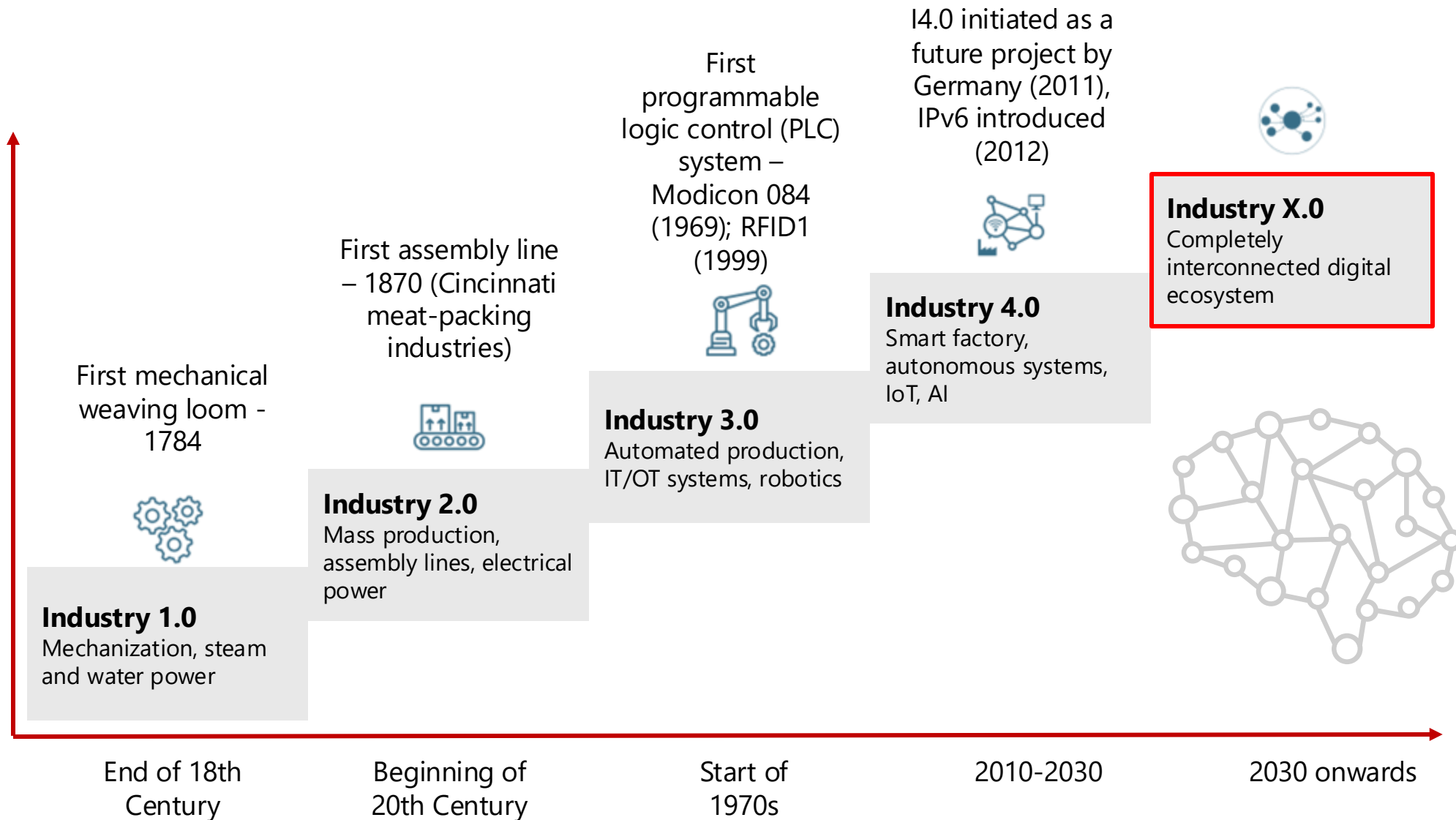


If **data** is the new oil, then **artificial intelligence** is the engine that powers the **modern industry...**

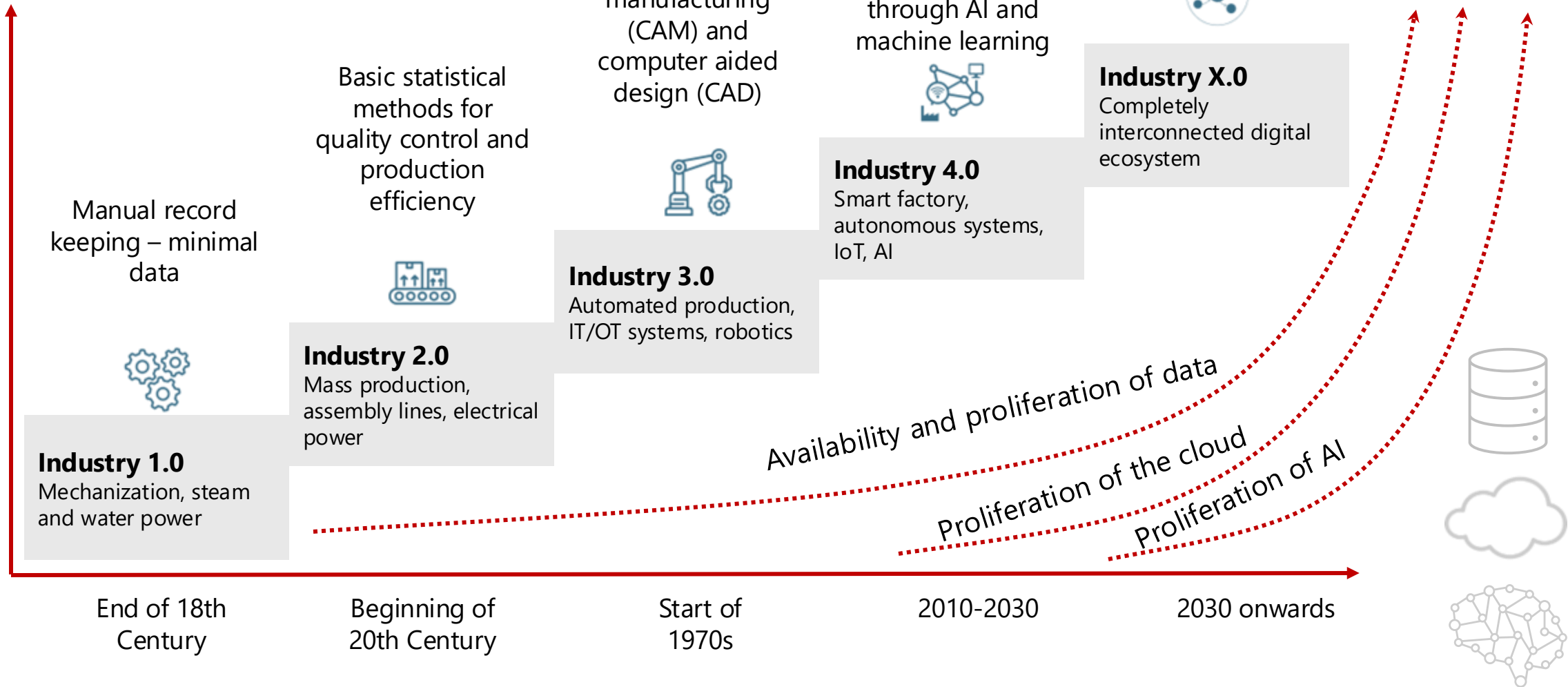
So the **winner** in every industry will be the **data and AI companies**



The Journey Towards Industry 4.0 and Beyond

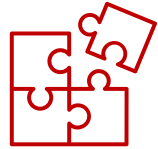


The Data Journey towards Industry 4.0 and beyond



Industry X.0 – The Digital Reinvention of Industries

1010
1010



Advanced Technologies

Utilizes AI, IoT, 5G, Robotics, and Digital Twins to transform products, services, and operations

Business Model Innovation

Reimagines business models for new value creation and hyper-personalized customer experiences.

Connectivity

Integrates machines, people, and processes for data-driven decision-making and real-time optimization

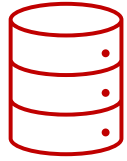
Intelligent Products

Embeds intelligence for smarter, adaptable products and services.

Efficiency and Growth

Accelerates efficiency, growth, and innovation across the value chain.

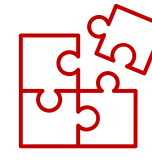
Key challenges towards Industry X.0 acceleration



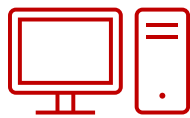
**Massive siloed
data volumes**



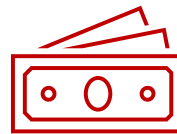
**Real-time
processing**



**Talent
gap**



**Legacy
systems**

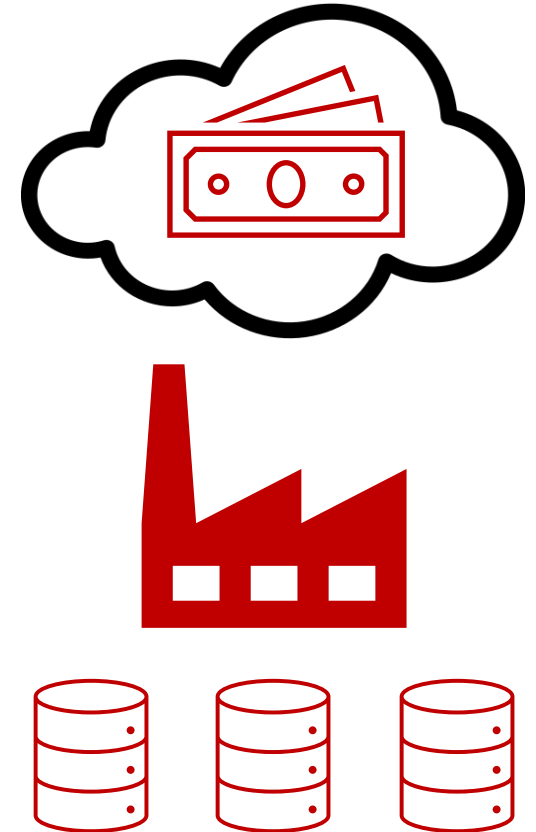


**Cost of
implementation**

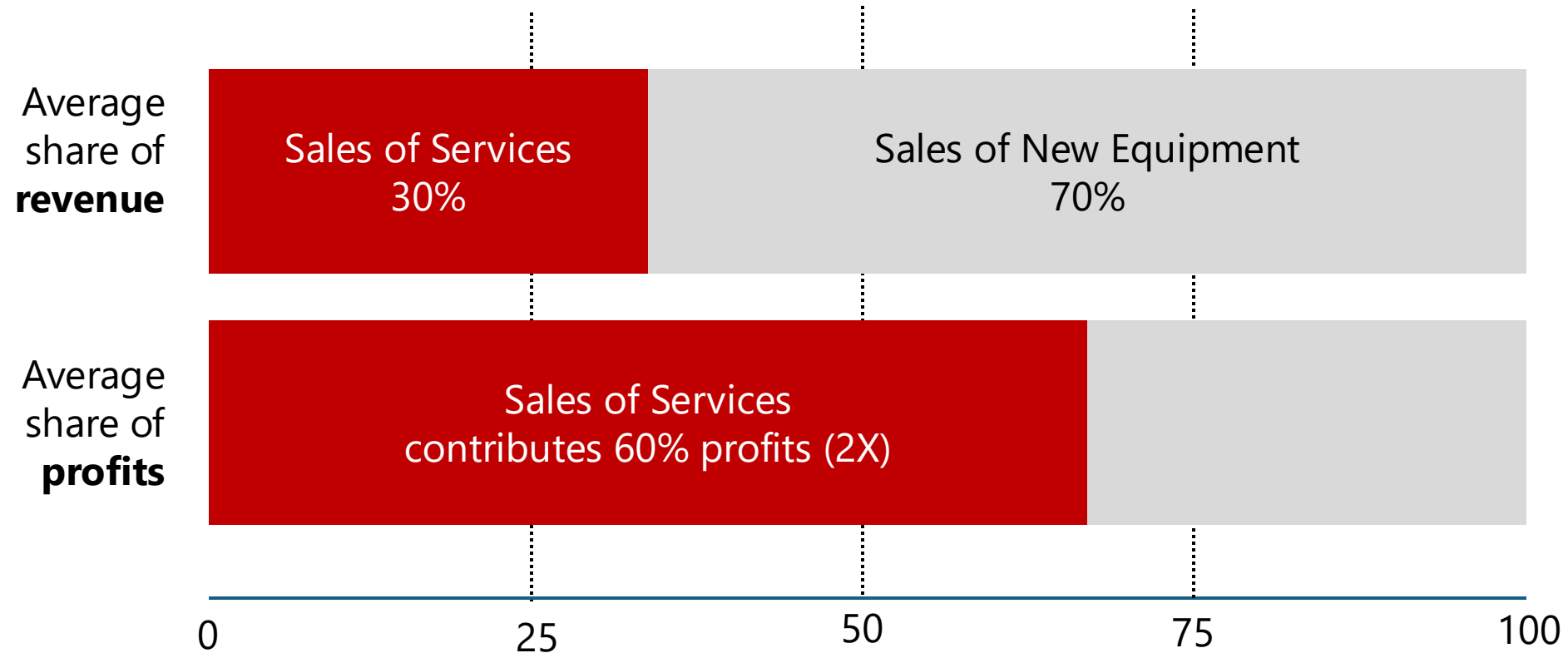
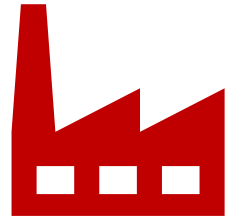


**Change
management**

- Average **manufacturing costs** is ~40% of the product price
 - Cost depends on high value (higher margins) vs high quantity (lower margins) manufacturing
 - Includes costs of materials, labour and overhead
- **Production costs** include fixed costs (rents, advertising, business equipment etc.)
 - **Operating margins** in manufacturing are typically 5% (low), 10% (average), and 20% (high -target)
- **Labour costs** are significant in Manufacturing
 - Eliminate overscheduling, adopt automation technology, lean and optimised production
- To remain competitive
 - **Lower cost, increase quality, reduce product development cycle time**



Remaining competitive – the Rise of New Business Models



Bain services benchmarking study, 2020

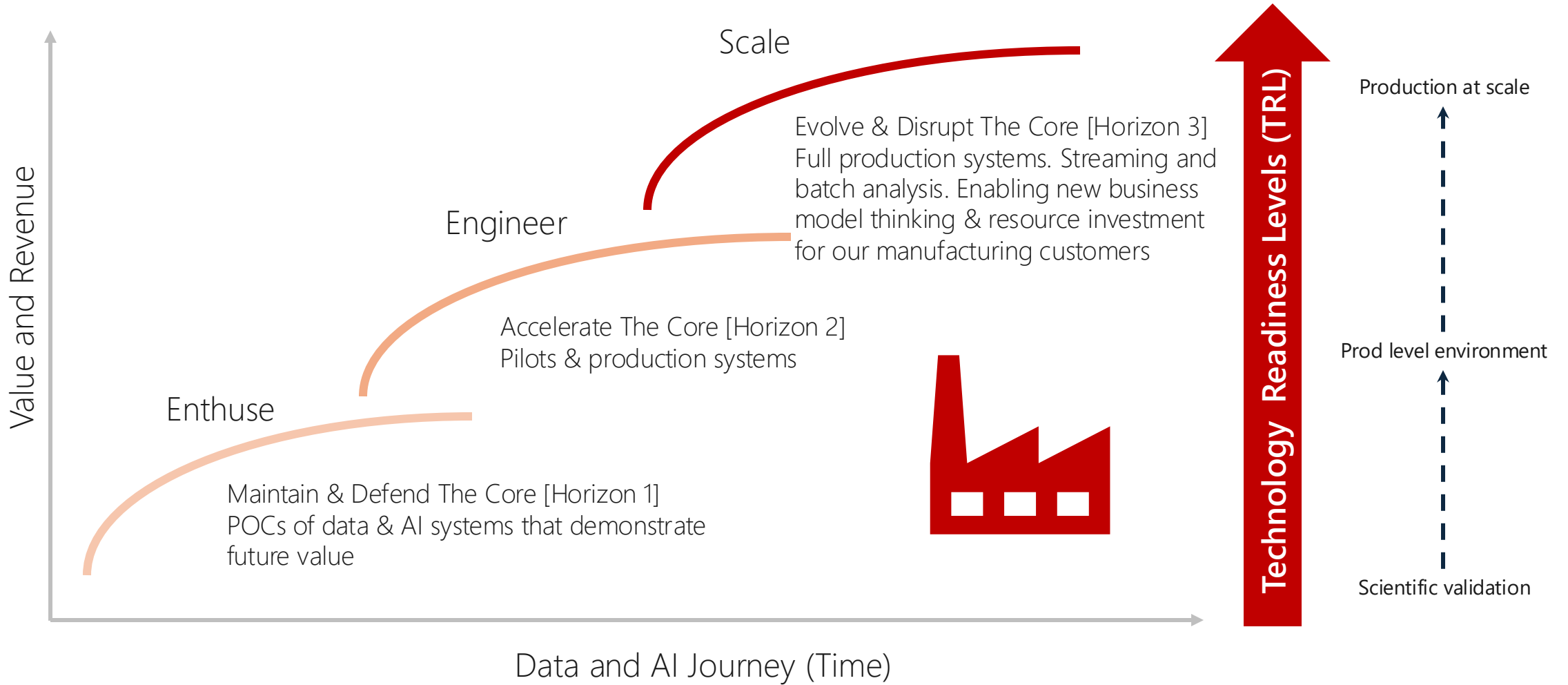
Sales of Services
contributes 60% profits (2X)

- Personalised product recommendation
- Remote monitoring and support
- AI-powered predictive maintenance
- Automated QC/QA
- Optimised energy management
- Supply chain optimisation
- GenAI based field engineering support
- Generative design

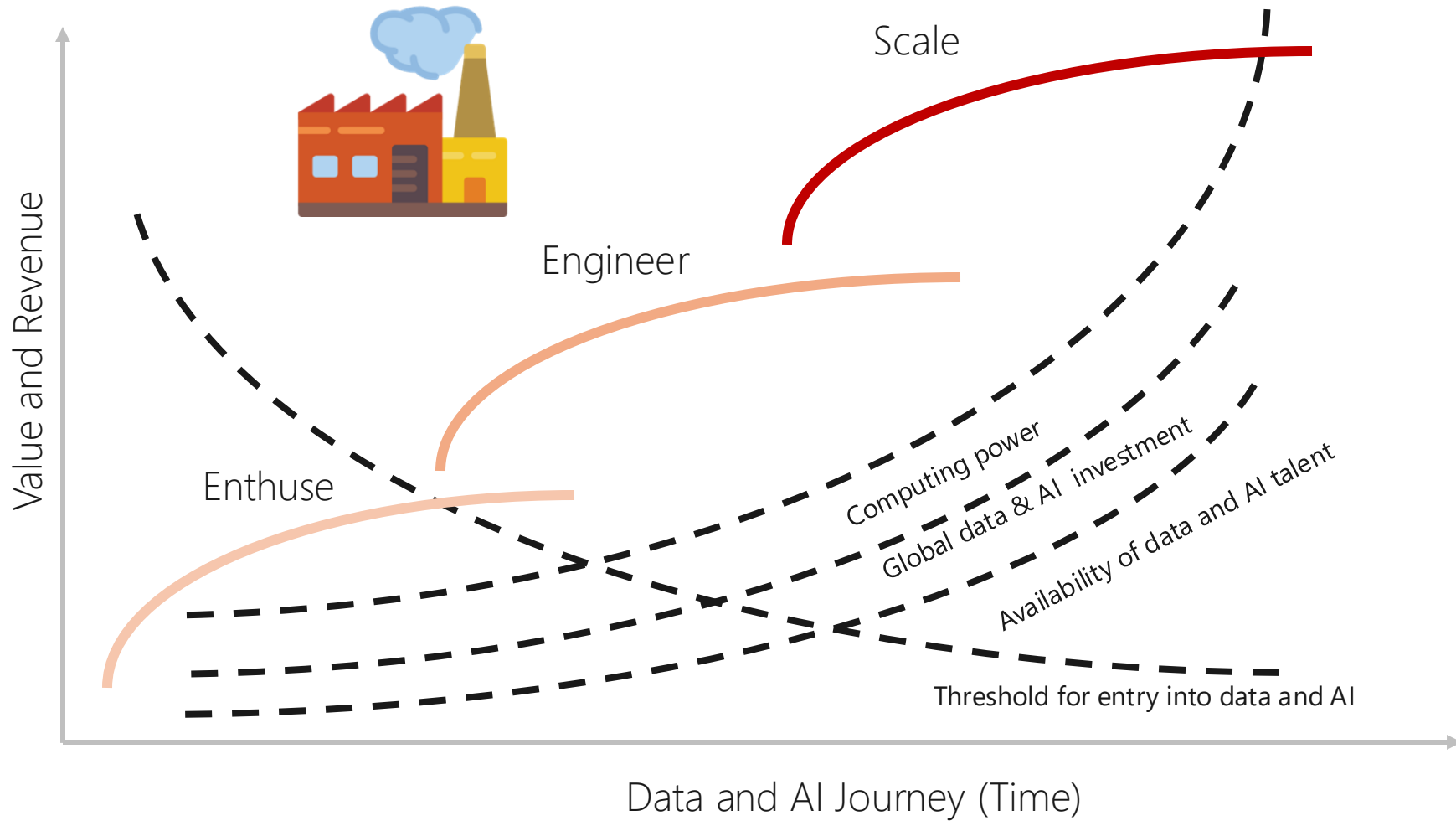


Data and AI-driven

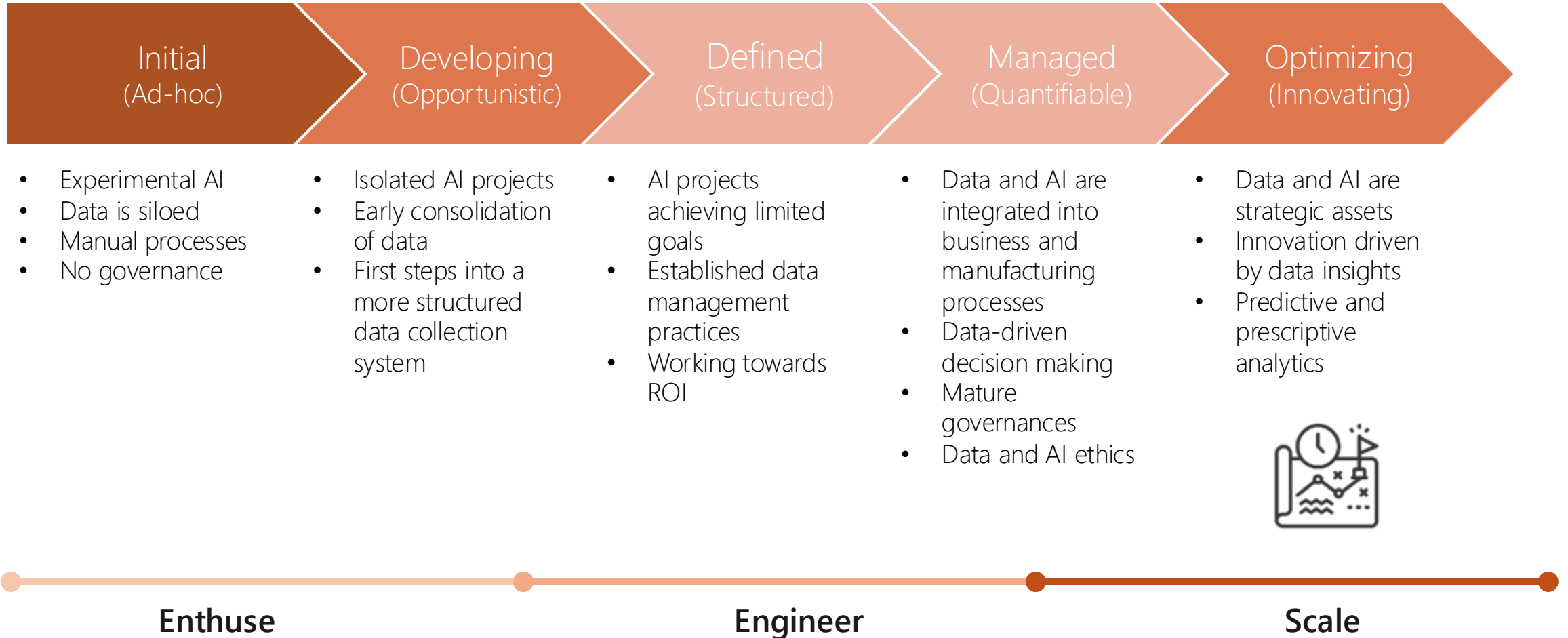
From NPD to Production



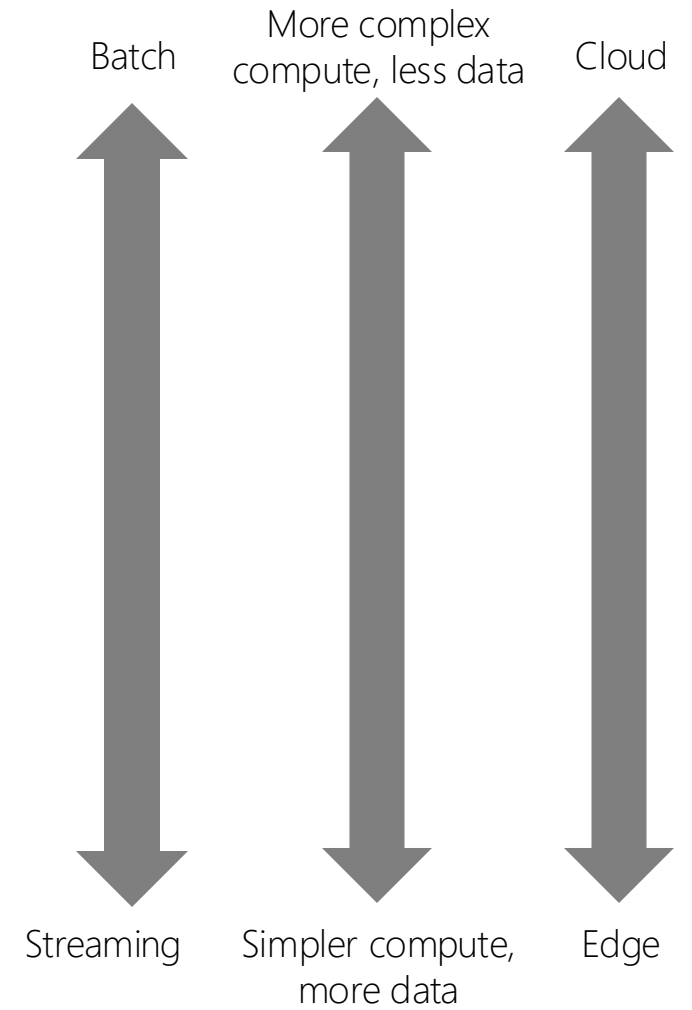
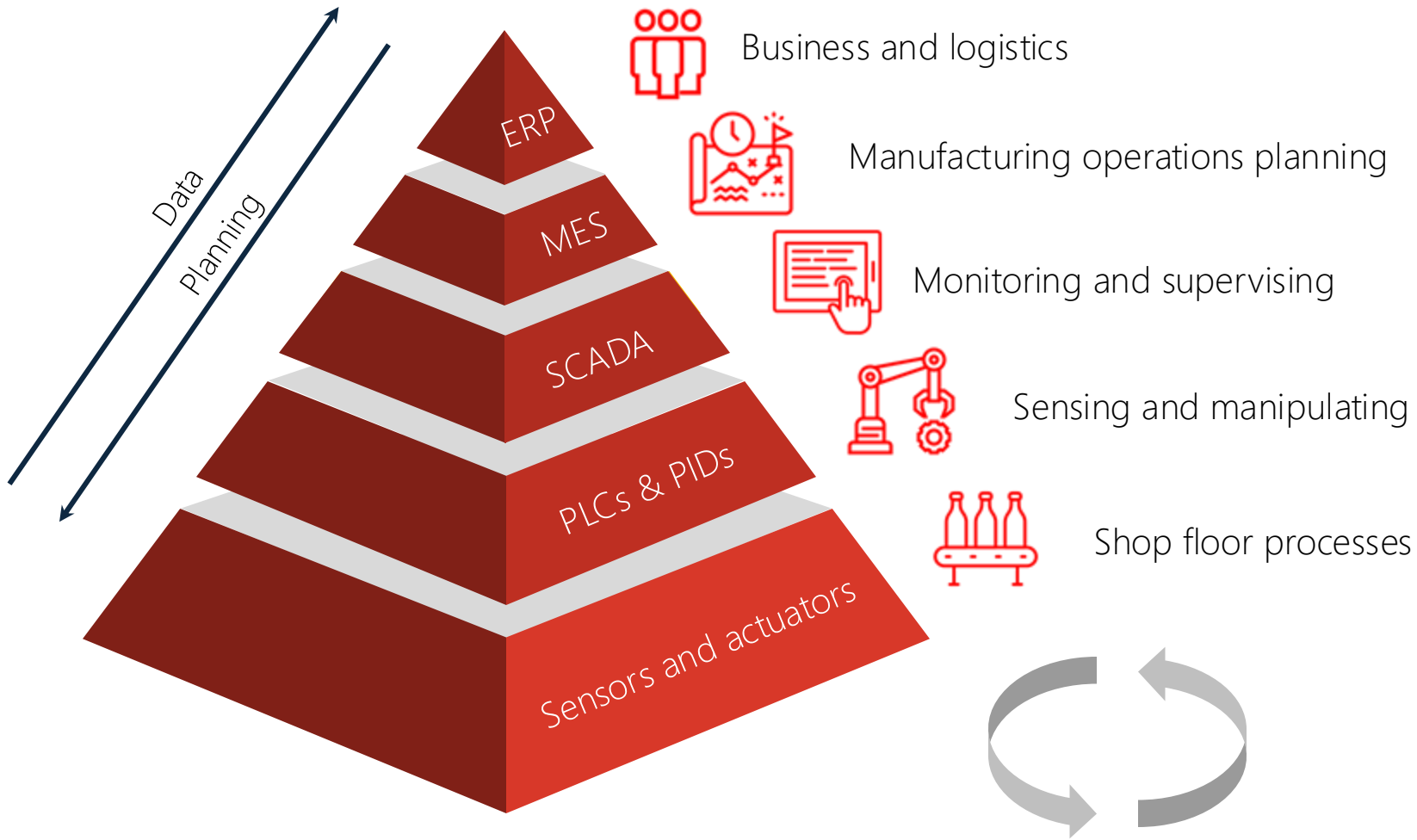
From NPD to Production

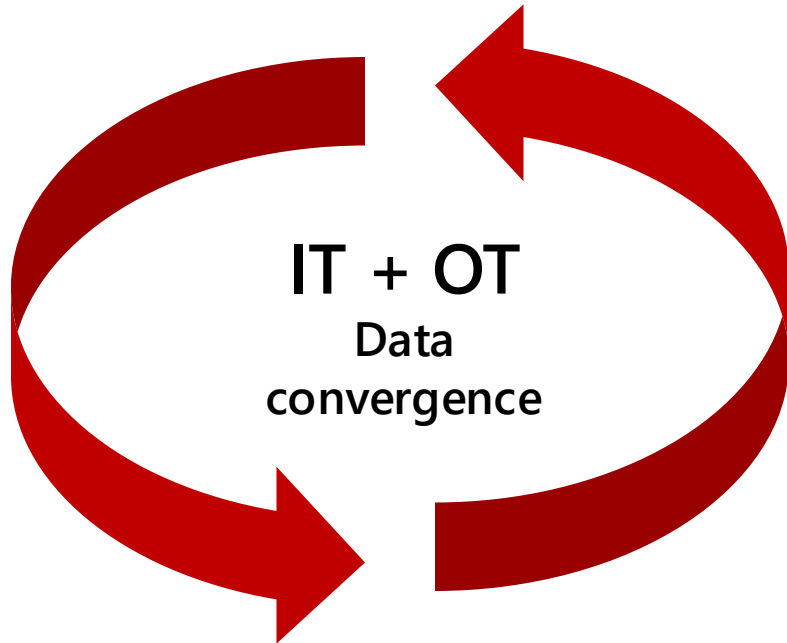


The Data and AI Transformation Journey



The Data and AI Transformation Journey

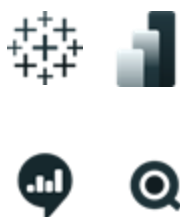




Data from ERP, MES, SCADA,
PLCs & Sensors



**Monitoring
and Analytics**



**Data
Products**



Data democratization unlocks business value

Asset & Operations Optimization

- Predictive Maintenance with Logistics
- Production Line Optimization
- Overall Equipment Effectiveness
- Digital Twin

Production Control

- Yield Optimization
- Automated Quality Control
- Automated Visual Inspection
- Process Control

Supply Chain & Inventory Management

- Inventory Planning & Optimization
- Material Tracking
- Part Forecasting
- Supply Chain Visibility

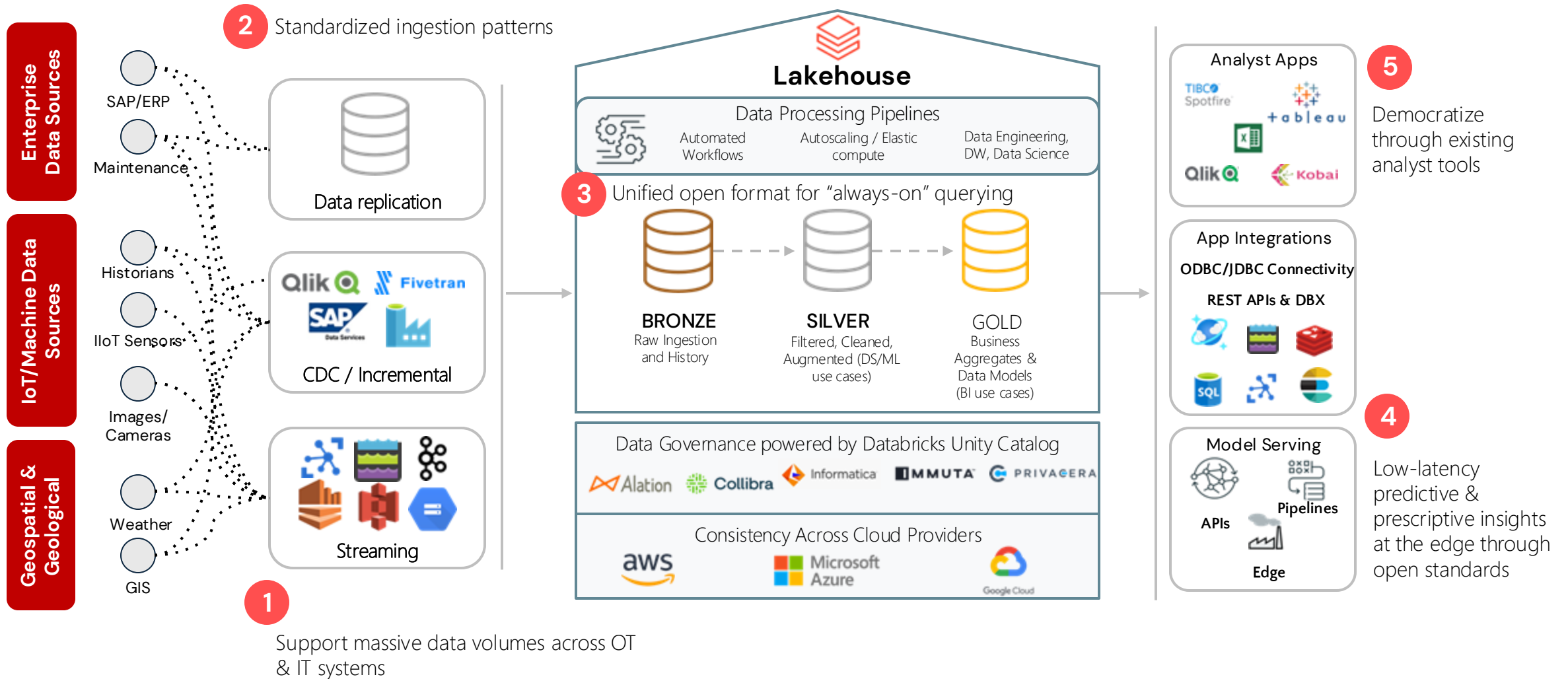
Demand Planning

- Demand Forecasting
- Demand Sensing
- Inventory Optimization

Finance

- Reporting: P&L, Profitability, Balance Sheet
- Forecasting: Revenue, Cashflow

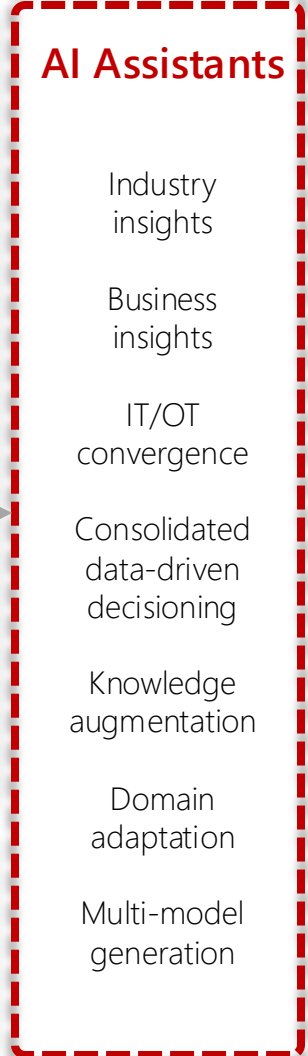
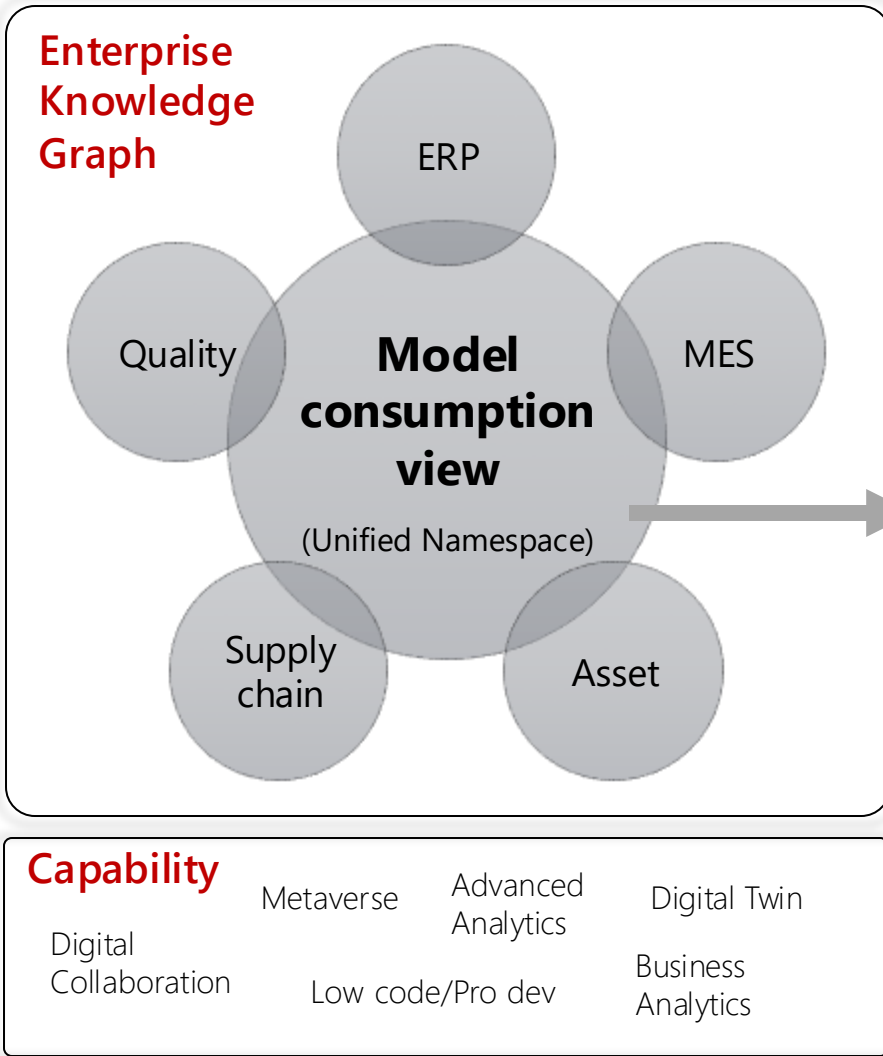
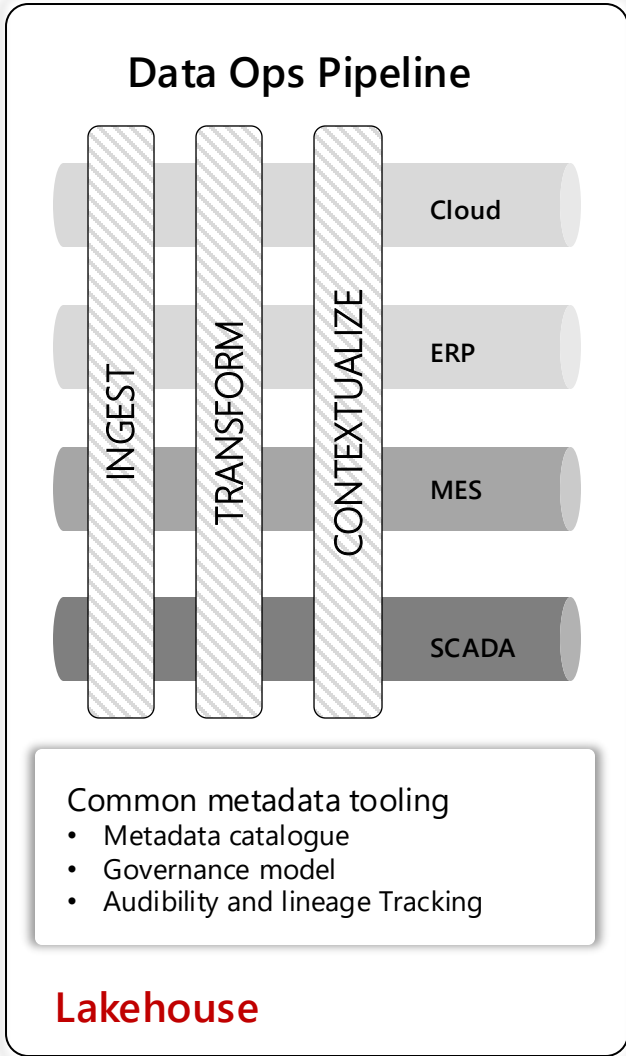
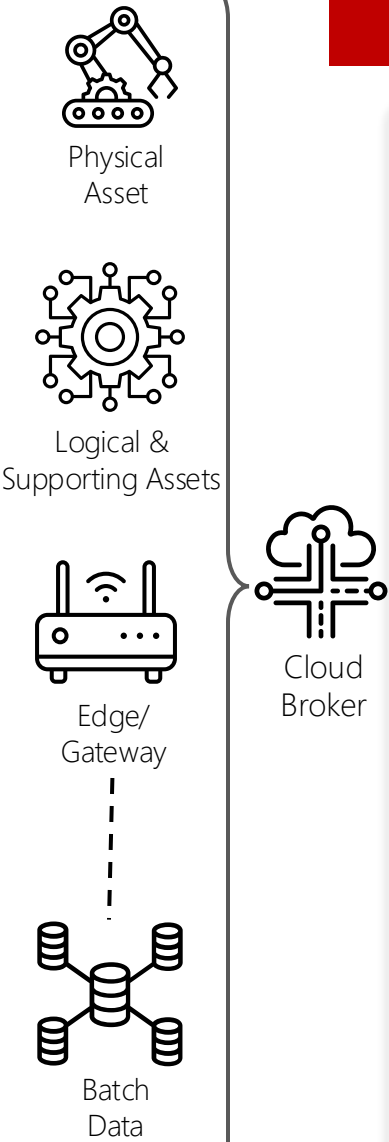
The Rise of Modern Architectures - The Lakehouse



Celebal's Vision – Simplifying I4.0 Insights through GenAI and AI Assistants



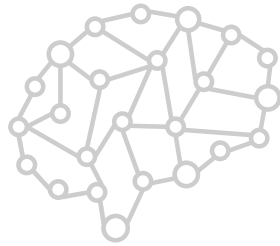
Reimagining the industry with the alchemy of GenAI: creating a more sustainable and innovative future.



Use Cases



The Rise of GenAI and LLMs



Effort / Cost

< \$20

Shared Models

Use public models and prompt engineer these models to produce the desired outcome

< \$100

Reuse Models

Use an off-the-shelf foundation model that can retrieve knowledge from a vector database

< \$2,000

Adapt models

Augment the knowledge in your models by fine-tuning it and/or teach it to perform specific tasks

> \$100,000

Train models

Create custom models that are able to solve complex problems in your domain

Benefits / Customization



Generative AI: Areas with most Impact

OPERATIONS AND MANUFACTURING

- Remote Worker Assistance
- Production Planning Co-Pilot
- KPI Bot for Executive Governance

R&D

- Market and Competitive Analysis
- Research Archive Summarization
- Entity Compound Relation Extraction
- Simulation and Testing

IT

- IT Inventory management
- IT Helpdesk Automation

MARKETING

- Automatic Marketing Emails
- News and Trends - Mining the web content for latest news and trends.
- Marketing Content Generation

QUALITY ASSURANCE AND TESTING

- Quality Control Automation
- Root Cause Analysis

FINANCE

- Financial ERP Co-Pilot
- Investor Relations Co-pilot
- Financial alert assistant for deadlines, compliance breach etc.

- Demand Sensing
- Procurement Co-Pilot
- Inventory Management Assistant

SUPPLY CHAIN AND LOGISTICS

SALES

- Contact Centre Analytics
- Field Sales Assistant
- Scheme Recommendation Engine

- Compliance Training
- Consumer Complaint Analysis
- Audit Support
- Regulation Content Versioning

REGULATORY COMPLIANCE

LEGAL AND COMPLIANCE

- Legal document generator
- Document search
- Document summarisation
- Summarise audio transcripts

SUSTAINABILITY AND ENVIRONMENTAL INITIATIVES

- Carbon Footprint Analysis
- Energy Optimization
- Supply Chain Sustainability
- Social Reporting

HR

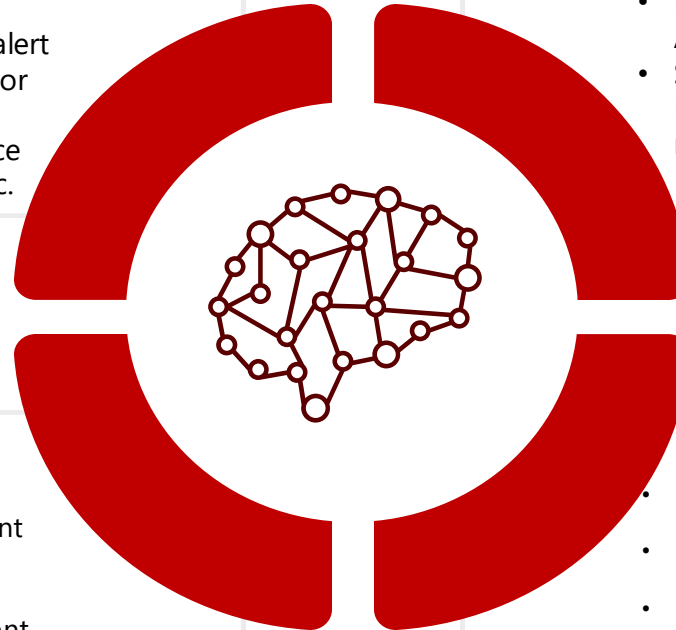
- Employee Onboarding Copilot
- Talent Acquisition Copilot
- Employee Engagement and Feedback

TRAINING AND DEVELOPMENT

- Personalized Training
- Skill Assessment and Gap Analysis
- Chatbots for On-Demand Support

PUBLIC RELATIONS

- Media Monitoring and Analysis
- Media Outreach Recommendations
- Content Creation



GenAI: Multilingual Knowledge Extraction for Digital Twins

Background

The second largest Japanese power generation company, wished to build a knowledge extraction tool to allow for easy access to the relevant information regarding for maintenance, troubleshooting and education knowledge about power plants

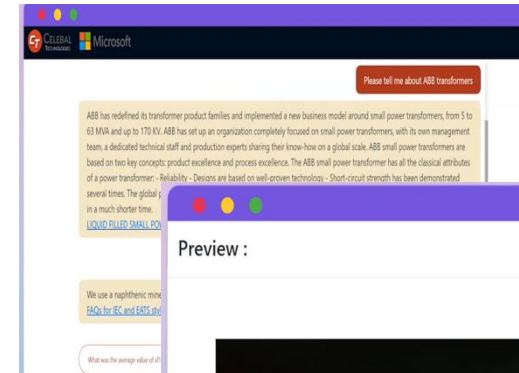
Value Delivered

50%
Reduction in time to gather information

50%
Reduced unplanned downtime, resulting in cost savings

97%
Accuracy in text extraction & translation to provide support for Japanese & English

85%
Accuracy in answers generated for nested, conditional, multi-documents follow up or simple queries



Response to specific queries

Knowledge extraction from document

Tabular Data

Unit No.	Output (MW)	Fuel	COD	Power generation type
Unit 1	600	LNG	December 1967	Steam
Unit 2	600		November 1969	
Unit 3	600		June 1971	
Unit 4	600	LNG and LPG	September 1972	
Unit 5	600		April 1977	
Unit 6	600		October 1979	

Single Document Q&A

? : What is the output of unit 4?

A : 600

Text Summarization

The **Aogasaki** Thermal Power Station generates electricity and supplies city gas. The white smoke seen on cool days is steam generated during fuel combustion. Skilled operators work in three central control rooms.

Multi-Documen Q&A



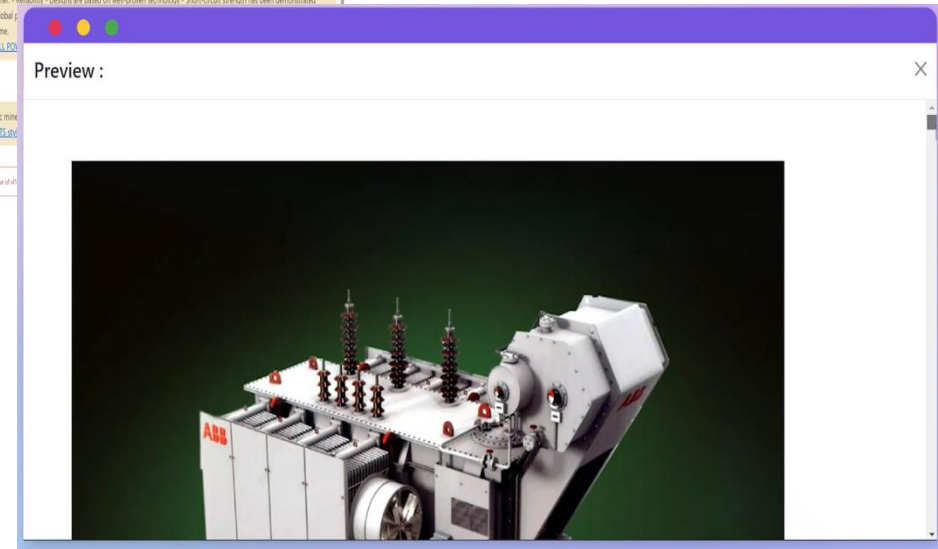
Response to general queries

What is the distance of earth from moon?

The average distance between Earth and the Moon is about 238,855 miles (384,400 kilometers).



Type here

English



Using GenAI to translate "Ancient Code"

CT Transpiler Pricing Contact Login

 ABAP  PySpark

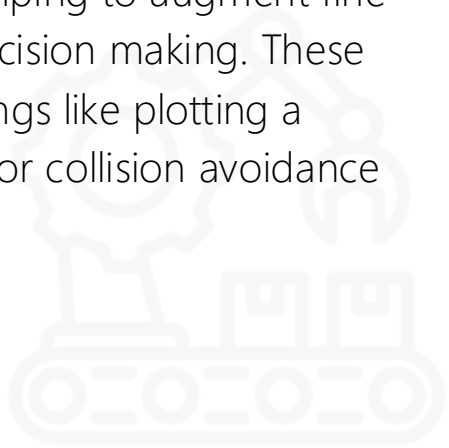
```
1 DATA : lv_field TYPE ebeln.
2 DATA : lv_field1 TYPE ebelp.
3 TYPES : BEGIN OF ty_ekko,
4         ebeln TYPE ebeln,
5         bukrs TYPE bukrs,
6         bstyp TYPE ebstyp,
7         bsart TYPE esart,
8         bsakz TYPE bsakz,
9         loekz TYPE eloek,
10        statu TYPE estak,
11        aedat TYPE erdat,
12    END OF ty_ekko,
13
14    BEGIN OF ty_ekpo,
15        ebeln TYPE ebeln,
16        ebelp TYPE ebelp.
```

```
1 from pyspark.sql import SparkSession
2 from pyspark.sql.functions import col
3
4 spark = SparkSession.builder.master("local").appName("ABAP to Pys
5
6 # Read data from source (assuming data is in parquet format, chan
7 ekko_df = spark.read.parquet("path/to/ekko_data")
8 ekpo_df = spark.read.parquet("path/to/ekpo_data")
9
10 # Filter based on user input (replace 'input_ebeln' with the actu
11 input_ebeln = ['value1', 'value2']
12 filtered_ekko_df = ekko_df.filter(col("ebeln").isin(input_ebeln))
13
14 # Join ekko and ekpo dataframes
15 joined_df = filtered_ekko_df.join(ekpo_df, "ebeln", "inner") \
16     .select("ebeln", "ebelp", "loekz", "statu", "aedat", "txz01",
```

Convert

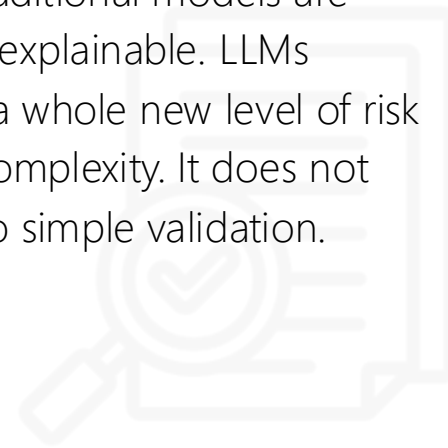
Manufacturing is physical

Challenges remain on how well training data for LLMs can best represent the physical world. While LLMs are good at taking a macro view of the training data, it is less good at helping to augment fine grained decision making. These include things like plotting a trajectory for collision avoidance etc.



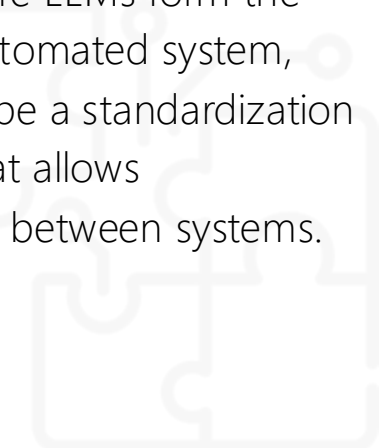
Decision validation and verification requirement

Safety is perhaps the most important KPI for manufacturing. . Automated decision-making is not new to manufacturing and can lead to a reduction in risk and errors. However traditional models are simple and explainable. LLMs introduces a whole new level of risk due to its complexity. It does not lend itself to simple validation.



Integration with existing workforce and processes

The existing workforce needs to be reskilled to work with LLMs. This includes the need for training in “prompt engineering” and to make overriding decisions when necessary. Where LLMs form the “brain” of an automated system, there needs to be a standardization of interfaces that allows communication between systems.



Work model: how to create a sustainable operating model that responsibly applies AI and automation?

Talent model: how to develop a pipeline of talent that is progressive for your manufacturing organization?

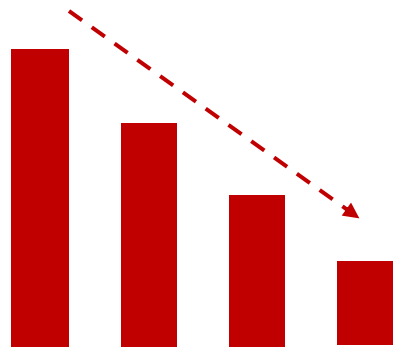
Future skills: how to continuously upskill and reskill the workforce?

Change management: how to develop a culture of perpetual reinvention within your manufacturing organization?

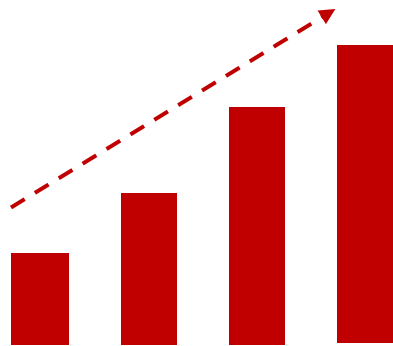


On **technological unemployment**: “this means unemployment due to our discovery of means of **economising the use of labour** outrunning the pace at which we can find new uses for labour.”

– John Maynard Keynes , 1933



“The core mistake that automation-kills-jobs doomers keep making is called the **Lump Of Labour Fallacy** [David Schloss, 1891]. This fallacy is the incorrect notion that there is a fixed amount of labour to be done in the economy at any given time, and either machines do it or people do it – and if machines do it, there will be no work for people to do.”



– Marc Andreessen, “Why AI Will Save the World”, 6 June 2023

Thank You



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