



Framework: Activating the Automotive Frontline

Realizing ROI from your digital transformation journey by digitizing the automotive frontline, centralizing data, capturing ideas and empowering the people.



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To the Embattled Auto Industry: Look for Solutions Within.



Errette Dunn
CEO at Rever

The auto industry is under siege.

To the North:

Shared driving services like Uber and Lyft are already slowing the demand for cars by challenging the very concept of ownership.

To the South:

The shift to electric and autonomous vehicles is forcing a radical retooling and shake-up of the supply chain, putting the existence of many drivetrain component builders at risk.

To the West:

Tighter regulations on safety, emissions, and global trade are increasing operating costs and eating away margins.

To the East:

The rise of automotive manufacturing hubs in high-growth economies brings new global low-cost competitors.



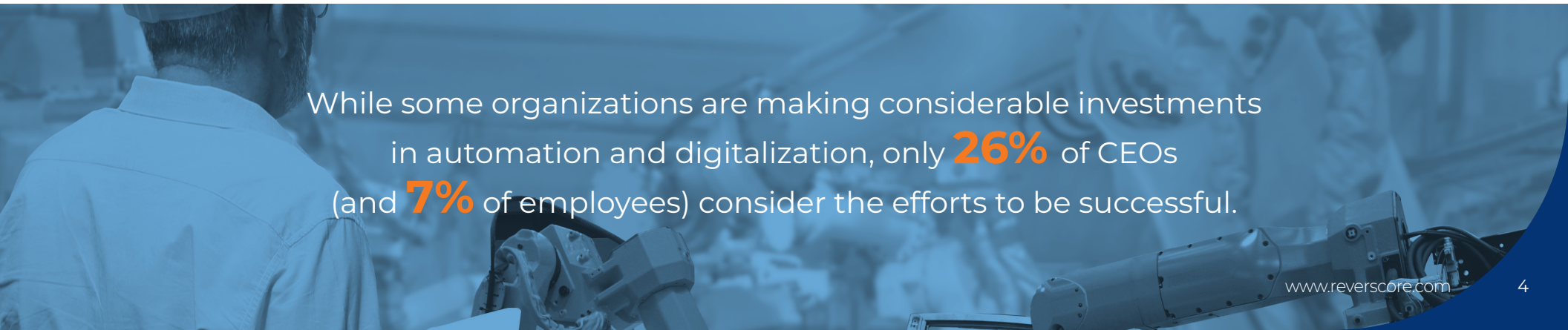


To the Embattled Auto Industry: Look for Solutions Within.

While there is a clear understanding of the seriousness of the problem among OEMs and Tier1 suppliers, few are embracing the power of digital transformation as a solution. While some organizations are making considerable investments in automation and digitalization, only 26% of CEOs (and 7% of employees) consider the efforts to be successful.

Auto executives face a big challenge. They must drive lasting transformation, with the required long-term investments, while also reducing costs; focus on long-term innovation while caring for the safety of your workers, keeping costs under control, and keeping an eye on overall equipment effectiveness (OEE) and other performance metrics.

Yes, the auto industry is under siege. But the solution lies within its walls. Existing technologies such as mobile, machine learning and analytics can power digital transformation. Instead of using it as a way to obtain the same results but with fewer people, technology can be used to improve the capacity of frontline employees.



While some organizations are making considerable investments in automation and digitalization, only **26%** of CEOs (and **7%** of employees) consider the efforts to be successful.



To the Embattled Auto Industry: Look for Solutions Within.



1. Engage the Frontline

Frontline employees make up more than 80% of the workforce, yet they are an untapped and underutilized creative resource. They are the ones who are closest to products, processes, and customers. They already know the answer to many of your chronic problems. It's possible to engage and align thousands of employees to collaborate and solve problems with the technology in their pockets.



2. Use Smartphones and Tablets

Most frontline workers already have a supercomputer in their pocket, connected to the most extensive knowledge source: the internet. Savvy companies have changed their internal policies so that employees can be trusted to use their own or company-provided mobile devices safely.



3. Build a Frontline Network

Most automotive companies already practice Lean Manufacturing and Continuous Improvement yet many struggle to promote participation and to execute high-quality ideas. Workers who are connected via mobile devices can easily form cross-functional teams to solve problems. They can share successful solutions and lessons learned. This way, teams learn from one another and each employee is a valuable node on the network.



To the Embattled Auto Industry: Look for Solutions Within.



4. Don't Flush the Data Down the Drain

Most companies are generating a ton of data that can be made actionable through machine learning algorithms that valuable reveal insights. Data is the fuel that can turbo-charge proven methods like Continuous Improvement within “lean” organizations. Quickly assessing and experimenting with data-driven ideas can help teams move faster and compete more efficiently.



5. Align the Organization

There's creativity in your workforce. They have the tools to collaborate and share ideas, access to massive computing power, and can derive smart and actionable insights from data. Today's automotive companies already have all the required ingredients to re-humanize the workforce, tap into their collective intelligence, and to form a frontline network for collaboration and improvement. We believe that empowering the frontline can fundamentally improve the performance of the business.

Your business lives or dies at the frontline. Your frontline employees already know the answer to most of your problems.

Today, there is no excuse to leave their creativity untapped. The frontline is waiting!

Executive Summary

After spending countless hours with hundreds of automotive companies, it became clear that the demands of Industry 4.0, evolution of the frontline, and accessibility of technology has created a unique challenge – and opportunity. While the automotive industry has been among the first to embrace transformation and continuous improvement, today's Industry 4.0 revolution is happening at an unprecedented speed and breadth. All parts of the organization are impacted. It is therefore imperative that all employees be involved in this revolution, especially those on the frontline.

Mobilizing and digitizing the automotive frontline is a journey. Leveraging existing lean manufacturing techniques is an essential foundation of the journey. We believe that digitization and further enablement of the frontline is an essential component of the Industry 4.0 revolution, and can bring immediate performance improvements.

[This ebook explores how to gain the greatest benefits from your Industry 4.0 journey in the automotive industry.](#)

- Why Industry 4.0 transformation is beneficial to automotive manufacturers
- The untapped value of frontline innovation
- An action plan to accelerate your own journey
- Effects of Industry 4.0 on the organization and how to build a culture of success

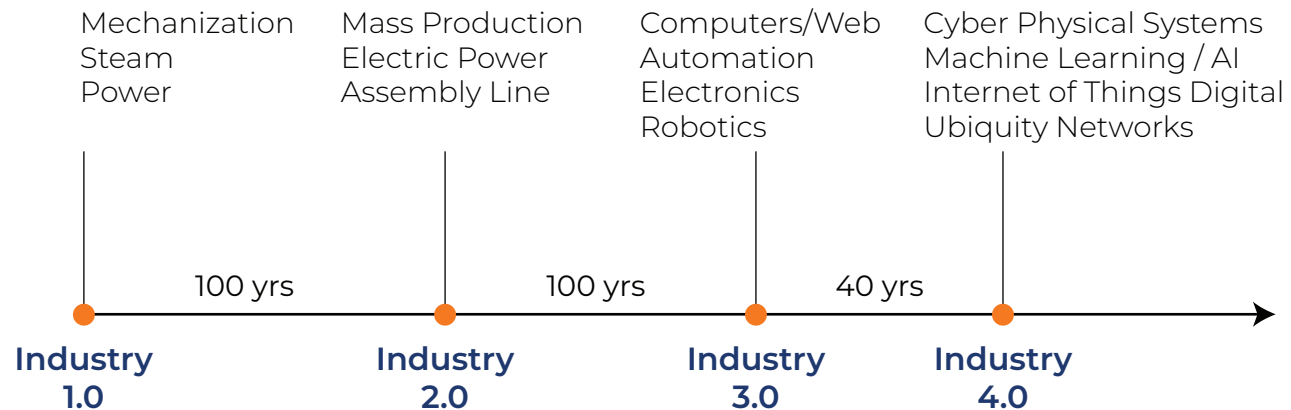
Section I: Inside an Industrial Revolution

The Automotive Industry Is in the Middle of Another Industrial Revolution – Industry 4.0

As the automotive industry moves through this fourth industrial revolution, is not only broader, but also moving at higher velocity than the previous revolutions. Embracing the change is not enough this time, companies must actively drive a transformation within their organizations to stay competitive. Today, frontline workers are connected. Industrial operations are managed by a network of connected sensors, and machine learning and AI are providing data that is making every decision easier.

The stakes have never been higher for companies to act decisively with initiatives that reach across their organizations.

Companies that drive change will enjoy a tremendous advantage. The fast followers will be able to make up ground, eventually. The rest will disappear.



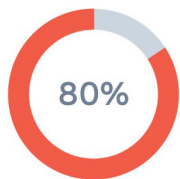
52% of the **Fortune 500 companies** have disappeared in the past **15 years**.

1

Section I: Inside an Industrial Revolution

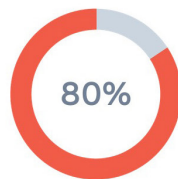
Automotive Manufacturers Are Optimistic About Their Transformation to Industry 4.0

As more companies embrace digital transformation (or Industry 4.0) initiatives, most are feeling more and more optimistic about the value of these initiatives.



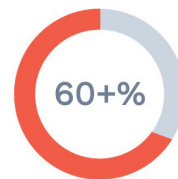
Innovation ideas
come from the
Frontline

***Empower
the Frontline***



Workforce is
managed by
Frontline Mgrs

***Create a
Frontline Network***



Industry 4.0 projects
lacking ROI -
Frontline can help

***Engage Frontline
in Industry 4.0***

While optimistic, digital transformation is a challenge and many organizations have yet to achieve their digital transformation goals.

Many experts believe that a key success factor in digital transformation success is engagement of the frontline workers in the journey.

Activating the power of the untapped frontline positively impacts company performance.

¹ McKinsey Digital Manufacturing Global Expert Survey, 2017

² John Chambers, CEO J2C Ventures

³ 'The Idea-Driven Organization', Alan Robinson and Dean Schroeder, Feb 2014

⁴ Harvard Business Review, Fred Hassan May 2011, <https://hbr.org/2011/05/the-frontline-advantage>

⁵ McKinsey Article Feb 2019, <https://www.mckinsey.com/business-functions/operations/our-insights/the-future-of-manufacturing-your-people>

30% of companies **will succeed** in their **digital transformation**¹
26% of **CEOs** would classify their latest **'transformation'** as a **success**²

Learning From the Automotive Industry's Successful Digital Transformation

Some aspects of the digital transformation journey are already successful in the automotive industry, including the activation of the frontline through kaizen initiatives. Looking to these to successes, automotive manufacturers can learn about what works and avoid pitfalls. The following aspects of digital transformation are universal, and essential to success.

Automation – All digital transformation initiatives eliminate manual tasks and allow people to focus more complex and strategic work.

Big Data – The collection and normalization of essential data across a broad ecosystem of users and tasks can be analyzed to discover new efficiencies, activities and results to measure success.

Better Decisions – Leveraging analytics across diverse datasets, companies can discover new information and uncover metrics that help them make better and faster decisions.

Increase in Velocity – Digital transformation enables increased responsiveness and faster decisions. When properly implemented, every part of the company moves faster and more efficiently, resulting in products and service improvements and overall greater customer satisfaction.

Increase in Flexibility – With more information and efficiency, companies can deliver a broader and more personalized product and experience without incurring more expense.

Empowering the Frontline – Gathering information and insights from people who are closest to the customer, and the work process, increases positive results. Frontline workers provide essential insights when given proper technology, tools, and authority.



Avoiding the Eight Wastes: The Toyota Example

Everyone in the automotive industry credit Toyota for pioneering Kaizen to improve production and quality. They started by understanding what the customer wants from this process. They define the “customer” in this case, as internal workers who are further down the manufacturing process, not external end-user buyers of Toyota cars and trucks. The answer needs to be through the customers’ eyes. An example may include delivery of a chassis assembly on time or at the right time; delivery of a part to the assembler at the appropriate interval; ensuring that the welds of the frame pass tests before it arrives at the paint booth. The organization then looks at inhibitors to meeting their particular “customer’s” needs.



1

Section I: Inside an Industrial Revolution

Toyota was able to identify eight types of non-value-adding waste in the business and manufacturing process. They then implemented kaizen techniques to reduce waste and improve performance. The eight wastes include:

- 1. Overproduction** – Producing an item for which there are no orders.
- 2. Waiting** – Workings waiting around for the next process, step, tool or supply.
- 3. Unnecessary transport or conveyance** – Carrying work-in-process long distances for the next step to take place.
- 4. Over processing or incorrect processing** – Taking unneeded steps to process parts due to poor tool or product design and unnecessary work or motion.
- 5. Excess Inventory** – Excess raw material or work-in-progress components.
- 6. Unnecessary movement** – Workers wasting motion and effort to perform their work.
- 7. Defects** – Production of defective parts or correction, repair or rework of parts or assemblies.
- 8. Unused employee creativity** – Losing time, ideas, skills, improvements and learning opportunities by not engaging or listening to your employees.⁶

Frontline engagement is essential for today's successful lean manufacturing in the automotive industry. Digitization of the frontline is the most efficient way to avoid unused employee creativity.

⁶ [The Toyota Way](#); 14 Management Principles from the world's greatest manufacturer

1

Section I: Inside an Industrial Revolution

Successful Digital Transformation Requires People

People, especially those on the frontline, are critical to the success of a digital journey. It changes the status quo and tribal knowledge about “how we do things around here”. It also challenges managers and company executives to be open to innovation and suggestions by people on the frontline. People have to be empowered and rewarded for experimenting with new ideas to find new ways to do things. People doing the work, and company leadership, must accept evolution of the company strategy, vision of the ultimate goal, and work together to adopt these changes into the culture of the entire organization.

Frontline workers often have the best view of needed improvements:

- People on the frontline are the most connected to the work and can provide critical feedback.
- People on the frontline think critically and creatively. They are the best source of innovation for the processes that affect their job.
- People possess talent, imagination and the ability to grow and evolve as your business changes.



In many cases, even large-scale implementation of technological solutions doesn't deliver hoped-for improvement in productivity, cost, quality or reliability.

In our experience, the problem usually isn't a lack of investment in technology, but a lack of accompanying investment in companies' most important asset: their people.⁷

– McKinsey&Company

⁷ McKinsey&Company, The future of manufacturing: Your people Feb 2019, By Raffaele Carpi, Anna Littmann, and Christoph Schmitz <https://www.mckinsey.com/business-functions/operations/our-insights/the-future-of-manufacturing-your-people>

Section II: Engaging the Frontline Worker in Industry 4.0

The Industrial Frontline is Digital, Ready, and Untapped

Gone are the days of the low-skilled repetitive labor on the shop-floor, with the absence of technology, using decades-old manufacturing methods. In the face of digital transformation, automotive companies are upskilling workers and improving both job satisfaction and business results by enabling and empowering the frontline.

Today's Automotive Frontline Is Ready to Evolve:



Digital-native millennials enter the workforce (even the aging workforce digitally savvy)



Internet-connected smartphones are ubiquitous



Worker's expectations on how to interact with technology are being defined in their personal lives



Digital manufacturing is ubiquitous

Frontline workers and the automotive companies they work at stand to gain a lot by encouraging workers to learn new skills, try new things, and participate in training programs geared to using technology and data to improve their jobs.

2

Section II: Engaging the Frontline in Industry 4.0

Auto companies that offer skills training programs have **218%** higher income per employee than companies that don't. These companies also enjoy a **24%** higher profit margin.⁸

A survey spanning three generations (Baby Boomers, Generation X, and Millennials), found that **70%** of the workers indicate that skills-related training and development opportunities influenced their decision to stay at their job.⁹

Companies with engaged employees outperform those without by up to **202%**.¹⁰



⁸ Association for Talent Development

⁹ Accessperks.com/blog Employee Engagement Survey, 2016

¹⁰ Dale Carnegie Frontline Survey, 2017

Activate and Engage the Untapped Frontline to Impact Company Performance

To realize the ROI and achieve the greatest employee satisfaction and performance benefits of Industry 4.0 initiatives, companies must engage the frontline workers, give them the ability to contribute, and empower them with technology that makes implementation of their ideas easier. Building a bridge from the frontline innovation to the bottom line is foundational to digital transformation.

Training, Tools & Authority

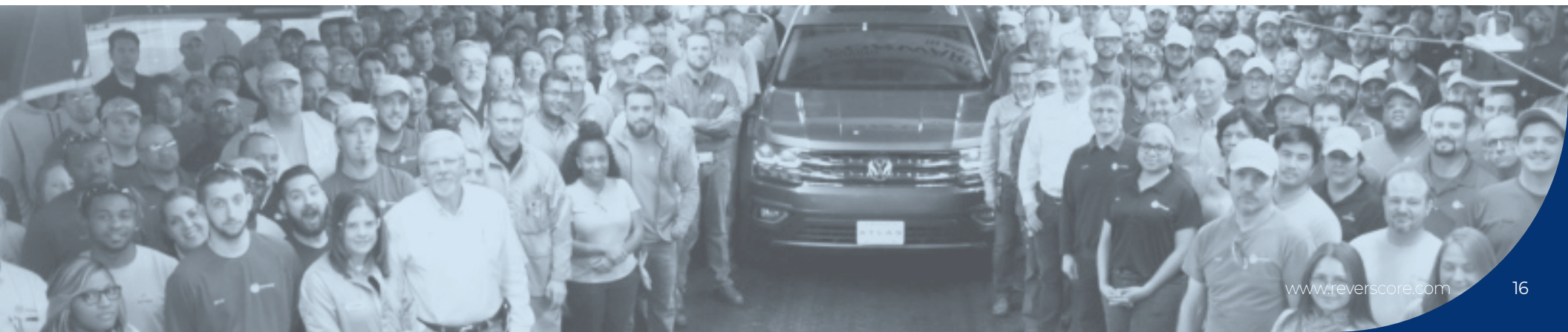
Give them the training, tools, and authority to observe improvement potential, experiment with improvements and implement the best ideas.

Connect Frontline Workers

Connect people through connected mobile devices to drive collaboration.

Engage in Industry 4.0

Technology is only part of the answer. Managers and team leaders need to capture ideas, try new things, celebrate successes, and share knowledge from improvement initiatives.



Activate the Automotive Frontline With Training, Tools, and Technology

The first step on the digital transformation journey is to engage with the workers on the frontline. Empower them with tools and skills that will improve their own work through connected mobile devices. Start with small goals so that frontline workers can realize incremental progress. Reward success and continue to innovate from there. Experts agree that up to 80% of the best, most valuable ideas come from the frontline.¹¹

80%

Of innovation ideas come from the frontline.

Empowering the frontline with tools and knowledge to improve their own work through connected mobile devices.

Focus on making today's targets while innovating to make tomorrow's goals.

- Alignment with leadership and across teams
- Communication within the company
- Cost Control measures from those closest to the work
- Velocity to recognize issues and to make changes
- Quality enhancements driven at the point of origin



¹¹ 'The Idea-Driven Organization', Alan Robinson and Dean Schroeder, Feb 2014

Harvard Business Review, Fred Hassan May 2011, <https://hbr.org/2011/05/the-frontline-advantage>

McKinsey Article Feb 2019, <https://www.mckinsey.com/business-functions/operations/our-insights/the-future-of-manufacturing-your-people>

Activate the Frontline Through an Open Community Network

Creating a community of frontline workers, managers and executives allows people to collaborate, share ideas and influence each other to innovate and try new things. In manufacturing, managers are key stakeholders in the success (or failure) of digital transformation initiatives. Work with managers to develop a culture of idea sharing, rewarding frontline workers who participate in improvement, and achieving team goals.¹²

80%

Of the automotive workforce is managed by frontline managers.

Create a frontline network to collaborate, spread solutions, and send the best practices to workers when and where they're needed.

Enhance Employee Experience and Performance

- Productivity enhanced as ideas are implemented quickly
- Safety can be elevated in importance
- Development of employees is fostered
- Retention increases as employees feel involved and respected
- Training can be delivered in more flexible way



¹² 'The Idea-Driven Organization', Alan Robinson and Dean Schroeder, Feb 2014

Harvard Business Review, Fred Hassan May 2011, <https://hbr.org/2011/05/the-frontline-advantage>

McKinsey Article Feb 2019, <https://www.mckinsey.com/business-functions/operations/our-insights/the-future-of-manufacturing-your-people>

2

Section II: Engaging the Frontline in Industry 4.0

Capture Data. Implement ideas. Measure Results.

Empower frontline workers with connected mobile devices to capture ideas. Implement ideas and capture data about results. Using machine learning, ideas can be measured, adjusted and implemented widely for the greatest ROI. Team members that use digital technologies to capture and share ideas contribute to a vibrant information set that can be used to power analytics, uncover new opportunities for savings or implement efficiency tactics. An engaged frontline workforce is not only happier at work, they're critical to achieving ROI from digital improvement projects.¹³

60%

Of the Automotive Industry 4.0 projects are lacking ROI.

The frontline can help. Engaging frontline workers in Industry 4.0 transformation using machine learning and gathered data to coach users and managers for better results.

Drive Industry 4.0 to Make More Informed Decisions

- New Technology introduced in collaboration with team
- Adoption is accelerated with buy-in and feedback from team
- Insights are better understood and applied by the company
- Automation better targeted and designed with frontline input
- Machine Learning & Artificial Intelligence more relevant



¹³ 'The Idea-Driven Organization', Alan Robinson and Dean Schroeder, Feb 2014

Harvard Business Review, Fred Hassan May 2011, <https://hbr.org/2011/05/the-frontline-advantage>

McKinsey Article Feb 2019, <https://www.mckinsey.com/business-functions/operations/our-insights/the-future-of-manufacturing-your-people>

Section III: The Digital Transformation Journey

Digital Transformation Begins at the Frontline

Even when you have an engaged frontline, successful transformation is a journey, regardless of the industry. Those who are successful allow everyone inside and outside the company to move along the journey's path during the transformation.

Successful Industry 4.0 journeys do not happen by chance. They require a vision and a methodical implementation of that vision to achieve a goal that can be celebrated by everyone as a joint success. Successful transformations are not dictated or imposed but experienced by and contributed to by all members of the organization.

Manufacturers who are embarking on their own digital transformation journey can learn from successes in other industries.



Measuring ROI of Industry 4.0

“Within the Toyota Production System, Kaizen humanizes the workplace, empowering individual members to identify areas for improvement and suggest practical solutions. The focused activity surrounding this solution is often referred to as a kaizen blitz, while it is the responsibility of each member to adopt the improved standardized procedure and eliminate waste from within the local environment.”¹⁴

ROI is generally not the core focus of Industry 4.0 initiatives—but rather overall incremental improvements. While counterintuitive, simple, small improvements often drive greater results over time than large sweeping changes. However, through high level tools such as Value Stream Mapping and mistake proofing techniques, you can attach ROI to some aspects of your Industry 4.0 activities. Consider the value of the following:

- Productivity gains
- Overtime reduction
- Profits realized through increased sales due to decreased lead times for vehicles.
- Less inventory
- Lower quality costs (rework, scrap, returns, rejects)
- Quicker received payments.

Toyota believes that ROI is an important and necessary aspect of measuring the impact of Kaizen.

¹⁴The Toyota [Blog](#)

Collect, Digitize, Centralize, and Leverage Data

A foundational element for the journey is the ability to centralize and leverage data. You need a platform that captures data at the point of work—on the frontline. Collection and analysis of data reveals insights that drive decisions, actions, and strategy.

The next step is sharing the insights with the people who are doing the work. Participation by frontline workers is critical for building a system that will effectively collect data. Once data is collected, and insights revealed, workers must know that they can rely on it to make decisions in their day-to-day jobs.

Creating widespread adoption of continuous improvement data requires widespread adoption of change. It requires flexibility, the ability to adapt, and a change in mindset about the frontline worker being the 'consumer'. To make the system valuable, managers need to focus on what is "in it" for the frontline worker.

With broad participation by workers on the frontline, the program can be expanded and eventually encompass mission critical aspects of the business. The five stages to building an open, collaborative frontline that is capable of creating maximum business impact are as follows:



Stage 0

Establish a
Data Platform

Stage 1

Engage with
Simple Ideas

Stage 2

Push
Communications

Stage 3

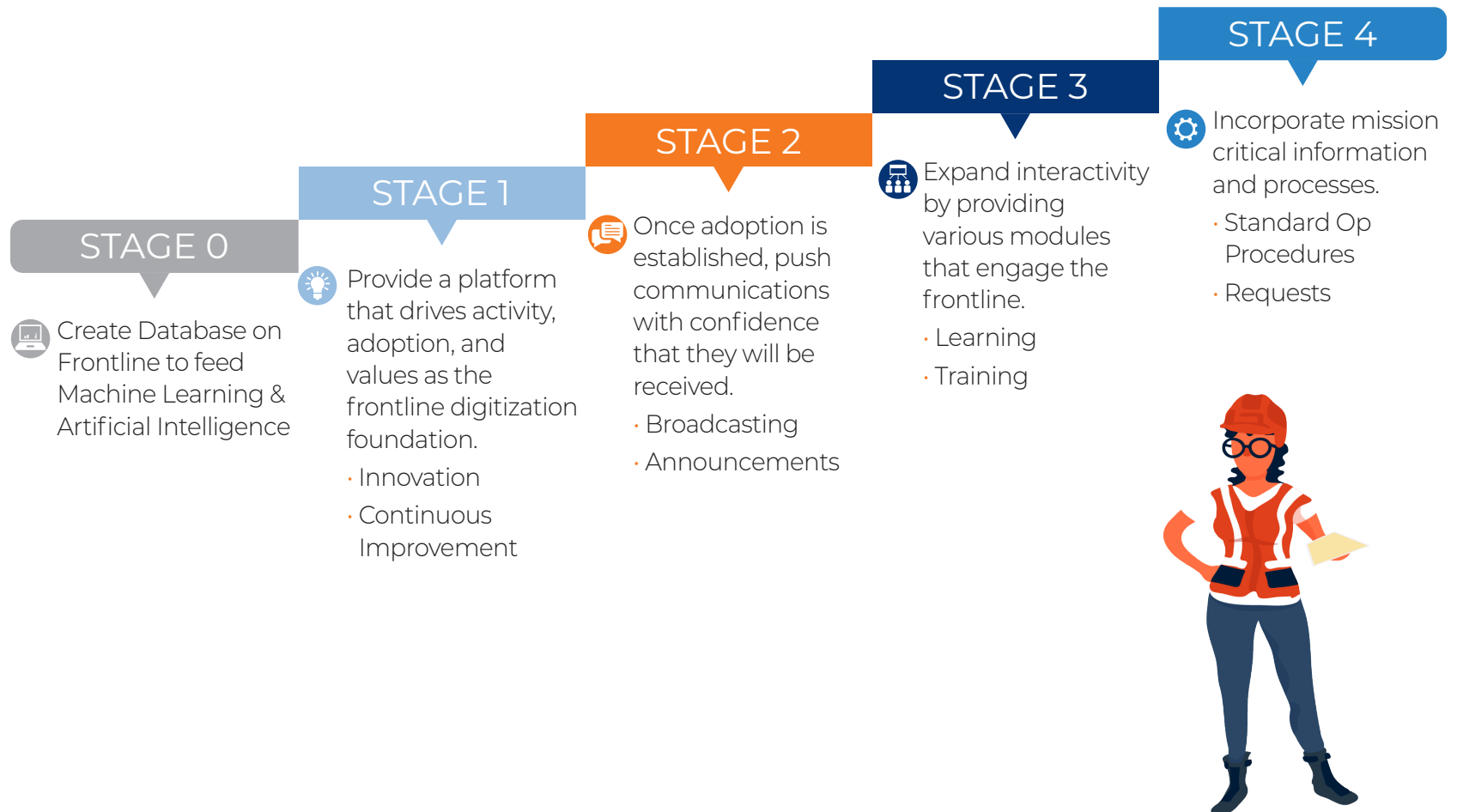
Foster
Interactivity

Stage 4

Mission Critical
Ideas

Rolling Out Digital Transformation to the Frontline in Stages

The process described previously can be measured as you achieve milestones along each step.



The Right Technology is the Foundation of the Journey

The data platform is the foundation of your frontline digitization efforts. A strong platform will allow you to not only capture data but transform that data into actionable insights.

Those insights will become part of driving more informed and faster decisions by employees and management.

Tracking metrics will provide the ability to analyze performance changes. Address issues and celebrate wins.

Machine learning from ingested data, allows the platform to leverage 'artificial intelligence' to uncover new opportunities to improve.

Seven Things to Look for in Your Platform

1	2	3	4	5	6	7
Costs	Security	Business Intelligence	Scalability	Performance	IT Resource Needs	Mobile
Keep an eye out for hidden costs such as maintenance and upgrade costs	Make sure your data will be safe and the integrity of your systems not compromised	Look for more than a database, the ability to deliver actionable insights	Ensure the platform will scale with both volume and complexity	Time is money; complete transactions and avoid downtime	Minimize any dependencies on this valuable resource.	Incorporate mobile data access for users



3

Section III: The Digital Transformation Journey

**But, It's Not Just About the Technology.
The People Bring Technology to Life.**

As mentioned earlier, technology is not enough. It's about the people. In designing a program, the end-user experience must be top-of-mind at all times. The most promising technology will fail without the engagement of users. Consider the following:

Understand Your Frontline Users – Define the actual workers you will serve and how digital transformation will empower them in their daily jobs.

How Can You Solve Their Problems – Focus improvement initiatives on acute needs that provide immediate value to the users.

Measure Progress – Make sure to have performance indicators identified and track them. Celebrate milestone achievements broadly.

Understanding Users

- Who are your Users?
- What experience and skills do they have?
- What devices do they have access to?
- How will you train employees?

Solving Problems

- What are their Needs?
- What information do they need to access?
- How will they enter data?

Measuring Progress

- How will you measure engagement?
- How will you measure impact?
- How will you report success?



Making the First Step Count is Critical to Building Momentum

Many digital transformation initiatives die before realizing their full potential. Why? Because even with the best technology, process and intentions, transformation is change. Change is only effective when it gains momentum within an organization. People within organizations are more likely to try new things when they understand the benefit to themselves, and to the company.

Frontline Innovation builds skills and puts these new skills to work in the people that matter. New skills and better workflows can be key to adoption and ultimately building momentum for your transformation initiatives. But, when organizations get it right, innovation can catch fire, and employees, managers and the company at large benefits.

- Employee engagement improves.
- Systems encourage action and deeper engagement.
- A culture of frontline empowerment increases loyalty and job satisfaction
- Data is collected to power the next steps of improvement
- Risk is managed through incremental change that doesn't rather than large, sweeping mission critical change.
- Frontline workers, managers and executives are focused on continuous improvement
- Progress becomes universally important to all parts of the company
- Yields immediate wins and benefits to be recognized and celebrated.



As you embark on the journey, keep these simple dos and don'ts in mind.

DO

Do start with small, incremental improvements

Do be flexible, open to trying new ways of doing things to see what works best

Do encourage frontline workers to suggest changes that will improve their own work.

Do communicate broadly about successful experiments so others can implement similar improvements.

Do celebrate successes, milestones and wins.



DON'T

Don't start with mission critical job functions whose failure impacts overall productivity.

Don't lock in rigid processes and procedures.

Don't start with a sweeping change across a department

Don't limit the reach and impact of good ideas. Encourage sharing of knowledge.

Don't discourage innovation through punishment or focus on ideas that didn't work as planned.

Section IV: Building a Culture of Innovation

A culture of innovation is the foundation of Industry 4.0 success. Everyone must be involved. Old mores of hierarchical leadership and siloed information and processes break down as more people are engaged in the overall success of the organization.



- **Leadership** – establishes clear expectations of the program and encourages experimentation without punishing failure
- **Frontline** – given the responsibility, tools, and recognition for creating, experimenting, and implementing new ideas
- **Collaboration** – creating and fostering a culture of collaboration within and among teams is part of the foundation of a program
- **KPIs** – real-time tracking of metrics keeps the focus on the most important aspects of the program to drive success



Leaders Set the Cultural Mindset to Make Innovation Work

The most successful organizations embrace ideas at every level of the company to drive efficiency. Starting with the frontline, companies can realize benefits quickly. A unified culture of improvement encourages experimentation, rewards incremental improvement and makes every person in the organization a stakeholder.

Thoughtful leaders can create a culture that makes the journey to digital transformation a rewarding process for all concerned. With a keen focus on frontline people, leaders can create a cultural change that gives everyone a chance to participate in and celebrate the company's success.

Planning for change, engaging with workers, and participating in experimentation and rewarding good ideas is how leaders engage their workforce in the transformation process. The top performing leaders secure buy-in and can drive every member of the organization to continually discover new improvements through experimentation and active problem solving.

To create broad support, leaders should engage the frontline to answer following questions:



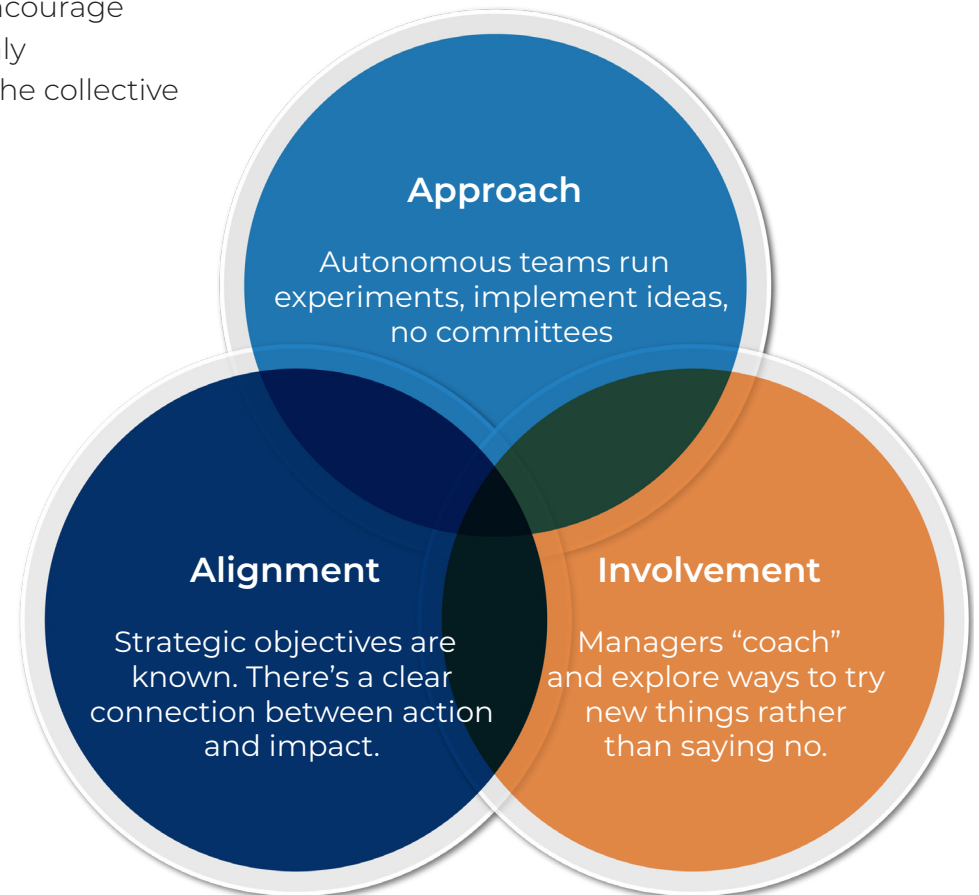
- 1 What value could be created from the transformation to Industry 4.0?
- 2 What specific steps could be taken to improve efficiency?
- 3 How can new technologies help to reduce waste and improve efficiency?
- 4 How will specific frontline positions be affected?
- 5 What new skills or training do frontline workers need to participate?

Top Performers: Utilize New Leadership Strategies to Empower Frontline Innovation

Leadership must establish clear expectations of the program and encourage experimentation by employees. Frontline team members should feel comfortable that experimentation is safe, and that there will be no negative repercussions from failure.

The success of digital transformation initiatives begins with leaders who transfer decision making to the workers who are at the frontline. The most successful leaders are coaches who are willing to take risks and participate in trying new approaches to work. These leaders encourage communication across the organization by openly communicating about strategic objectives and the collective progress toward meeting them.

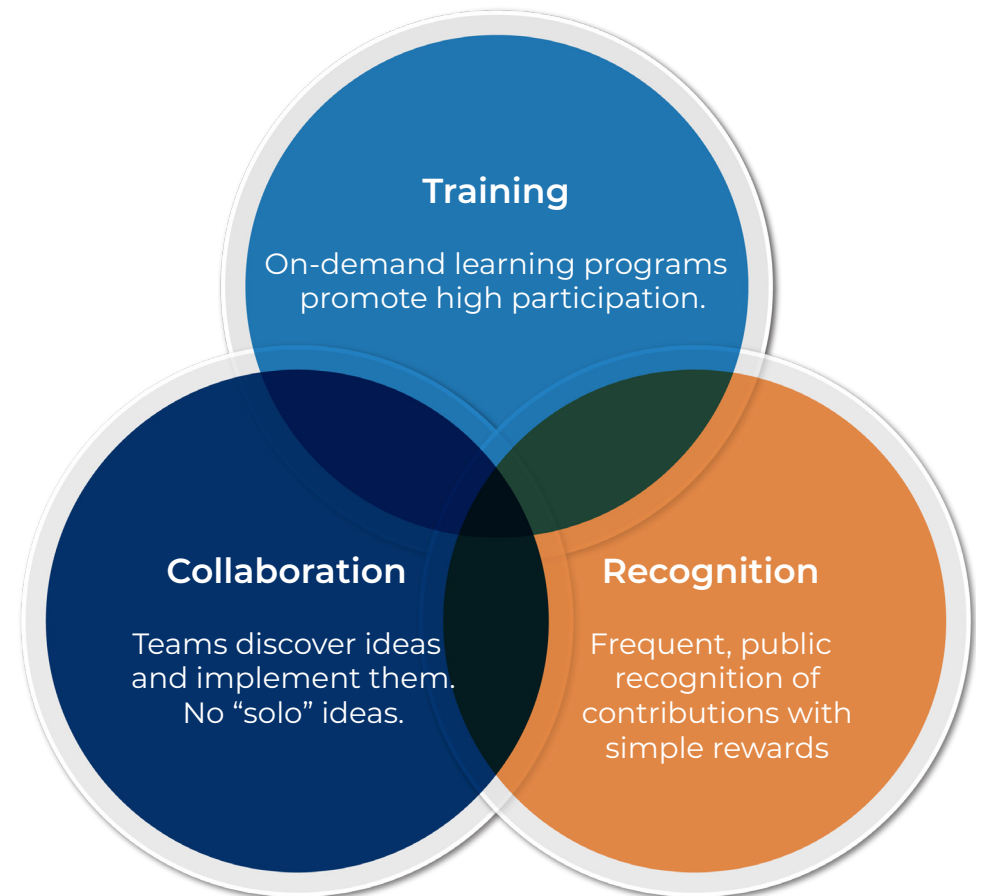
The continuous improvement **approach** eliminates the suggestion box, and creates a culture of continuous improvement, transparency, and recognition that drives participation. Leaders are **involved** by broadening managerial goals and accountability to include innovation and improvement. And, regular **communication** about top-level goals and objectives, through digital and face to face methods, provide employees with the visibility they need to see how their work impacts the overall success of the company.



Top Performers: Employees Lead Innovation Activities

Given the responsibility, tools and recognition, employees will naturally become more active in creating, experimenting and implementing new ideas. They are also more likely to collaborate with other team members and continue to pursue skills improvement through training programs. This energy is the heart of frontline innovation.

A common baseline of knowledge within the company is key for teams to thrive. By putting on-demand skills improvement and continuous **training** opportunities in reach of frontline workers, teams increase their overall efficacy. **Collaboration** between team members who are focused on unified objectives, and **recognition** of the contributions by team members feeds ongoing participation and success.



Top Performers: Build a Culture of Collaboration

Creating and fostering a culture of collaboration within and among frontline teams is essential to the success of innovation. When teams work together, share ideas, and see their ideas being implemented, engagement and participation increases naturally. Capturing ideas and their impact for future reuse, as well as for sharing with other teams increases total impact.

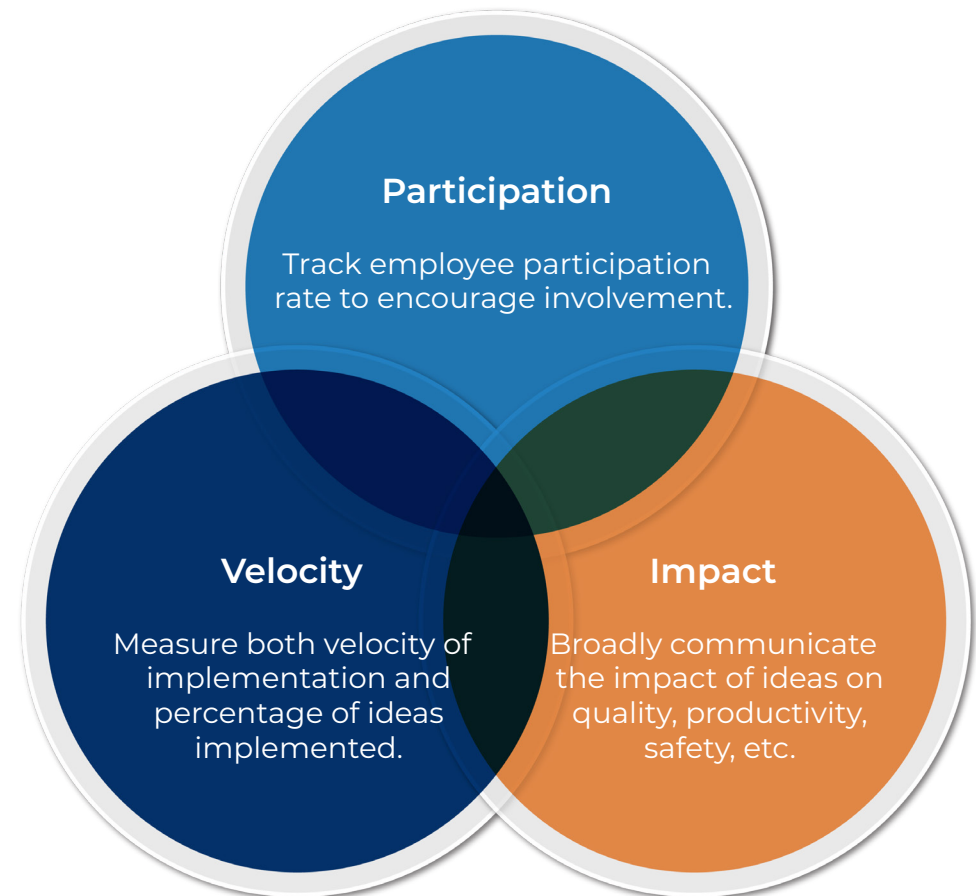
It's critical that the **cadence** of ideas is regular, not random. And that the ideas are captured in a formal, predictable process and timeline to engage frontline workers. As managers recognize, implement and share successful ideas as **best practices**, team members are more likely to come together and share successes. Setting baseline **standards** across the organization encourages participation and helps the organization set achievable, measurable goals.



Top Performers: Establish KPIs to Measure Success

Real time tracking and measurement keeps team members focused on the most important and impactful elements of the program. As team members achieve milestones and achieve goals, enthusiasm and support for the program grows.

Teams that achieve 100% annual **participation** rate can begin to focus on program awareness and tackling larger, more strategic problems. For organizations with greater than 30% involvement, increase **velocity** and participation by coaching teams about the types of ideas to bring forth, and move visibility of ideas that are implemented. Measure the **impact** or contribution of each idea. Small continuous improvement achievements add up to large contributions. Make sure to track and recognize each success.



Section V: Are You Ready for Industry 4.0?

Before you start this thorough evaluation, please allow us to potentially save you some time. Front-line Innovation is a great fit for your organization if:

- ✓ You believe that your frontline employees have the capacity for bringing forward the best ideas, because they are closest to your products, processes and customers.
- ✓ You believe that not only the “experts” in your organization have the right to select the ideas that should be tested out. You trust and empower all your team members to do so.
- ✓ Your motivation to drive innovation or continuous improvement is not only cost-cutting, but also the developing and growing the skills and engagement of your people.
- ✓ You do not punish failure, but rather promote scientific experimentation and organizational learning.
- ✓ You are not comfortable with the status quo and see complacency as a threat. You are eager to drive change for the better.



Rever: The Digitized Kaizen Platform for the Automotive Industry

Rever is a smartphone app and SaaS platform that unleashes the untapped potential of your frontline workers by empowering them to identify opportunities, run experiments, and implement solutions. All activity generated by your frontline workers is consolidated onto an easy to read dashboard showing real time analytics and impact.

Empower the Frontline

Identify and Document

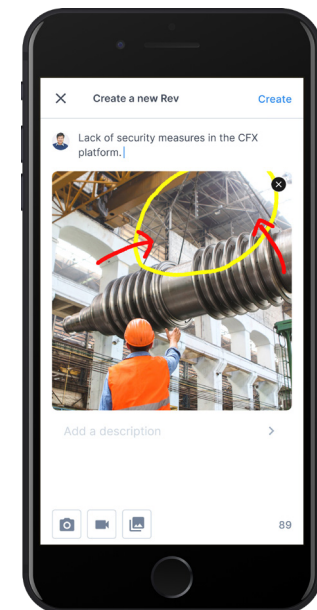
Activate your teams to find new improvement opportunities to uncover more ideas

- Capture the situation easily by taking and marking a photo
- Classify opportunities by area, products, and relevant attributes
- Submit potential improvements anywhere and anytime

Test and Implement

Decentralize experimentation and approvals to drive velocity

- Assign individuals the responsibility to test and implement their ideas
- Collaborate in teams with guidance of qualified coaches
- Recognize the individuals and ideas impacting performance





Rever: The Digitized Kaizen Platform for the Automotive Industry

Create a Frontline Network

Alignment and Recognition

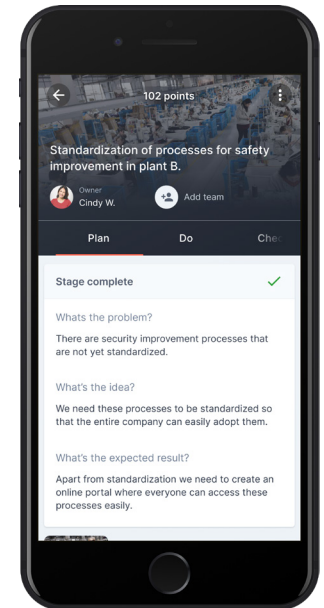
Establish goals coordinated with company objectives to stay focused

- Create challenges to channel creativity and efforts into specific areas
- Assign team and coaches to foster cooperation and sharing of expertise
- Gamification accelerates participation, and rewards alignment to company objectives

Track and Report

Provide insights into performance impact to measure what matters

- Real-time insights into innovation activity and performance impact
- Recognize and report the impact in areas such as safety, cost reduction, etc.
- Drive participation and direct efforts with transparency into activity





Rever: The Digitized Kaizen Platform for the Automotive Industry

Engage Frontline in Industry 4.0

Digitize the Frontline

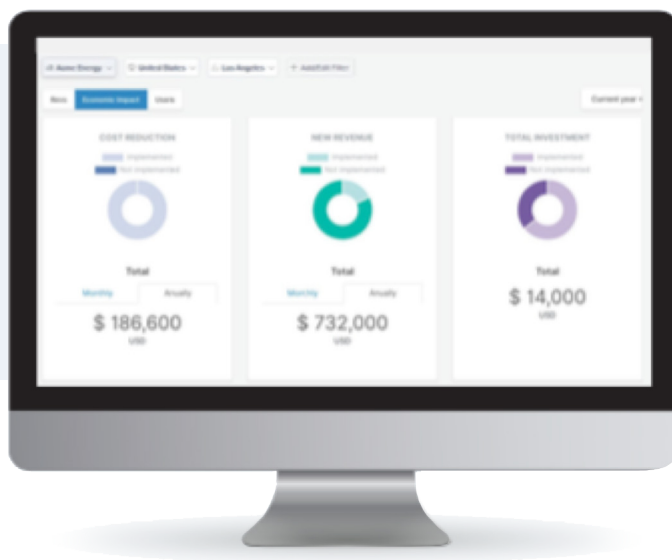
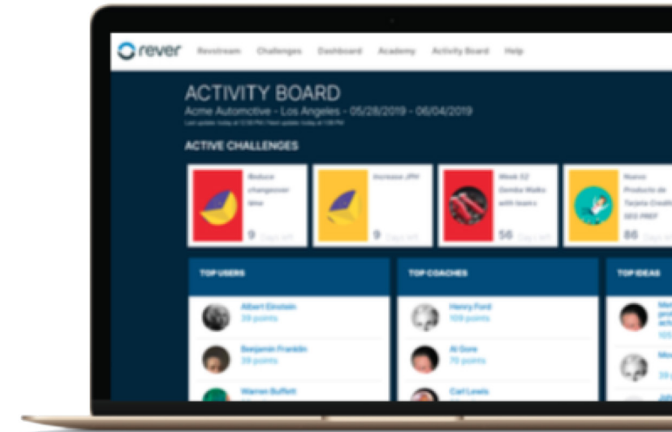
Leverage technology already in their hands to activate the frontline

- Intuitive smartphone app for anyone familiar with mobile apps
- Motivate your team by showing them you value and will invest in them
- Transition individuals to support and drive Industry 4.0 initiatives

Leverage Frontline Data

Centralize data into a unified platform to uncover insights and make better decisions

- Drive participation and execution with transparency into ideas and owners
- Automatically share and reuse ideas across multiple sites
- Train your system based on activity, success, and impact of past ideas



MARS

faurecia

BIMBO



UNICARRIERS

global
steel wire



Summary: Fundamental Truths to Live by for Industry 4.0 Success

There are several considerations that require constant consideration during your frontline journey.

These truths are like gravity. They're just part of the environment. Every day that your frontline is not engaged with the digital transformation of your business, you are missing an opportunity to effectively compete and win in your market. Frontline employees are closest to the work. Closest to the customer. Capable of making meaningful strategic contributions that affect the bottom line. And, are your best asset.

The following fundamental truths can guide your Industry 4.0 journey.

- 1. Start Now** – Every day waited is a day wasted.
- 2. Culture Eats Strategy** – Your best strategies will never be realized if your culture doesn't allow for meaningful participation by all members of the team, including the frontline.
- 3. Celebrate wins and recognize those change agents within the organization** – Don't be afraid of failure. Small failures are key to avoiding big ones. A culture of experimentation allows the most important ideas to surface, be implemented and become standards.
- 4. Share progress and achievement of goals across the company** – Everyone is more likely to feel better about their contribution when they're recognized by peers and leaders for their efforts. Small wins deserve big recognition. Big wins deserve team celebrations. This is the best way to engage your most valuable asset: your people.



To learn more about Rever, and how your frontline can become your key to Industry 4.0 success, please contact us.



www.reverscore.com 888.551.5917

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