

DIGITAL FACTORY NOW

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The Power and Potential of Digitalization



Countries all over the world are investing into digitalization



Source: Statista: ID537226 (https://de.statista.com/)



Source: pwc: Digital factories 2020 - Shaping the future of manufacturing: (https://www.pwc.com/gx/en/industries/industrial-manufacturing/publications/digital-factories-2020.html)





Source: pwc: Digital factories 2020 - Shaping the future of manufacturing: (https://www.pwc.com/gx/en/industries/industrial-manufacturing/publications/digital-factories-2020.html)



8%

Respondents expect both efficiency and revenue gains of 12% on average over the next 5 year

five years from digital factories?

0%



pwc

22%

Q: An efficiency gain by how many percent in comparison to now do you expect for your company over the next five years from digital factories? A revenues gain by how many percent in comparison to now do you expect for your company over the next

Base: Respondents whose companies have or are planning a digital factory or the use of at least one digital concept

Source: pwc: Digital factories 2020 - Shaping the future of manufacturing: (https://www.pwc.com/gx/en/industries/industrial-manufacturing/publications/digital-factories-2020.html)



Companies in every industry sector expect significant cost reductions



Source: pwc: Industry 4.0 - Building the digital enterprise (https://www.pwc.com/gx/en/industries/industries/4.0/landing-page/industry-4.0-building-your-digital-enterprise-april-2016.pdf)

Digital Factory | The power and potential of digitalization **Digitalization and mankind**

Digitalization does not replace people



Digitalization creates new jobs





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From a Factory to a Digital Factory

Digital Factory | From a factory to a Digital Factory
Digitalization changes our world



Flexible consumption

New, data centric business models

Mass customization

Economic production with batch size one Smart devices / IoT Networked systems as a basis

Knowledge sharing Lack of skilled workers and efficient development processes





Digital Factory | From a factory to a Digital Factory Goals of Digital Factory



- **1.** Optimized production
- 2. Reduced costs
- 3. Idea-to-cash



Customer requirements and benefits



Enable new ideas

The Digital Factory transfers data into information. This information will be used to optimize processes and reduce costs.

- New business models
- Idea-to-cash



Flexible infrastructure

Our solutions are scalable to respond quickly to growth potentials. Independent on the factory and production size and amount of data – we are able to adapt a solution to every industry.

- Optimized production
- Update capability



- Reduced engineering costs
- Benefit from experience



- Extract relevant information from a huge amount of data automatically
- Get more information output with lower investment
- Reduced engineering costs by increasing automation and communication





Why do many digitalization strategies fail?



Digital Factory | From a factory to a Digital Factory **How to calculate OEE** (overall equipment effectiveness)

Locate source of ine	fficiencies
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Quantify the degree of inefficiency

OEE combines	three	factors:
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Availability (A)	100% machine is available at scheduled time
Performance (P)	100% performance at max. speed
Quality (Q)	100% of all parts are OK

OEE = A * P * Q



Digital Factory | From a factory to a Digital Factory The six big losses of OEE A. Planned output **B. Gross output** $\dot{\odot}$ C. Net output 1. Breakdowns 3. Idling 2. Set-ups & 5. Start up scrap **D. Valuable output** 4. Reduced speed changeover 6. Scrap Valuable output Gross output Net output Planned output Gross output Net output Ţ Ţ Ţ **OEE** Avalilability rate A * Performance rate P * Quality rate Q = INSPIRING INNOVATIONS Digital Factory | From a factory to a Digital Factory How to move to a Digital Factory?



Digital Transformation

- Digitization of business
 - No paper
 - Unified data
- Gather information with actual data
- Use of digitalization to inform and guide people



- 4th industrial revolution
 - Network/ technology
 - Standards/ protocols
- Smart production principles
 - Connection of all machines and systems
 - Open architecture



- The result of Digital Transformation and Industry 4.0
- Information from each producer to each consumer
- Available data anytime, everywhere
- Translation of data into information



Why does the current architecture prevent innovation?



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Create a solution to enable factory optimization



Application-oriented customer approach





- Network structuring and management
- Ensure data quality and bandwidth
- Select the ideal digital infrastructure



Application-oriented customer approach



Data security



- Protect the factory against hacker attacks
- Ensure a state-of-the-art protection
- Worldwide support



Application-oriented customer approach





Data usage

- Smart production
- Horizontal and vertical integration easy and fast
- Ensure openness to other systems



Application-oriented customer approach



Data collection, storage and evaluation

- Data acquisition with full connection from OT to IT
- Ensure normalized data
- Transform data into information



Digital Factory | From a factory to a Digital Factory **Proof-of-concept in our own Factory in Bad Pyrmont**





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Our Uses Cases for your Productivity Increase

Digital Factory | Our use cases for your productivity increase
Segments of Digital Factory





DIGITAL FACTORY NOW



Data Transportation

Digital Factory

Data transportation

- Network structuring and management
- Ensure data quality and bandwidth
- Support the ideal digital infrastructure





Digital Factory | Data transportation
Digital Transformation



Source: CRISP Research, Feb 2019

Digital Transformation – the amount of data changes dramatically

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Source: CRISP Research, Feb 2019

Digital Transformation – the network structure has to change



What is the problem with many industrial networks?



How can we increase availability of the network?



Connectivity: flexible and easy



- No matter what we build a connection
 - Cable/ Fiber optics
 - Radio/ Bluetooth LE/ WIFI/ 5G
 - Bandwidth
 - 10/100 Mbit
 - 1/10 Gbit
 - Topology
 - Priority-based
 - Redundant



Data transportation | Smart automation network

Implementation into our own factory





Introduction – Importance of data transportation
Introduction | Driving factors for automation

Technological aspects (technology push)



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Introduction | Driving factors for automation
Economic aspects (market pull)



Changing requirements in production

Increase in

- Flexibility
- Efficiency
- Profitability
- Quality
- Availability

Decrease of

- Production cost
- Personnel cost

New procedures and approaches needed

- Data analysis
- Error diagnostics
- New business models
- Energy management
- Remote services
- More efficient and flexible use of workforce
- Use of marketplaces



Source: G. Reinhart, Handbuch Industrie 4.0, S.XXXV - XXXVIII







Introduction | New automation thinking

2. Data exchange within company borders





Introduction | New automation thinking

Data transportation is essential for the Digital Factory and its economical success







The powerful and sustainable industrial network

Powerful and sustainable network

Maximize industrial communication for available and flexible production







Powerful and sustainable network | Network products **Network installation**

Copper	EMC shielded Easy assembly Protection class IP20 to IP69K
Fibre optic	Broad range of connectorsUp to 40 Gbit/sIntegrated lockingEasy assembly
Patch panels	Connection between field and cabinet Surge protection PoE injectors
PRP redundancy modules	 Parallel redundancy protocol No switching time in case of an error
SFP modules	 "Small Form-Factor Pluggable" Small, standardized modules for network connections FO and Ethernet









Powerful and sustainable network | Network products **Managed switches** EtherNet/IP Switch Redundancy (RSTP, MRP) 2000 Easy configuration Switch Special IT functionality 3000/4000

7000 Profinet IRT



- Focus on EtherNet/IP Switch High performance Redundancy (Device Level Ring) Focus on Profinet IRT Time sychronous Redundancy (MRP) High-end layer 3 (routing switch) Modular Also layer 2 managed
 - Modularity





Power-over-Ethernet







Secure communication







Wireless







Software



FL Network Manager

- Topology overview
- Multi device firmware update
- Multi device configuration
- Configuration file handling







Powerful and sustainable network | Network products Future technologies in sight











Powerful and sustainable network

Maximize industrial communication for available and flexible production



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Basics – Topologies

Characteristics

- Easy to implement
- ✓ Low costs
- Fast error detection
- ! Maintenance and redundancy Device failure causes partial network downtime
- ! High network load for the devices



Bus



Basics – Topologies

Characteristics

- Easy to implement / manage / diagnose
- ✓ End device failure does not affect network
- ✓ Short latencies (Star)
- ! Single point of failure (Star)
- ! A lot of wiring effort needed
- ! High latencies for long cascades (Tree)





Basics – Topologies

Characteristics

- Easy to manage and diagnose with managed switches
- Redundancy High protection from downtimes
- ! Increased implementation effort and costs
- ! Devices need to support redundancy mechanisms

Ring



Basics – Topologies

Characteristics

- Redundancy Very high protection from downtimes
- ✓ Low latencies
- ! Very high implementation effort and costs



Mesh



Redundancy protocols

Standard	Reconfiguration time	Topologies	Applications
RSTP/STP Rapid Spanning Tree Protocol	Up to several seconds	Ring, meshed structures, star, tree	IT and automation networks
RSTP + FRD Fast ring detection + Large Tree Support	100 to 500 ms	Ring, meshed structures, star, tree	Automation networks
MRP Media Redundancy Protocol	200 ms	Ring	PROFINET automation networks
VRRP Virtual Router Redundancy Protocol	Up to several seconds	Double and multiple routers	Connection to the office network



Basics - Layers



- Enterprise IT
- Internet, cloud technologies
- Secured through firewalls
- Data transportation of different production halls
- Connection to office IT
- Factory network Merging of machines, production lines and production cells in production hall
- Production cells and machine networks



Basics – Access layer



- Usage: Network devices, horizontal communication (M2M)
- Characteristics: Small to medium-sized data packages, communication → deterministic, error-proof, high availability necessary, special real-time requirements, managed switches (L2)
- Transmission distance: </= 100m</p>
- Medium: Copper, WLAN, Bluetooth
- Bandwidth: Typ. </= 100 Mbit/s (1 Gbit also used)
- Protocols: TCP/IP, Profinet, Ethernet/IP, Modbus/TCP, OPC-UA, MQTT, ...,connection to fieldbus systems
- Topologies: Bus, star, ring



Powerful and sustainable network | Network architecture Basics – Distribution layer



- Usage: Factory network merge of machines, production lines and production cells in production hall
- Characteristics: Local network management, high flexibility through modularity necessary, integration of subnets, managed switches (L3),
- Transmission distance: Typ. less than 100 m
- Medium: Copper, fiber optic
- Bandwidth: 100 Mbit/s up to 1 Gbit/s
- Protocols: VPN, SNMP, ICMP, OPC UA, MQTT, TCP/IP
- **Topologies:** Star, ring




Basics – Backbone layer

- Usage: Transportation of data of different production halls, connection to office IT
- **Characteristics:** Redundant (rack) switches, production data center, high flexibility through modularity necessary, security functions (firewalling, authentication),
- Transmission distance: Up to 80 km
- Medium: Fiber Optic, copper
- Bandwidth: 100 Mbit/s up to 10 Gbit/s (Industrial Ethernet)
- Protocols: VRRP, CARP, OSPF, routing
- **Topologies:** Ring, star



Basics – Core layer



- Usage: Enterprise IT, connection to backbone layer secured through firewalls
- Characteristics: (Rack) switches, cloud technologies, Internet, servers, management systems, update servers, intranet, DHCP servers, DNS
- Transmission distance: Up to 100m
- Medium: Copper
- Bandwidth: 100 Mbit/s up to 10 Gbit/s
- Protocols: TCP/IP, SNMP, DHCP, DNS
- Topologies: Star, tree



Production network vs. office network

	Production	Office	
Priorities	<u>Availability</u> Integrity Confidentiality	<u>Confidentiality</u> Integrity Availability	
Installation	 Wiring dependent on machine / production plant Assembling in the field Industrial components Lifespan: 10 to 20 years Star and ring topology 	 Fixed installation in the building Preassembled wiring Office components Lifespan: max. 5 years Star and tree topology 	
Data	 Small data packages Cyclic deterministic data communication Real time Very high network availability 	 Big data packages Acyclic data communication No real time Medium network availability 	
Environment	 High temperatures Dust, moisture, vibration High load of electromagnetic effects 	 Normal temperatures Application in normal environments Low load of electromagnetic effects 	



Basics – Bandwidth

Bandwidth (medium)Typ. application area100 Mbit/s (CU)Access layer, production
cells, machines1 Gbit/s (CU)Production cells,
distribution- backbone-
and core layer,1 Gbit/s (FO)Distribution- to backbone
layer10 Gbit/s (CU, FO)distribution- backbone-
and core layer,

Digital Factory | Commerical advanced training
Digital Data from our production

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Powerful and sustainable network | Network architecture **Basics – Subnets**

- Expansion of the IP address range
- Easy network extension possible
- Limiting of broadcast and multicast load
- Simplified error location
- Logical organization of network participants
- Increase of security







Powerful and sustainable network | Real customer network architecture







Customer pains

Customer pains | Find the right arguments **Clients status quo**

Industrial networks are

- Historically grown (step by step)
- Not structured
- Not sustainable (not digital factory-ready)

Reason

- Fast technological evolution
- Time pressure
- Costs

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Future Technical Evolution

- Amount of network nodes
- ↑ Data traffic

Consequences

- High risk of system failures
- Longer downtimes
- Lower availability
- Higher costs



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Critical situations in the network











































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Network consulting service

Network consulting service

Maximize industrial communication for available and flexible production





"Don't sell - help buy!" - Unknown



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Digital Factory | From a factory to a Digital Factory
The six big losses of OEE

A. Planned output



Network consulting service

User Economics

Invest calculation								
Downtimes p. month	Cost p. mir	nute	100€	INVEST				
						price p. piec	е	_
Lost telegrams because of network load	0,5	h	3.000€	Managed Switches	200	600,00€	120.000,00€	
Machine broadcast	2	h	12.000€	Firewalls	67	450,00€	30.150,00€	
Network loops	0,5	h	3.000€	Installation			75.075,00€	-
Defect switches	2	h	12.000€	Training			20.000,00€	1
Unauthorizesed devices	0,5	h	3.000€					-
Network failure	2	h	12.000€) •
Complex machine failure	2	h	12.000€					
Sum	9,5	h	57.000€	Still existing probler	ns	40%	22.800€	
Risk fee for ransome attack 5%	800.000	€	40.000€					10
	Sum		97.000€				268.025,00€	
Cost p. Year			1.164.000€				23%	-
Break even			2,76 Month					1
							ð.	





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Data transportation | Smart automation network

Glossary

КРІ	Key performance indicators are values, which explain the effectiveness of a reached business objective	1
Modbus	Modbus is a communication protocol developed by Modicon in 1979 (see modbus.org)	NR40
ВооТР	Bootstrap protocol assigns IP address and parameter to a device of a network	Contraction of the second
CARP	Common address redundancy protocol is used to increase the availability of IP systems via virtual IP and MAC adresses	
CIFS	Common Internet File System is a protocol for printer files and servers in computer networks. A special mGuard FW monitors the integrity of this protocol. CIM (CIFS Integrity monitoring)	ALLER POLICE
DCP	Discovery and configuration protocol to configure station names and IP addresses within Profinet	Quick and simple explanation of key terms
DHCP	Dynamic host configuration protocol assigns network configurations to clients	
DMZ	Demilitarized zone: secure access to server systems by special rule sets of the firewall	
DNS	Domain name system: translating service of understandable domain names into IP adresses	· · · · · ·
Firewall	Security system to protect against unwanted access	



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Data transportation | Smart automation network

Glossary

FRD Fast ring detection is an extension of the RSTP (Rapid Spanning Tree Protocol) from Phoenix Contact where switch-over times of 100 to 500 ms can be achieved in the ring with up to 56 devices. The protocol can only be used on a 10/100 Mbit basis. IEC62442 Interview of the title IT and the title to the title t
International norm about the IT security of industrial communication systems (ICS)
VPN client Virtual protocol network client executes the VPN connection on a device
mGuard cloud Security cloud for the administration of global VPN connections and part of the vpn router prameters
MRP The Media Redundancy Protocol (MRP) is a redundancy protocol that is part of PRoFineT standard ieC 61158, which ensures switch-over times of 200 ms in a ring topology.
NAT Network Address Translation (NAT) is also referred to as iP masquerading. The NAT router establishes the connection between the internet (external) and entire networks (internal). only the NAT router and its iP address are visible externally, all connections from within the system to the internet and vice versa are made via the NAT router, which manipulates the relevant entries in the data telegrams. NAT routers can be used to provide a certain degree of protection for the internal network.
NTP Network time protocol is a standard to synchronize the time in a network
OPC OLE for Process Control is the most widely used standardbased data connectivity method in the world. It enables communication between devices and applications from different manufacturers.
Port-based security Function which prevents unauthorized access to the network. With this function it possible to specify MAC addresses that are permitted to access the network. All other addresses are denied access.





Data transportation | Smart automation network

Glossary

Profinet	Ethernet communication model from field level to control level.
PSIRT	Product Security Incident Response act similar to CERT (Computer Emergancy Respond Team) which publish and solve IT security incidents
QoS	Quality of Service (QoS) is a collective term for quality classes for network services. it takes speed, bandwidth, delay, security, and priority into consideration.
Radius authentification	The Remote Authentication Dial-in User Service (RADiUS) is used to protect authentication in wireless networks.
Router	Routers are connecting elements which act on layer 3 of the iSo/oSi reference model between different networks. The destination IP address is used to determine which network the packet should be forwarded to.
SD card	Secure digital memory
SIEM	Security information and event management: realtime analysis of security alarms from applications and network devices
SYSLOG	Syslog is a standard to communicate log messages in an IP network
VPN	A virtual private network connects several separate networks via a public network, e.g., the internet. Cryptographic protocols are used to ensure confidentiality and authenticity.







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Digital Factory

Smart automation network



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Summary

Digital Factory | Summary Our value proposition for your Digital Factory

In order to meet today's digitalization requirements and profitably realize opportunities, our solutions offer you the following added values:

- Scalable individually tailored your requirements
- Tested and validated in our own production
- Ready-to-use benefit from the Digital Transformation today

With goal-oriented consulting, we find together the right solution for your Digital Factory. Let's tackle the challenges of digitalization together and seize the opportunities.







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