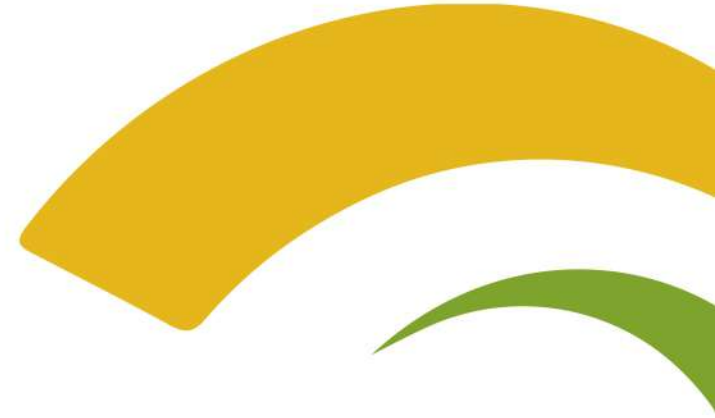


View from Europe

Dr Valentina Serra-Holm





Union of the
EUROPEAN LUBRICANTS INDUSTRY

Union Européenne de l'Industrie des Lubrifiants



How is the Industry Preparing for Digital Transformation? – A View from Europe

WWW.UEIL.ORG

Outline

- Background about the UEIL
- Digitalization across the value chain of the lubricant industry
- Examples of digitalization in the European lubricants industry

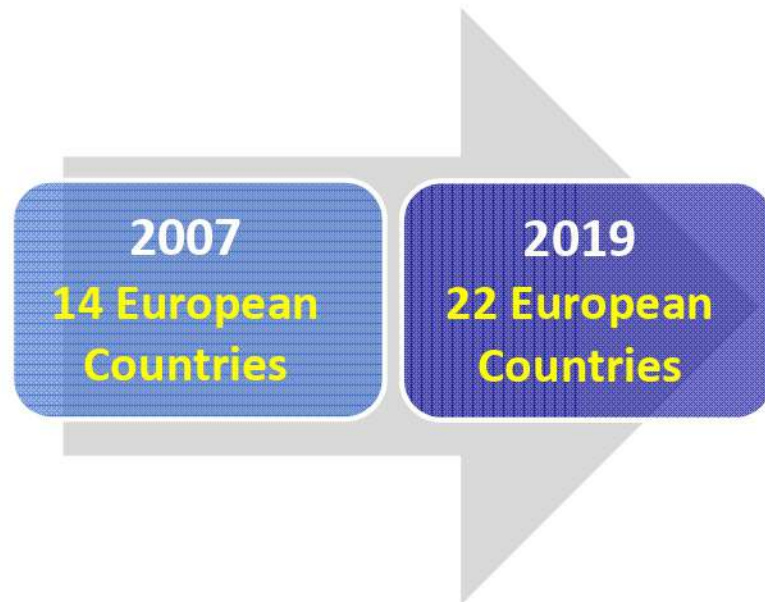


The Union of the European Lubricants Industry (UEIL)

- Founded in 1963
- Pre-eminent Trade Association representing companies involved in the lubricant industry in Europe
- Unique collective experience of lubricants and the lubricants market
- Strongest representative body for manufacturers of lubricants in Europe
- Our aim is to insure a growth-oriented business and investment climate for our members and the industry in the European Union



UEIL is expanding its geographic reach

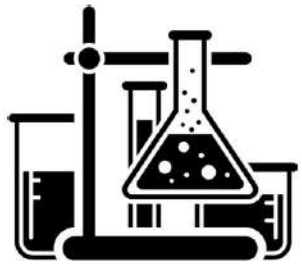


UEIL's mission is to promote sustainable growth in the lubricant industry

- Provide industry insight and intelligence, access and influence on key issues concerning the lubricant industry
- Monitor and participate in the decision-making process on national and EU policy and regulatory initiatives
- Carry out advocacy work and issue position papers in fields such as environment, health and safety, chemical policy and competition
- Promote integrity and quality in lubricant manufacturing and marketing
- Proactively develop and foster cooperation with national and international organisations



Digitalization can be implemented across the whole value chain



**Product
Development**



Production



**Sales &
Marketing**



**Supply &
Logistics**



**Condition
Monitoring**



Service

Digitalization is at a very early stage in Europe with just a few areas where it is more developed



Inoviga – Fuchs think tank

- Inoviga GMBH was established as a wholly owned subsidiary of Fuchs Petrolub SE at the end of 2016
- As a think tank, it aims to deliberately engage in new ways of thinking and to be the driving force behind digitalization projects
- Inoviga is focusing on three elements:
 - Instilling the importance and opportunities of digitalization in the mindsets of Fuchs employees
 - Creating the foundations for digital services: sensors, simulation approaches, shared databases, processes and organizational structures
 - Developing and testing alternative and complementary business models



Evonik Digital – A division dedicated to digitalization

- Evonik Digital links the businesses with “established” methods to develop data driven business ideas
- Shelter for the incubation of digital businesses
 - User centricity through design thinking
 - Minimal viable product approaches (MVP) and iterative processes
 - Testing of new platforms without integration into ERP systems
 - Opening up to third-party business
- Coordinated setup and expansion of partner network
- Systematic bundling of competencies
- Focal areas: e-commerce, sensor technology & virtualization



Morris Lubricants – Remote monitoring services

- Field services – the hardware to remotely monitor oil level is installed at customer premises with maintenance included during the lifetime of the subscription
- Internet access with personalized logins and passwords
 - The customer can monitor the stock levels from any internet browser and receive personalized alerts via email or SMS when reaching critical stock levels
 - The customer can see product usage online. The historic charts will enable to optimize lubricant usage based on needs.
- The supplier can call the customer once a predefined stock level is reached to plan replenishment or can offer automated replenishment services

MORRIS
LUBRICANTS

SGS Online Services – Online portal to access testing services

- Online shop to make testing, inspection and certification more accessible
- Customers can access information about various services, add them to their cart and pay online.
- For example, to test the state of lubrication or hydraulic oil, customers can buy a sample kit online, follow SGS instructions to extract the sample and send it back to the SGS laboratory with a pre-paid envelope



Bureau Veritas – Partnership with Microsoft for laboratory testing services

- Bureau Veritas and Microsoft announced the conclusion of a global technical and business collaboration for the development of laboratory testing services based on artificial intelligence (AI)
- Bureau Veritas will develop the use of artificial intelligence in its testing activities, in order to deliver more efficient testing services to customers, while optimizing the working conditions of laboratory technicians
- It established a system that uses computers to identify and process normal samples, freeing analysts to deal with abnormal and critical results and to interact with customers, with improved efficiency and service quality



Albeit at a very early stage, digitalization can be positive for the European lubricant industry, as it offers an opportunity to differentiate and fight commoditization

- Companies can leverage on a lubricants- plus offer, involving value-adding services to increase customer engagement and create customer loyalty
- An example of added services is remote real-time monitoring of stock levels
- This improves maintenance efficiency and enables stock optimization while increasing customer intimacy
- Artificial intelligence and advanced analytics solutions can enable as well real-time used-oil analysis, with a fluid management system using sensors to analyze used lubricant samples
- The path towards digitalization in Europe is just at the beginning, but there is a clear interest among several industry players, which may lead to an acceleration of the process



Union of the European Lubricants Industry

www.ueil.org

Follow us on



[mailto: secretariat@ueil.org](mailto:secretariat@ueil.org)