

Helping customers to make the right budgeting decisions

With internal departments within manufacturing companies competing for limited funding, automation suppliers need to help their customers' engineers to make the case for spending on automation projects. Steve Brambley, deputy director of Gambica*, ponders how to achieve this.

I was at the Automate UK conference last month, which brought together a room-full of people from both the manufacturing and automation industries to discuss the benefits and barriers to automating our factories and industrial processes. As you might imagine, there were lots of interesting discussions on many familiar themes – Industry 4.0 (and what to call it), OEE (Overall Equipment Efficiency), how to engage SME manufacturers into automating and, of course, how to finance automation projects.

Over the course of a year, I attend quite a few conferences, seminars, launch events and workshops, and no matter whether it is on automation, energy, technology, government policy, regulation or standards, I always learn something new, I always meet interesting people and I always pick up interesting facts and ideas. That's certainly our motivation to be at this month's Drives and Controls Show where you have a wide range of automation and control companies under one roof and a full seminar programme over the three days.

One of the concepts that was raised at the Automate UK event was that of "internal competition for funding" within a manufacturing organisation. I accept it is hardly a revelation, but sometimes a subject is articulated in a way that gets you thinking and looking at it differently.

Since the 2009 economic downturn, there has been much discussion about the difficulty for smaller companies to access finance, and about the risk-averse nature of

large companies. The former have struggled to find funding and the latter have held onto reserves rather than invest. However, in recent years, investment in machinery and equipment has increased steadily because banks are keener to lend and large companies feel more confident about releasing capital.

need to provide a compelling technical and business case, but also the support to be able to sell it internally, to present it in an understandable format and in the language of the decision-makers. Engineers aren't salesmen and don't always talk the same business language as the financial controller or chief executive.

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However, just because a company has better access to finance doesn't mean that it will get spent on that no-brainer automation proposal. It has always been a case of promoting the benefits of any automation project and weighing up the investment cost against the gains and the payback period. But even when it seems obvious that the project should be approved, even when the payback is short and the gains are large, the decision isn't always taken to go ahead.

There are other barriers, such as worries over disruption to production or the acceptance of new technologies, but these can be mitigated with planning and training. Once a proposal has demonstrated its benefits, met the payback criteria and taken away other concerns, there is still a further hurdle to get over – internal competition for funding.

As well as the case for automating that production cell, there is the competing requirement for a new product marketing campaign, the need to replace the leaking roof, the request to employ an extra person in accounts, the proposal to upgrade the ERP system, and the budget submission for new test equipment. Every department is competing for a slice of the cake and not everyone is going to get an equal portion – or even any at all.

To give a customer's engineering and projects staff a better chance to compete for the necessary funding within their own company, not only do automation vendors

All of which got me wondering about how to go about doing that – what are the tools for the automation supplier to help the engineer at the customer convince the holders of the purse strings? Is it being part of the presenting team? Is it 3D virtual models and slick videos? Is it just using terminology and language that management will understand? Or is it about linking the benefits into the company strategic plan?

I'd be really interested to hear from readers on your point of view, whether as an automation vendor or as a user. It is in all of our interests to communicate the case for automation in the right way for the right audience. ■

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