

Business Process Automation
Manufacturing



DIGITAL TRANSFORMATION IN INDUSTRIAL AUTOMATION: FESTO PRODUCTION BULGARIA

Company name: Festo Production EOOD, subsidiary of the family-owned German company Festo SG & Co.KG

Field: Industrial Automation

Founded: 2000

Location: Sofia, Bulgaria

Services: Development and manufacturing of electronic products and electric drives, as well as components used in automated industrial processes

Bulgaria-based company, Festo Production, stands as one of the leading manufacturers of components and systems for industrial automation. With a workforce of over 1,200 employees and a production and logistics area exceeding 20,000 square meters, they produce a diverse range of more than 2,500 products. Their annual revenue hovers around 100 million euros. In 2019, Festo launched the Festo Technology Engineering Center in Sofia, housing 120 engineers dedicated to development of new products and technologies.

Digital Transformation in a Manufacturing Powerhouse Before Therefore Implementations

Vladimir Velkov, the Head of the IT Department at Festo Production Bulgaria, grappled with the growing and increasingly apparent demand for the digitalization of business processes, both in the manufacturing and administrative sectors of the company. Two processes stood out, requiring substantial time and energy from a multitude of involved co-workers.

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“Our procedure for approving business trips abroad is rather specific. When an individual plans an international trip, they first sign documentation outlining the purpose, duration, hotel reservation requirements, and the required funding. After this initiation, the documents undergo approval, starting with the department head and then the General Manager. Subsequently, the administration office handles them for record-keeping and hotel reservations, while the finance department requires them for fund disbursement. Following the trip, employees must provide an expenditure report. Everyone is responsible for preparing a report that includes the trip’s topics, decisions, and outcomes.”

Vladimir Velkov,
Festo Production Bulgaria

Fixed Asset Management

In compliance with Bulgarian legislation, all documentation related to investments in fixed assets exceeding 350 euros must be properly recorded and stored for a period of five years. In the past, this documentation was maintained in physical, paper-based form, which was not the primary challenge. The true complexity stemmed from the process itself, which involved approvals and signatures from a multitude of individuals at various decision-making stages. For instance, if an employee required new equipment for their work (typically not standard equipment readily available on the market), the request needed approval from seven different departments (production, safety, environmental, quality control). Next, the department head provided their consent, followed by the General Manager. Remarkably, this was just the initial phase of the entire procedure. The procurement and asset registration process would then commence, demanding thorough inspection and approval upon arrival at the company. The documentation had to be forwarded to the accounting department and kept for years.

Sample Production Process

While the company’s regular production processes are well-synchronized within ERP systems,

challenges arise when dealing with non-standard processes such as the production of samples (components, systems) required by potential clients or the Technical Engineering Center. Development engineers and the production team are situated in separate buildings. The coordination of sample production has proven to be quite challenging, primarily reliant on email and phone communication, which makes it difficult to maintain process control and ensure consistent engagement of all employees who need to stay informed.

The First Steps on the Path to a Solution

In early 2018, Vladimir Velkov decided that the company was ready for a new digital era. Over approximately three months, they engaged in preliminary market research to identify top-tier providers. Throughout this process, their quest was to find solutions that could effectively meet their four fundamental requirements.

Software flexibility (due to the multitude of business processes, software adaptability and upgradability were crucial),

Responsive and efficient support (past experiences with support during critical times, especially from a security perspective, had been unsatisfactory),

Compatibility with the Windows operating system with support for their virtual servers, and

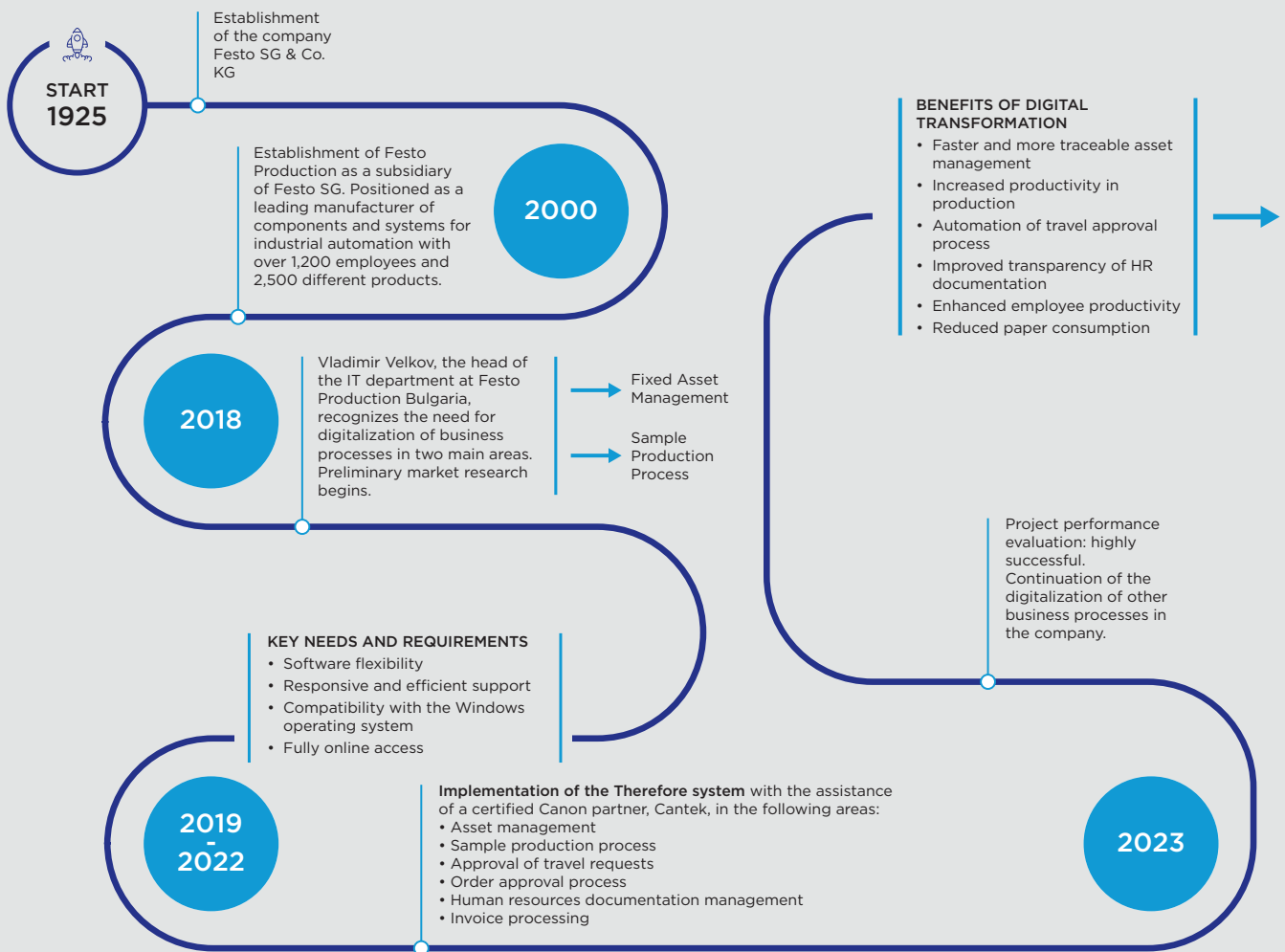
Online access (400 employees use the software and need simple access from anywhere, at any time).

They contacted four different providers, but ultimately, Cantek, a certified Canon Gold Partner, presented the most compelling offer. What set them apart? Their presentation was exceptional, highlighting the software’s adaptability and the responsiveness of their support. Through a practical case study involving one of Festo’s routine processes – the approval of business trips – they demonstrated a clear grasp of the challenges and an effective problem-solving capability.

“The complete process, or rather the combination of fixed asset management processes, often required the involvement of up to 30 individuals. While the equipment procurement and production process still take time, the approvals and signature collection, which could have previously taken months, now occur remarkably quickly.”

Vladimir Velkov,
Festo Production Bulgaria

Digitale Leap in Industrial Automation: Festo Production Bulgaria





In early 2019, the integration of the Therefore system with other systems used in Festo began. Throughout the implementation, they faced challenges related to the company's existing systems, particularly software incompatibilities. However, they managed to overcome these hurdles. As of today, they have effectively modernized **the management of fixed assets, the sample production process, the approval of business trips abroad, the order approval process, personnel documentation management, and invoice processing.**

The Myriad Advantages Brought by Canon Therefore Solution

In a manufacturing company, business processes are primarily support processes. According to Vladimir Velkov, the main advantage of the company's digital transformation is that **employees can now focus more intensely on the core activity of the company** – producing top-notch components and systems. Furthermore, he underscores additional, more specific advantages:



- The asset management process has become significantly faster, and traceability has improved.

- Sample production has accelerated due to enhanced communication among all employees.
- Automation of the business trips approval process has reduced administrative burdens.
- Employee productivity has markedly risen.
- Paper consumption has drastically decreased.

Key Takeaways and Next Steps

Vladimir Velkov offers valuable advice to all companies embarking on a similar journey: carefully assess their requirements and explore solutions that enable seamless integration with existing systems. Throughout the transformation project, they learned how crucial software flexibility and strong IT support are. Canon, in collaboration with its partner Cantek, proved to be an excellent choice for this partnership. When asked whether they plan on digitalizing other processes in the future, the answer is clear: "Certainly, as we aspire to continually enhance our efficiency and competitiveness."

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