# The Industrialist

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"We're providing added value and are really changing the whole industry."

**Elke Eckstein**
President and CEO, Enics

**August 2021**

# Enics' mission to orchestrate the ecosystem

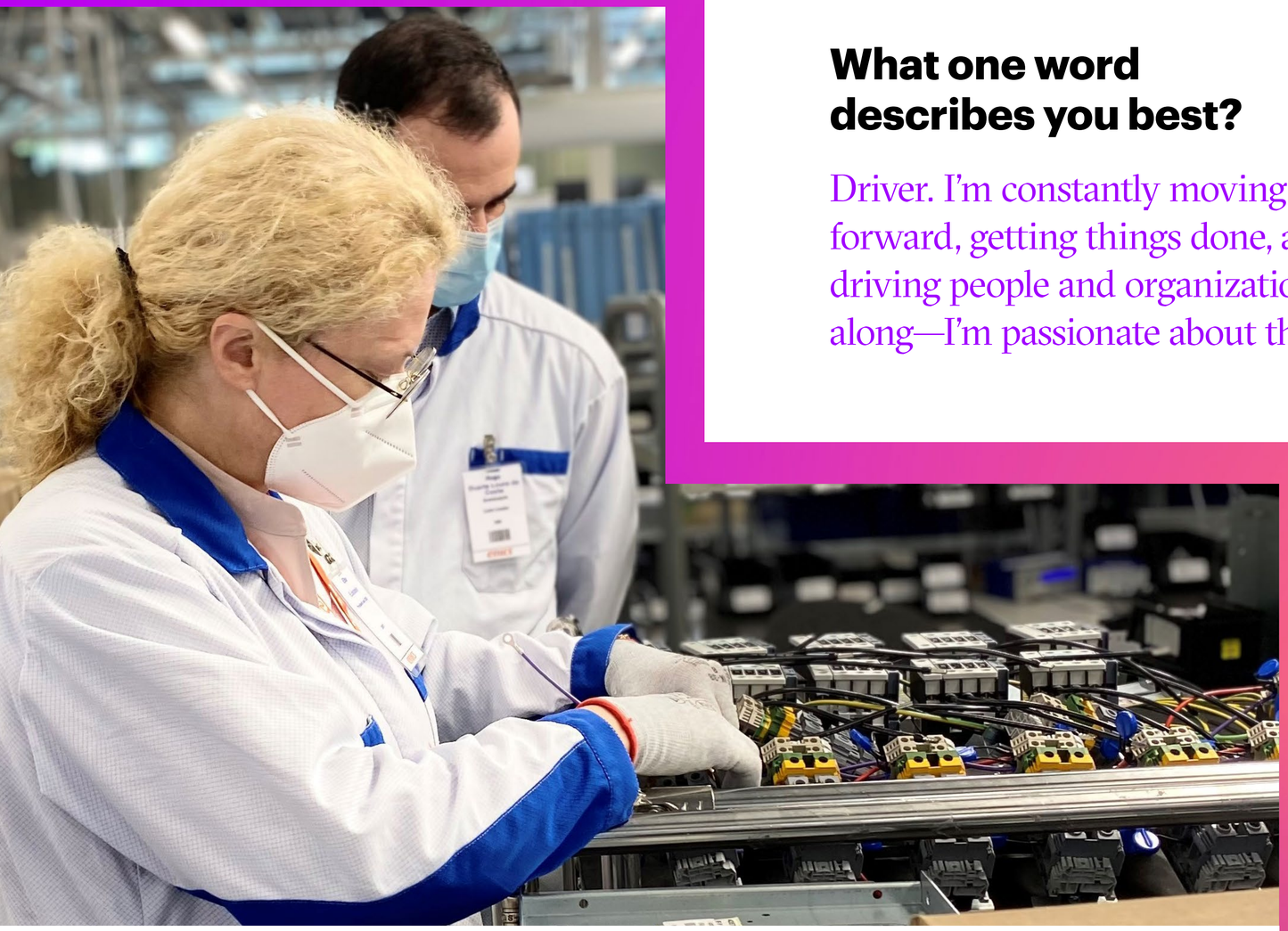
"Electronics Manufacturing Services (EMS) has not always been perceived as the most exciting industry," says Elke Eckstein. But with the advent of digitalization, automation, and robotization, no one can dispute it's a fast-paced, competitive, and thrilling place to be now.

As President and CEO of Enics, one of the largest EMS providers in the world in the industrial electronics segment, Eckstein is overseeing the development of the Enics Life platform, which stands to catapult the company into a new trajectory that could change the entire industry.

“Customers, suppliers, and partners will be able to hop in the platform and take the data they need for their operations,” explains Eckstein.

Our platform will become even bigger and create a new ecosystem for the value chain. Original equipment manufacturers can focus on their unique selling proposition (USP), innovations and intellectual property (IP) and we will take care of the rest by orchestrating the entire supply chain.

**Eckstein discusses how Enics will achieve this through a combination of predictive, data-driven services, even more digitalization, and above all, the know-how of its workforce.**



## What one word describes you best?

Driver. I'm constantly moving forward, getting things done, and driving people and organizations along—I'm passionate about this.

## Can you tell us about your journey to becoming President and CEO of Enics?

Electronics Manufacturing Services (EMS) was not always the most exciting industry to be a part of, but that's changed quite a lot.

My background is in electrical engineering and I spent two-thirds of my career in the semiconductor industry, and the rest in electronics, photonics, automation, and digitalization. Together with my managerial and entrepreneurial experience, that provided a good foundation to step up as the CEO of Enics. For 10 years, I also held several non-executive board positions. I joined the Enics Board of Directors in 2017 before being appointed CEO in 2019.

The first two years of my Enics journey was about "back to basics"—stabilizing our operational performance and commercial excellence. Then came the definition and execution of a future, strategic element. Our plan is to become a full turnkey solution provider. It's an exciting transition.

## How has working in different roles across the value chain helped you overcome challenges in your current role?

I worked for a long time in the lighting industry and witnessed disruptive technology firsthand, for example, the move from general lighting to LEDs. That was exciting but also emphasized the need for professional change management and solid industry and technology application know-how.

Changes are happening within EMS, but they're more transitional as we move up the value chain to take over larger portions of the supply chain. Original equipment manufacturers (OEMs) can focus on their USP, innovations and IP and we will take care of the rest by orchestrating the entire supply chain. It's exciting because we're providing added value and are really changing the whole industry.

## What have been your major learnings around digitalization in the last few years?

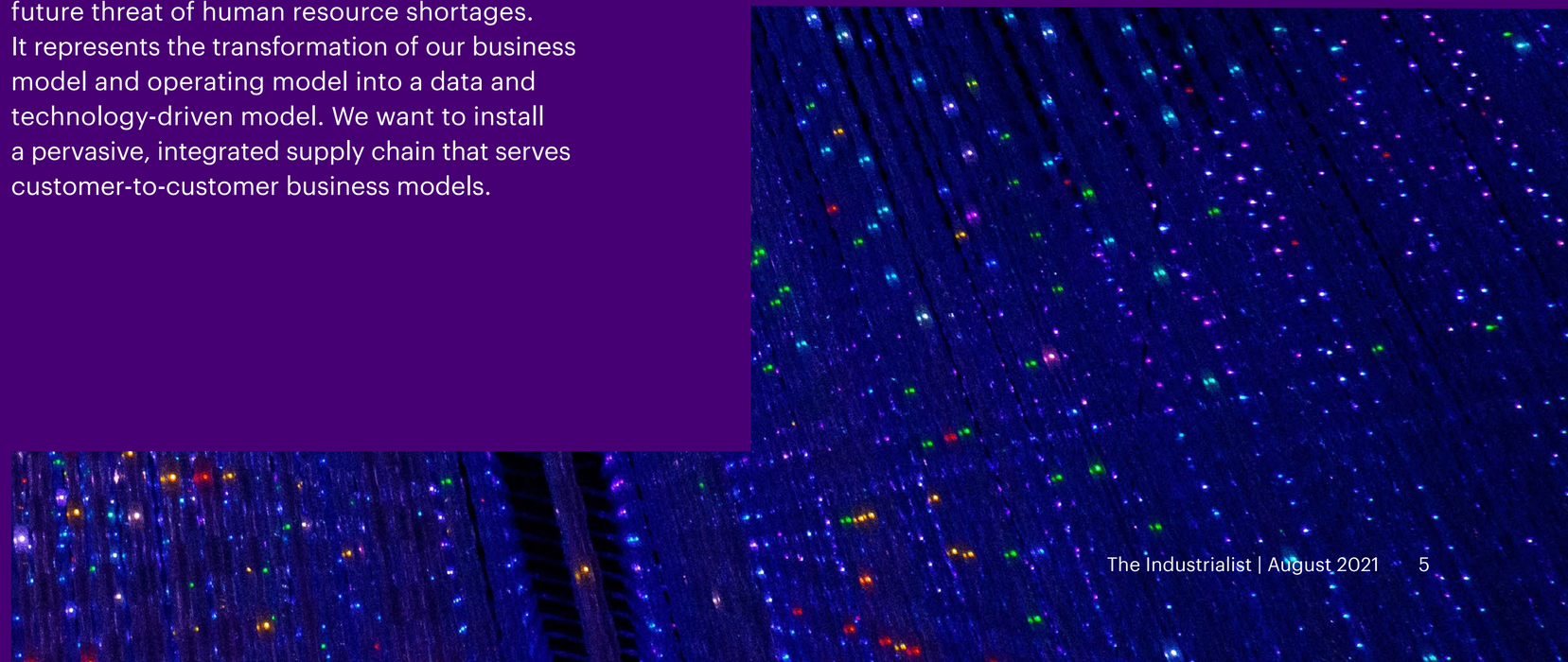
I see digitalization as a huge opportunity to improve quality, traceability, cost, speed, predictability, competitiveness–basically everything that EMS stands for.

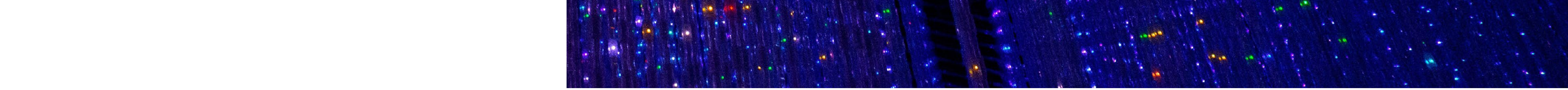
Digitalization also helps us respond to the future threat of human resource shortages. It represents the transformation of our business model and operating model into a data and technology-driven model. We want to install a pervasive, integrated supply chain that serves customer-to-customer business models.

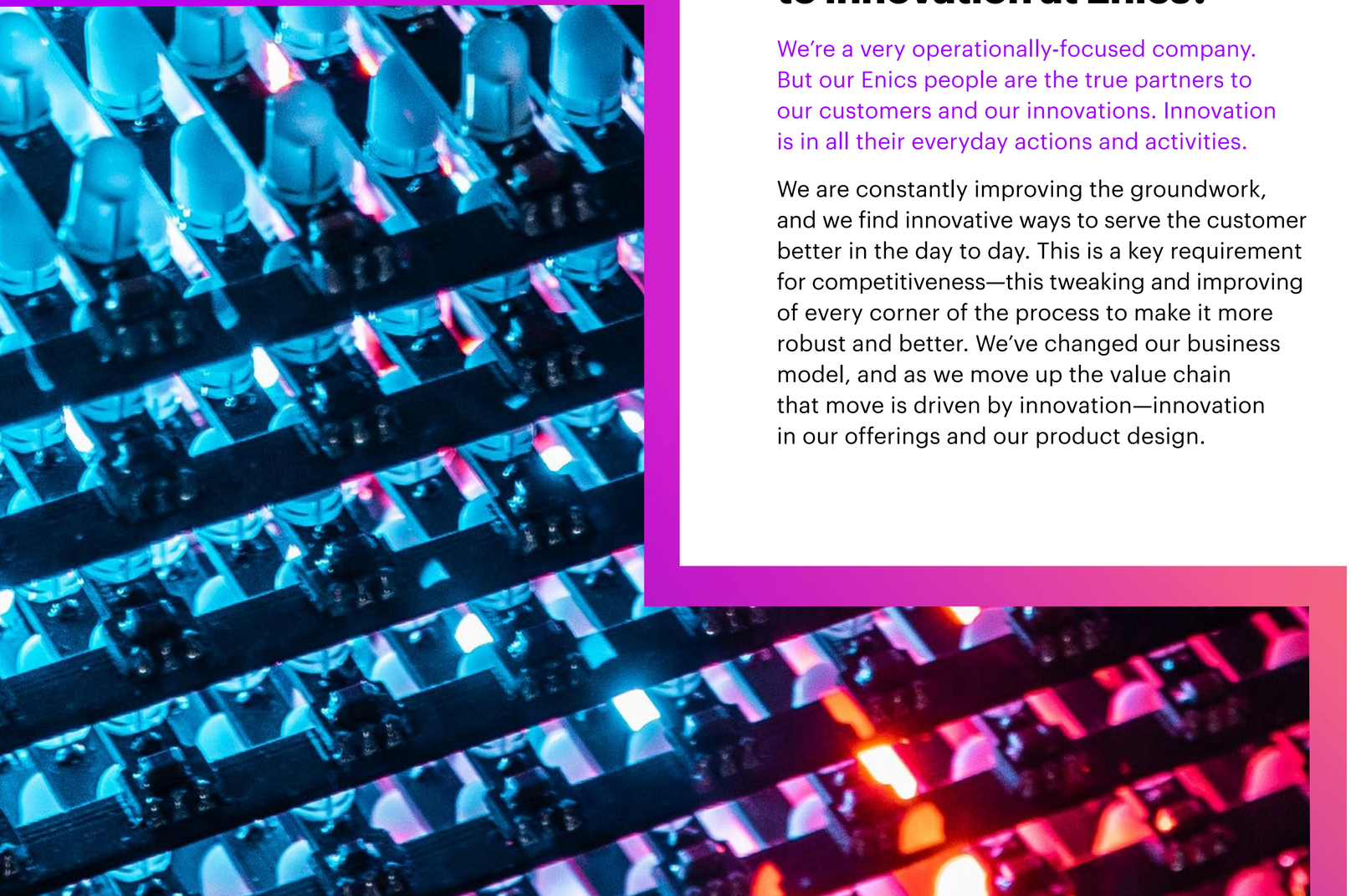
## What role does digitalization play for you in manufacturing?

Currently, we are focused on the harmonization of our IT and data landscape and external interfaces.

We created the Enics Life platform to address customer and supplier services and provide an automated interface. We use the platform to integrate with our customers and the entire value chain, and we are trying to base all the improvements we offer on data.







## What is your approach to innovation at Enics?

We're a very operationally-focused company. But our Enics people are the true partners to our customers and our innovations. Innovation is in all their everyday actions and activities.

We are constantly improving the groundwork, and we find innovative ways to serve the customer better in the day to day. This is a key requirement for competitiveness—this tweaking and improving of every corner of the process to make it more robust and better. We've changed our business model, and as we move up the value chain that move is driven by innovation—innovation in our offerings and our product design.

## How are those changes being received by your customers?

Our customers really like it, and we're seeing more changes in the EMS industry.

COVID-driven regionalization is leading customers to focus on their value-add and product IP, while we take over the orchestration of the supply chain and the running of their manufacturing operational work.

## How do you incorporate new technologies into your products and services, and which of those technologies are having the greatest impact?

Our Enics test systems collect data in the cloud and enable automated data and analytics for quality and process monitoring and control.

Our systems also have self-learning capabilities to enable automated repairs and preventative corrections to avoid failures in the manufacturing process.

Our customers and partners can access our cloud-based services via the Enics Life platform, where we share component data and make alternative component suggestions. This has proven extremely important because of COVID-related shortages across the entire component industry. With Enics Life, we can coordinate and share product change notices (PCNs) and product discontinuation notices (PDNs) and ensure our customer product teams find the best solutions for customers. That is unique in the industry.

## What are the biggest trends in the EMS industry impacting Enics' success?

Size matters—as confirmed by the fact the EMS industry is undergoing heavy consolidation. The COVID crisis enhanced the speed of that consolidation.

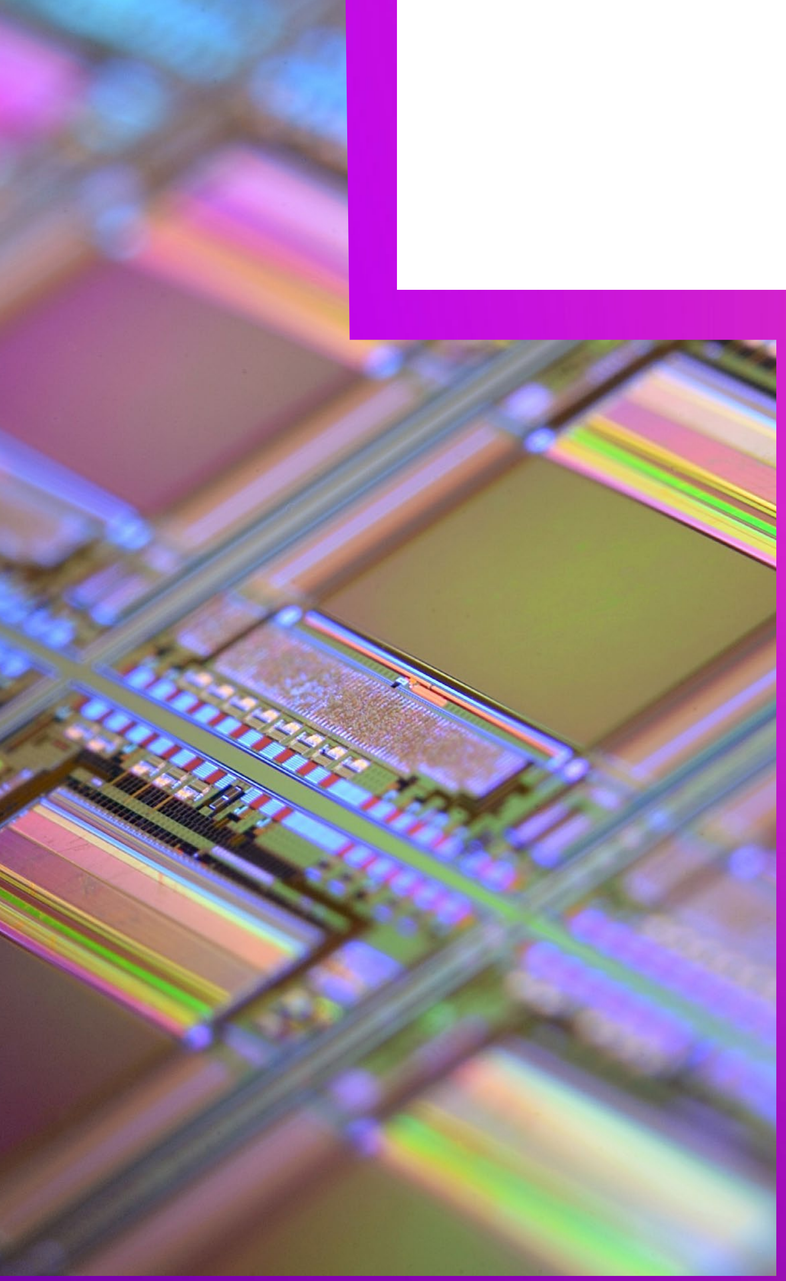
Another change will be a focus on the risk-free supply chain, which makes regionalization inevitable. EMS must provide all services across all continents and regions. I dare to say that we are going back to local, and that requires different know-how and operating and supply chain models.

The whole industry will also change as a result of digitalization, robotization and automation. These will not only be very attractive segments to serve, but our productions will become more and more digitized. Customer-friendly, pervasive user-platforms will change the industry with predictive maintenance and self-regulated systems—all exciting elements enabled by data analytics.

The way we're going right now, there is a real need for full-service, value-added, turnkey offerings for OEMs. That will be extremely important when it comes to supporting customers and enabling them to focus on their own improvements and IP.

**We're also pros at solving material and resource shortages, which are extremely relevant right now.**

**We know how to handle allocation problems in the supplier market.**



## How are the shortages of chips and semiconductors impacting Enics, and what will the impact be over the next few years?

Nobody knows how long this crisis will continue. If you go into the cyclicity of semiconductors, I'm sure we'll have another year where we will struggle with components supply.

We're impacted, but we are quite well digitalized so we can see ahead in the supply chain. We work closely with our partners and customers to ensure we have good insight across the supply chain.

The biggest impact for us now, is that our people have far more work to do than usual. There are still a lot of manual aspects that we have not yet digitalized. For example, when a component is unavailable, you need to know how to serve the customer with alternative components. That's the core know-how our people have. We have about 100,000 different products running and we're constantly introducing robots and automated systems to digitize the process. But the core know-how our people have is still needed and will be for quite some time.

## Is there a need for additional technology or skills to drive your agenda?

To move up the value chain, we must build a pervasive, customer-to-customer platform and clearly for that, we need more brains and more software. As we move up the value chain, that transition will be based on the Enics Life platform.

Customers, suppliers, and partners will be able to hop in the platform and take the data they need for their operations. We will need more software and skilled workers when it comes to the orchestration of the supply chain, because our platform will become even bigger and create a new ecosystem for the value chain.

## Where do you see Enics in two to five years?

Our strategy is very clear going forward: growth. Growth in size, growth in service offerings, growth in value-add. We want to be the first choice for outsourcing solutions in industrial applications.

We are already developing and executing on the building blocks needed to become the turnkey solution provider. We are providing new services and features in our offerings to customers. The next step will be the orchestration of an ecosystem where we put our service ideas directly on the Enics Life platform, to serve customer needs even better than today.

## What inspires you?

The curiosity to learn, explore and solve problems. Technology innovation excites me and inspires me to find solutions and take people along that journey.

## About The Industrialist

The Industrialist is our monthly digital magazine that puts game-changing perspectives in the spotlight. It combines thought-provoking content and insights, to keep you on top of what's new in the industrial industry.

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