HOW DIGITAL PRODUCTS ENABLE NEW TYPES OF COLLABORATION
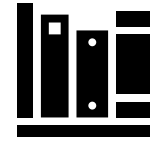
JON HOFMANN, PRODUCT DIRECTOR, ESAB DIGITAL SOLUTIONS
APRIL 13, 2022

Challenges affecting our industry
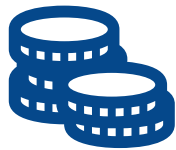
Productivity

Regulatory compliance
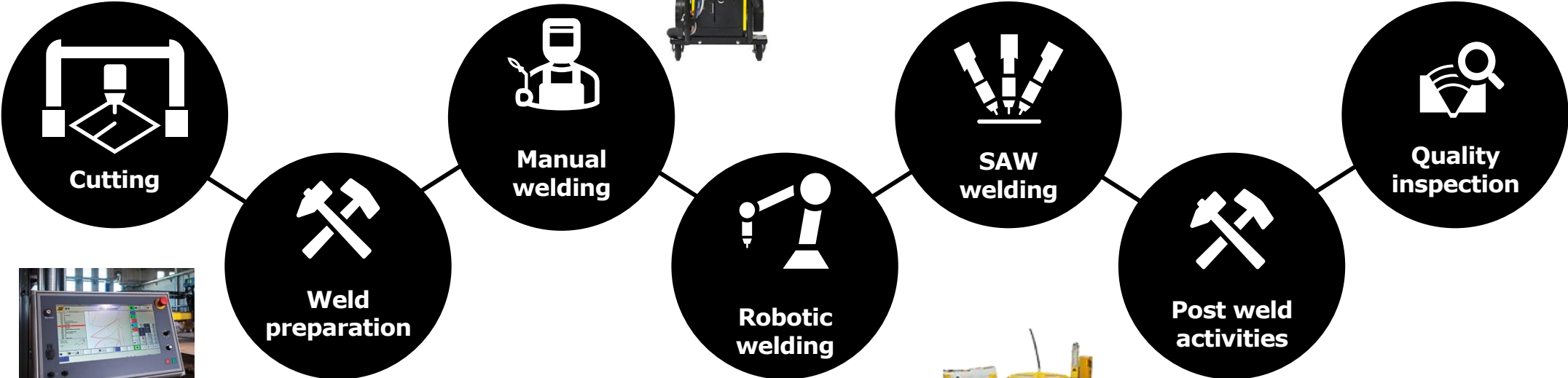
Rework & scrap

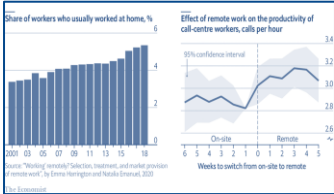**Cost control**

Quality & Traceability

Access to competence

ESAB ®

Physical workflow

Cutting

Weld preparation

Manual welding

Robotic welding

SAW welding

Post weld activities

Quality inspection

ESAB

Information workflow

- Work planning & follow-up
- Welder & procedure qualification
- Equipment programming
- Productivity, consumption, & quality monitoring
- Service planning & fleet monitoring
- Documentation & traceability

ESAB has gradually been building up a portfolio of software products

Earlier — 2018 — 2019 — 2020 — 2021

First power sources with built in gateway developed together with on-prem software

CAD/CAM nesting software

CutCloud
Launched CutCloud to provide up-to-the-second status information to maximize cutting quality and productivity

- **WeldCloud Productivity**
- WeldCloud 3 launched as a pure cloud solution
- Focused on supporting customers with welding productivity

weldnote
welding.solutions

WeldCloud Notes
- Acquired welding management software WeldNote
- Expanding WeldCloud solution into Welding Documentation and Compliance

WeldCloud Fleet
Third application in the WeldCloud suite supporting our customers to keep their fleet of equipment working optimal

OCTOPUZ

Octopuz
Acquired Octopuz – off-line robotic programming software to increase up time of robotic equipment
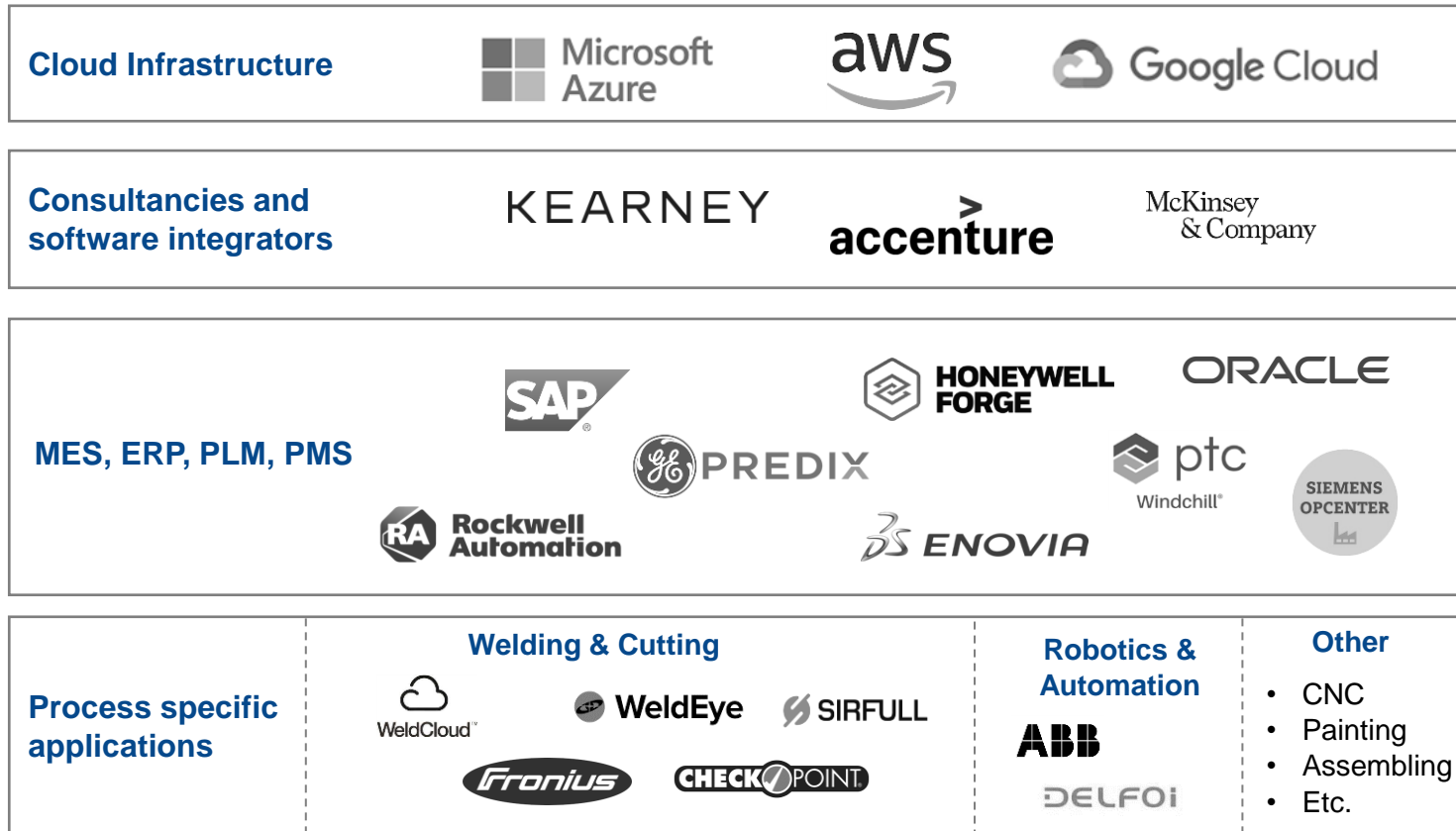
We now see workflows converting enabled by cloud-based solutions

ESAB®
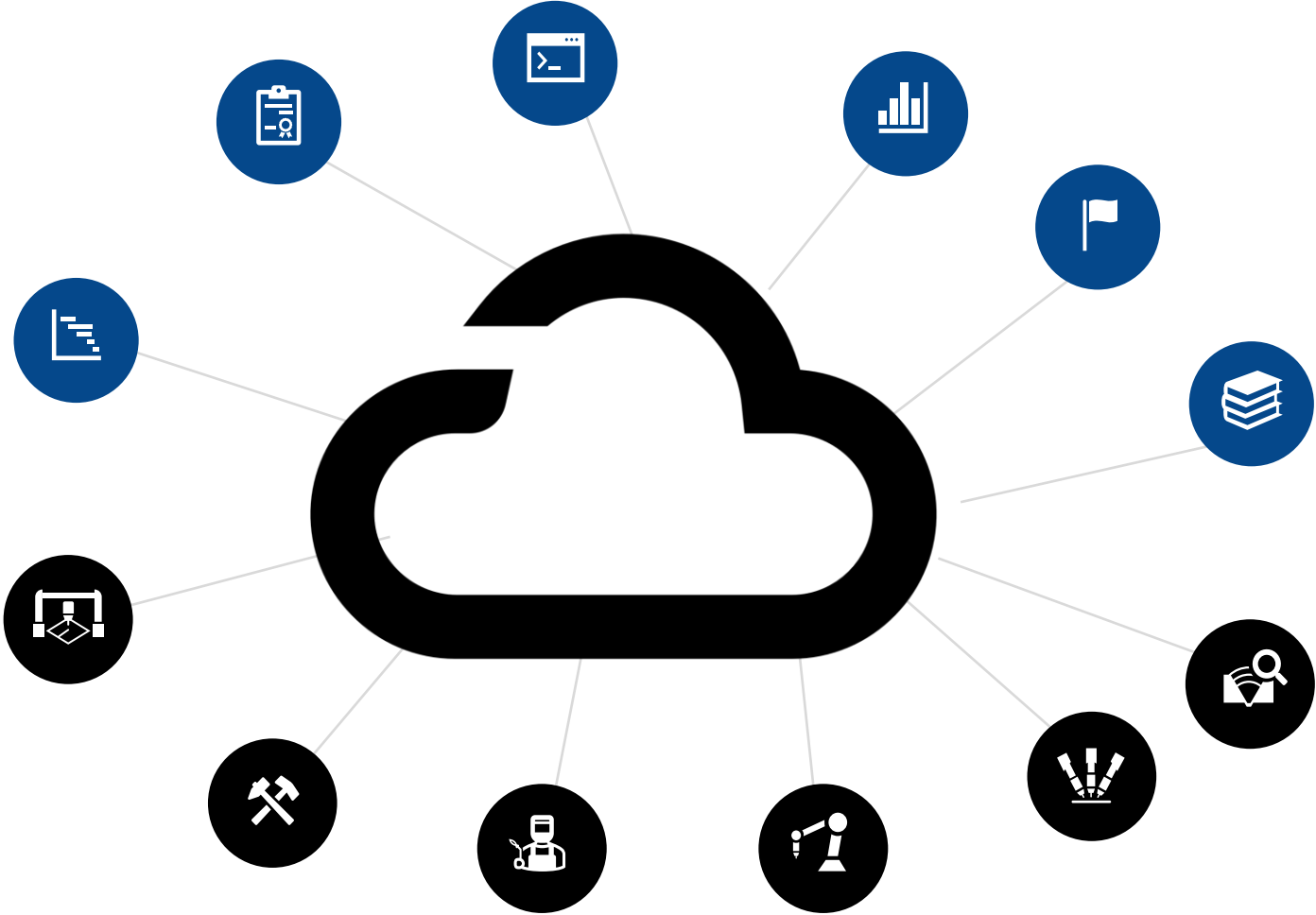
Linking applications, equipment, processes and people
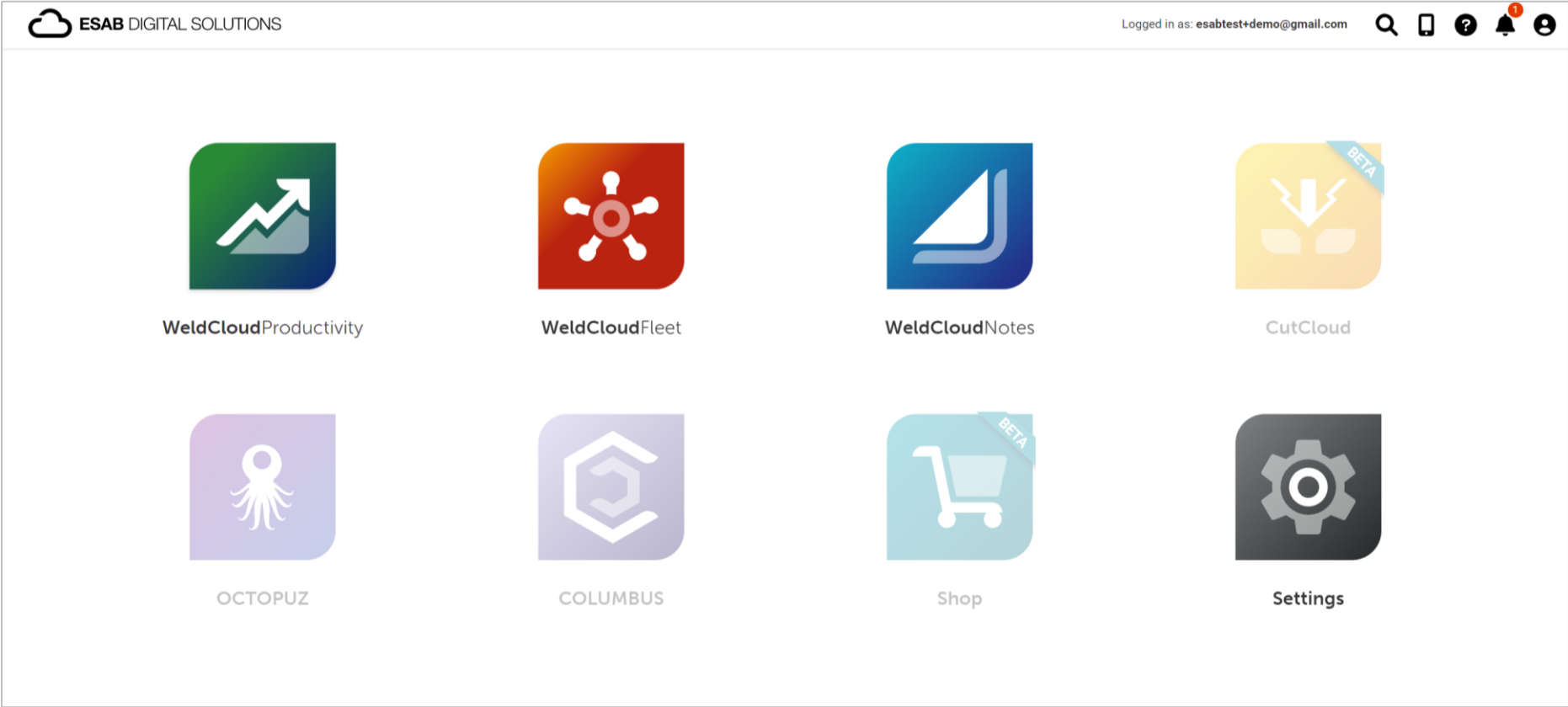
When entering the software space, the landscape shifts

Cloud Infrastructure	Microsoft Azure, aws, Google Cloud
Consultancies and software integrators	KEARNEY, accenture, McKinsey & Company
MES, ERP, PLM, PMS	SAP, HONEYWELL FORGE, ORACLE, GE PREDIX, ptc Windchill, SIEMENS OPCENTER, Rockwell Automation, 3DS ENOVIA

Process specific applications

Welding & Cutting	Robotics & Automation	Other
WeldCloud, WeldEye, SIRFULL, Fronius, CHECKPOINT	ABB, DELFOI	• CNC • Painting • Assembling • Etc.

- Digitalization initiatives drives change
- Customer are looking for integrated solutions
- Large global IT companies like Microsoft, Google, SAP, Honeywell and PTC are competitors, partners and suppliers
- Customers want to solutions regardless of what hardware they use

ESAB

Trends affecting digitalization

✚ TAILWIND

- Stricter regulations

- Technology advancements

- Automation and robotics

- Cloud solutions are getting more accepted

- Customers are starting digitalization initiatives

▬ HEADWIND

- Cost of developing and maintaining platforms

- IT security

- Access to competence

ESAB

Emerging business models

- Software as POD for selling hardware

- Solution selling

➡ **Strengthening the traditonal business**

- Perpetual licensing

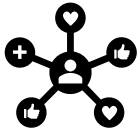- Subscription and software as a service (SAAS)

➡ **Building a software business**

What will happen next

- Physical and information workflow converging

- Customer want solutions that is brand-agnostic to hardware

- APIs to enable integration to ERP, MES, and other systems

- New collaborations and partnerships emerging

ESAB®

ESAB®