



## European Materials Handling Federation

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**EFM / Orgalime event on 20 June 2018 in Brussels - discussion in the European Parliament on “Shaping a future that benefits society: AI and data in European technology industries”**

### **EVA VIRTUTE’S INTERVENTION**

Dear Ladies and Gentlemen, Dear Representatives of the European Institutions,

it’s a pleasure for me to be here to share our experience, concern, or ideas on data. So, first of all, I would like to thank Orgalime for inviting me to take part to this debate.

During the last year, a lot of initiatives have been taken at EU level to handle and boost the new digital scenario, from the regulation on personal data protection to the new proposals and communications related to non-personal data and artificial intelligence. From a company perspective, I appreciate the efforts to harmonize legal requirements since this gives clear borders to the economic operators. I work as legal advisor in Toyota Material Handling Europe group (TMHE), the part of Toyota Industries Corporation which covers materials handling equipment under the brands of TOYOTA, BT, RAYMOND and CESAB. TMHE is active worldwide and employs over 10.300 people across Europe, with a turnover around 2.2 billion euros.

For our company, like many in our industry, data represents a big business opportunity, creating new business models, changing completely the factories (now smarter) and the way to carry out the everyday job activities. And it is well known that the skills needed in this new era are changing and must be developed to create new value. And indeed, data is helping us in creating new tailor-made solutions for our customers and new competence for the employees. Let me give you some practical examples.

Toyota is committed to integrated telematics. Connectivity is innovating deeply several aspects of manufacturing such as the logistic systems and provides support to eliminate waste. In this context, data use plays a key role. For instance, based on our experience derived from around 60,000 connected smart trucks already in operation, we have learnt that the average use rate of an industrial truck is at just 35%. There telematics helps us eliminate substantial waste of resources by improving such utilization levels. In fact, customers may improve their truck schedule by using data and the use of trucks can be more efficient and productive.

But let’s speak about safety. Accidents related to the use of material handling equipment can have serious consequences, whether physical (injuries) or financial (damage to equipment and stock). The data we collected from the Toyota I\_Site system shows that by combining the monitoring of the equipment in operation with the adoption of best-practice, you can decrease the number of incidents and therefore casualties as well as repair and damage costs (estimated reduction: 70%).

To achieve these resource or safety efficiencies, we must work closely with our customers and suppliers in order to find the proper solutions, for instance to build data plans. These types of collaborations are new, involve several players and are changing as technology evolves. They require us to be agile and reactive. But this is possible as long as the freedom of contract is maintained in the regulatory framework, since it is the only way to reach a regulated business relation in an evolving and quick changing scenario, where the technological progress and the business solutions are faster than the making law process.

Another key element closely related to data is artificial intelligence. There, the potential is enormous but of course some questions remain: how much are we using data? To what extent can we use AI in the future?

For us, in Toyota, AI is a strategic tool. The possibilities open by the digital transformation may lead to the creation of new solutions and new partnerships that will empower employees and increase customer value and satisfaction. For example, we have started a partnership with Microsoft to create a new mobile service solution for our technician. In fact, T-Stream will make them more prepared while doing the service activities. For instance, the new tool runs on Windows, utilises Bing Maps and GPS systems to provide technicians with an improved, proactive service that can carry out maintenance for customers before breakdowns occur. But there is room also to add new technologies: T-Stream will support augmented reality in the future. Thanks to the augmented reality glasses, the operator can read the instructions on how to change the sensor. Thus, it will become easier for a technician to service a forklift truck in the future. This is an example of what it is possible to achieve unlocking the power of data and taking action on it. But clearly, in this solution we put all our effort and know-how to innovate and to propose hopefully patentable solution.

Therefore, it is important that in the new legislative framework the protection of the companies' know-how and trade secrets will be duly taken into account. In this way, companies will be free to boost innovation, to create new solution, to develop skills, to compete, contributing to the general economic growth of Europe. Future has already started and we want to drive it. Future is inspiration. But only a legislative framework which consider the complexity and the overall aspects of the emerging technology can unlock the potential we have in Europe.

Thanks for your attention.