

TECHNOLOGY IN ACTION



Driving EU industry competitiveness and creating jobs



Orgalim's Technology in Action series showcases how the technology industries we represent are shaping a future that's good for Europe's economy and society – and how the right policy framework can help them do even more.

Challenge

How to increase EU industry competitiveness and drive innovation in the post-Covid age?

The potential of industrial automation and digitalisation to increase competitiveness and efficiency is well known and often talked about. Doing it is harder. Resistance can be due to the upfront investment costs, an under-appreciation of the benefits, and concerns about redundancies.

Solution

Once embarked upon, however, the benefits often exceed expectations and concerns melt away. This is certainly the experience of Lithuanian company, VMG Technics, which provides automation and robotisation products and services for manufacturing companies, especially in the wood processing industry.

The company reports it has developed 160 AI and robotics-assisted innovations in two years, allowing companies to save hundreds, even thousands, of working hours per month. At the same time, it has been awarded for creating jobs, and is nearing completion on a massive new R&D park, focused on developing industrial automation and robotics solutions.

As Mantas Leknius, Director VMG Technics, explains, automating processes often results in higher capacities and lower remuneration costs. However, it also creates new challenges in other processes, like warehousing, management of installations, and quality inspection, for which the existing employees can be retrained. If a company is expanding and continuously investing in innovations, there are generally no redundancies.

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Mantas Leknius, Director, VMG Technics

Besides, he says, there is such a shortage of labour at the moment, that “our main practice is to help out in solving the issue of staff shortages.”



Packaging is typically the most labour-intensive stage of production

Production packaging is typically the most labour-intensive stage of production, as well as being the last piece in fully automating the entire production line. One of VMG's clients has 160 employees working in four shifts 24/7 just on packaging of wood furniture parts. The work is monotonous and physically demanding, leading to high turnover in these positions and this, consequently, has a strong impact on production and production capacity.

Automating this process not only frees up employees to retrain for other roles, it means the whole plant can be optimised. Four lines are being combined into one system, with artificial intelligence algorithms helping to determine the optimal paths for each product, ensuring maximum production capacity and rapid product changeovers, as well as quality control.

"Production foremen are informed on the quantities of the ordered products that can be made from the components already in stock thus helping them to decide on the optimum production line," explains Mr Leknius.

Policy implications

Automation and industrial AI has tremendous potential to drive competitiveness and innovation. But the technologies involved and the implications for employees are often not fully understood up front and that can create resistance. "The opportunities are great, but we need to realise that these opportunities are created by the people themselves," stresses Mantas Leknius. Businesses often need help, not just with the costs, but with preparing the ground and developing the knowledge and competence of their employees.

Related Orgalim position papers

- [Data Act](#)
- [AI Act](#)
- [Cyber Resilience Act](#)
- [Advanced Manufacturing](#)
- [Construction Products Regulation](#)



VMG

About VMG Technics

VMG Technics is part of the VMG Group of companies mainly engaged in wood processing and wood products, including engineered wood for construction, furniture and related technologies. Based in Klaipėda, Lithuania, the group employs around 3,000 people and exports to more than 40 countries worldwide. VMG Technics provides production, engineering services, and automation and robotisation of technological processes for companies in the VMG Group and outside.

vmg.eu

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering, electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of over €2,000 billion, manufacturing one-third of all European exports and providing 11 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88 | All rights reserved @ October 2022, Orgalim aisbl | Editeur responsable: Malte Lohan, Director General



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