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VW selects Amazon to make production, logistics more efficient

Volkswagen Group will rely on Amazon Web Services (AWS) to automate manufacturing and logistics processes across its network of 122 plants and more than 30,000 facilities that make up the group's global supply chain.

The German automotive group said it had signed a multi-year agreement with AWS, the cloud computing unit of Amazon, to build a a cloud-based industrial digital production platform. The services that AWS will provide include IoT, machine learning, analytics and other functions that VW hopes will make its plants more efficient and improve production flexibility.

Porsche CEO Oliver Blume, who oversees all production across the VW Group's 12 brands, said the collaboration with Amazon will "strengthen production as a key competitive factor."

AWS CEO Andy Jassy promised in a press release: "Volkswagen's and AWS's collaboration will have a profound impact on efficiency and quality in production through Volkswagen's global supply chain."

The planned "Industrial Cloud" will gather all data from VW's manufacturing plants in real time and the functions provided by AWS will be designed to help boost effectiveness and track vehicle parts across the supply chain.

The AWS Internet-of-Things services included in the agreement are: AWS IoT Greengrass, AWS IoT Core, AWS IoT Analytics and AWS IoT SiteWise.

VW said that, together with a company-wide data lake, it expects to get new insights into operational processes that will help identify gaps in production and waste.

The two companies also plan to deploy machine learning to oprtimize the operation of machinery and equipment.

Over time, VW plans to include its 1,500 suppliers and partners in the project as well.

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AWS offers a broad range of cloud-based applications. Companies pay a fee to use these services and then don't have to invest in their own infrastructure anymore. AWS, because it serves numerous clients, can also easily scale its offering if and when needed.

-By Arjen Bongard