RIETER TEXTILE SYSTEMS

TEAMWORK ACROSS CONTINENTS BASED ON SAP® PRODUCT LIFECYCLE MANAGEMENT

"SAP PLM helps us stay competitive. Without it, we could not keep up with our competitors in China and India."

Anton Wüest, PLM Manager, Rieter Textile Systems

QUICK FACTS

Company
- Name: Rieter Textile Systems
- Location: Winterthur, Switzerland
- Industry: Industrial machinery and components – mechanical engineering
- Products and services: Machinery for textile manufacture
- Revenue: €722 million
- Employees: 4,000
- Web site: www.rieter.com

Challenges and Opportunities
- Withstand price pressure from competitors in China and India
- Retain customers looking to find new suppliers in emerging markets

Objectives
- Have all product data in 1 central product lifecycle management (PLM) solution with worldwide access
- Provide data about complete lifecycle of all machinery and parts
- Make sure all development and production locations can access the data they need

SAP® Solutions and Services
SAP® Product Lifecycle Management (SAP PLM) application

Implementation Highlights
- Connected PLM solution to CAD applications
- Set up authorization software based on SAP software functionality to let users in entire company access needed data
- Set up authorizations that apply to all versions of documents and data stored in SAP PLM

Why SAP
- Current use of the SAP ERP application to plan resources
- Support for 1 central data source for all software, eliminating error-prone synchronization process

Benefits
- Elimination of redundant data
- Authorization that allows users to access CAD data, drawings, and change documents in real time from wherever they happen to be working
- Direct access to engineering change management functionality in SAP ERP for entire product lifecycle
- Efficient collaboration of virtual teams made up of members in the different subsidiaries of Rieter Textile Systems
- Better handling of documents and data in different languages

Existing Environment
- SAP ERP
- SAP BusinessObjects™ governance, risk, and compliance solutions

Third-Party Integration
- Database: SAP MaxDB™
- Hardware: Dell
- Operating system: Windows XP

RIETER

Rieter Textile Systems is a supplier of machinery for the manufacture of yarns. To save costs, the company has taken a lead from its customers and moved most of its manufacturing to the Czech Republic and the Far East. Product development is still based in Switzerland, Germany, and the Czech Republic, while some of the adaptations required for local markets are carried out in India and China. Rieter Textile Systems uses the SAP® Product Lifecycle Management (SAP PLM) application for its processes to help its cross-continent teams work together.

Rieter was established in Winterthur, Switzerland, in 1795. With flexibility and innovation as its hallmarks, it has been keeping pace with change ever since. Its groundbreaking products and sophisticated system solutions make it a trusted and successful partner for its customers in the textile and automotive industries. The leading provider of machinery to yarn manufacturers, Rieter is the only supplier worldwide with the products and expertise that cover all stages in the spinning process. It can deliver whole production plants that cover the complete process chain from the raw material to the final product. Rieter provides subsystems, machines, components, and spare parts. It also provides presales and after-sales services.

The Rise of Asia

The market segment in which Rieter Textile Systems operates has seen considerable change in the past few years, as its customers have been transferring production to Asia, in particular to China and India. As the company's production plants need to be as close as possible to its customers, Rieter has had to follow in their footsteps. Nor does it not want to miss out on the advantages of lower production costs in these countries. So it separated its development and manufacturing arms and transferred its manufacturing and procurement activities to where its customers are – China and India. Its locations in Switzerland, Germany, and the Czech Republic continue to focus on developing the machines of the future.

Collaboration of Virtual Teams in Different Countries

The separation of production and innovation across different regions created virtual teams. Although the tasks of developing and producing a particular type of machine were still allocated to specific teams, these teams now had to communicate and work together across time zones. Given the vast number of components in each Rieter machine, working in this way can easily lead to errors, at least if you do not have the IT needed for the job.

"This is why we started taking a closer look at a cutting-edge solution for product lifecycle management when we were building up our teams in the different locations. It was obvious that we needed technical support in handling our product data," says Anton Wüest, who is responsible for product lifecycle management at Rieter Textile Systems.

Synchronization Issues Consigned to the Past

In a previous SAP implementation project, Rieter migrated material master data and drawings as PDF files to the engineering change management functionality in the SAP ERP application. The CAD data remained in separate product data management software. "Since 2005, we have been using SAP ERP to handle all our CAD data. The maturity of the CAD-SAP software interface and the positive experiences reported by other customers using this solution made the choice an obvious one," says Wüest. Rieter Textile Systems is now able to handle all types of data and avoid redundant data. Synchronization issues have been consigned to the past. And most importantly, all authorized users can now access the data they need in real time, which makes working together in virtual teams a great deal easier.

Rieter Textile Systems implemented SAP Product Lifecycle Management in 2005. In 2009 alone they created 38,000 material masters in SAP PLM. Most of this data was geometric data from the CAD programs. About 12,000 document versions were created in that year, which is not an exceptional volume

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for Rieter Textile Systems. The numbers underscore how important the PLM solution is. If it weren't for the software, Wüest stressed, it would be impossible to handle so much data, and international teams would be unthinkable.

Focus on Processes Rather Than Location

With SAP Product Lifecycle Management, Rieter Textile Systems can easily extend its business processes abroad to be closer to its customers and gain cost advantages, organizing activities by process rather than by physical location. This means that it can continue producing highly complex machine parts in Europe and transfer mass production to the Far East.

"We have about 20 key products, each of which has different variants. Some of these products are now produced across multiple locations. With SAP PLM, our teams work together effectively even though they aren't in the same place. For developers in Switzerland, it does not matter whether their co-workers in production are in Germany or China. Everyone can easily access the data they need," says Wüest. Rieter Textile Systems used the user management functions in the SAP software to develop its own authorization concept so that all users can access the data they require, regardless of which group they are in.

Multilingual Support

The multilingual support offered by SAP PLM makes working globally much easier. Rieter Textile Systems can store its material codes in the five company languages: Chinese, Czech, English, French, and German. SAP PLM can handle 10 additional languages, including Indonesian, Russian, and Thai, which are the languages of Rieter Textile System's customers. The solution automatically translates all the documents required into these languages, saving the company time, money, and resources. Since all the employees have the information they need in their native language, they are less likely to make errors in their everyday work.

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It isn't only the development and production teams who benefit from SAP PLM. The software helps 400 workers in other departments. For example, purchasing staff can use the information and CAD data in SAP PLM to order parts and tools. Because the quality of the data is high, Rieter Textile Systems is now able to produce prototypes as part of its normal manufacturing process instead of separately, which used to be the case. This saves the company considerable time and money. "With SAP PLM we can properly implement the business processes we have defined. It makes our employees' jobs easier," Wüest points out.

Building on Success

Just three years after the implementation of SAP PLM, Anton Wüest draws a positive conclusion: "SAP supported us throughout the implementation phase. SAP's team was an excellent main contractor and did a good job of coordinating the other companies involved, which included DSC Software AG and ProNovia AG." The ultimate measure of the success of the PLM implementation was user buy-in – the teams had to be able to understand the PLM processes and apply them consistently. According to Wüest, two more factors were critical: The user-friendly software from DSC Software was highly valuable, specifically the Engineering Control Center ECTR software and a PLM interface that integrates CAD software with the SAP software interface. In addition, the process manager solution from ProNovia supported the mapping of processes in the SAP application, which helped Rieter organize them.

The users of the SAP solution appreciate its strengths. "SAP PLM has proven to be extremely stable and reliable. We can depend upon it completely, especially given that it has really enabled us

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to work in virtual teams. We can only stay competitive by operating in different countries," states Wüest. His opinion is shared by his co-workers. "Everyone sees the benefits the software has brought us," adds Wüest. "That's why it has been a great success. And we didn't have to provide an awful lot of training either."

Wüest's team is currently planning to use SAP PLM for other work. For example, they want to use it to map the transfer of parts and machines from large-scale production to customer services. The service team needs to know exactly which parts are used in successor products and previous versions. Going forward, the company will be using the engineering change management functionality to steer the development of computer-aided manufacturing software alongside CAD software for electrical and mechanical design.

After implementing SAP PLM, Rieter is closer to achieving one of its long-term goals. The company wants to move away from its rigid business unit structure and towards flexible global processes. The success of this SAP PLM implementation shows the way forward.

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