

Industrial machinery

KSEC

Using solid models to find new markets

Product

Solid Edge

Business challenges

KSEC adopted a two-fold strategy to ensure future sales:

- (1) Boost market share within tobacco industry
- (2) Find new business lines that leverage the company's core expertise in machinery design

Keys to success

KSEC partnered with Siemens; installed 200 seats of Solid Edge software throughout its engineering departments

Solid models of large assemblies replaced paper drawings, allowing evaluations of fit and function to be performed faster and more accurately on virtual machines

Results

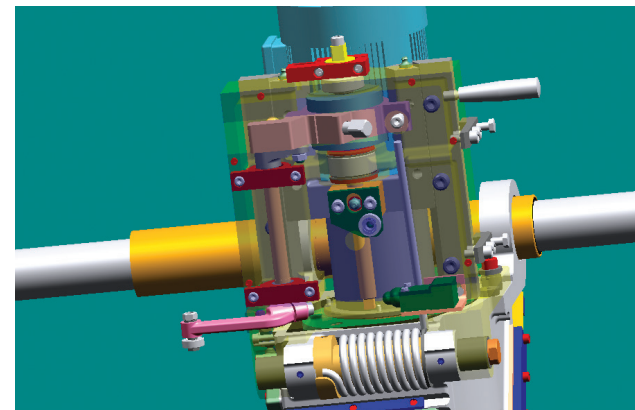
KSEC increased its market share in the tobacco industry to 91 percent

KSEC, China's leading manufacturer of tobacco processing equipment, adopted Solid Edge to adapt its machinery expertise to new uses

With tobacco use in China declining, KSEC was under pressure to find additional markets for its products. Turning to Solid Edge® software from Siemens, KSEC substantially expanded sales, distribution and market share.

Ensuring future growth

In the mid-nineties, KSEC foresaw the long-term fall in consumer demand for tobacco. Since that would shrink demand for KSEC's principal product, tobacco processing equipment, management adopted a two-fold strategy to ensure future growth: 1) maximizing market leadership in the supply of tobacco equipment while 2) developing new lines of business built around the company's core expertise in machinery design. Management was shrewd enough to focus on the long-term potential of one of the "backbones" of e-commerce fulfillment – material handling. Like tobacco processing equipment, this machinery is characterized by large assemblies. Typical assemblies contain several thousand parts but some have as many as 10,000 parts. Previously, when KSEC designed large assemblies in 2D, it was difficult to ensure the correct fit and prevent clashes. Many engineering



change orders were required, delaying delivery, jeopardizing quality and incurring extra costs.

Virtual assemblies

KSEC explored the marketplace to find an affordable solution that it could deploy on a large scale. Selection criteria included affordability, a short learning curve and measurable productivity improvements over the old 2D process. KSEC turned to Siemens as its technology partner and implemented a 200-seat Solid Edge CAD solution across its engineering departments. Large assemblies are now designed and debugged in software, reducing engineering changes by 70 percent compared to the previous 2D tools. Communication among design teams has improved as well.

Results *(continued)*

The company has expanded its lines of business, which now include automated material handling systems, automated guided vehicles and other specialized machinery

New products represent significant new sales against foreign competition

Solutions/Services

Solid Edge
www.siemens.com/solidedge

Customer's primary business

KSEC is the second largest producer of tobacco-related equipment and machinery in the world.

Customer location

Kunming, Yunnan Province
China

"A 3D model communicates a complex assembly far more effectively than drawings. Teams can now quickly visualize design intent, which lets them more effectively evaluate new products at design reviews."

Fu Ya Li
Director
KSEC Information Center

Mission accomplished

Since adopting Solid Edge, KSEC has been able to deliver higher quality equipment to customers much faster than it did in the past. So successful has this solution been that KSEC now holds a 91 percent market share among producers of tobacco machinery, supplying 164 out of the total 180 tobacco factories across China. KSEC has also successfully expanded its lines of business to the design and manufacture of a wide range of automated material handling systems, automated guided vehicles and other specialized machinery. In short time, KSEC's new expertise has become recognized, enabling the company to win

business against foreign competition from both the US and Japan. KSEC's order books increasingly reflect sales coming from overseas, making this company a model of transformation among the state-owned enterprises in China.

A local solution

Solid Edge is delivered in simplified Chinese characters for its user interface, online help libraries, tutorials and user guide. Solid Edge also supports the production of drawings for output to Chinese Guo Biao (GB) drafting standards.

"We needed engineers to learn the new system quickly. Solid Edge had a very short learning curve."

Li Tao
Vice President
KSEC

Siemens PLM Software

Americas +1 314 264 8287
Europe +44 (0) 1276 413200
Asia-Pacific +852 2230 3308

www.siemens.com/plm

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