

# PT Panasonic Manufacturing Indonesia

*Reduces development time by up to 33 percent with CATIA V5*



*“With CATIA V5’s accurate designs and digital mockup capabilities, we have reduced the numbers of mold modifications during manufacturing, giving PT Panasonic a competitive advantage.”*

Daniel Suhardiman, Manager of Creation Centre, PT Panasonic Manufacturing Indonesia.

## Overview

### ■ **The Challenge**

*To gain competitive advantage in the market, PT Panasonic needed to reduce costs and increase efficiency by improving its business processes*

### ■ **The Solution**

*CATIA V5 supported PT Panasonic’s comprehensive business process redesign, and helped integrate design to manufacturing*

### ■ **The Benefit**

*With CATIA V5, PT Panasonic has reduced new product development time by up to 33 percent and costs by up to 50 percent.*

### **Innovating to meet market demands**

Beginning in the late 1990s, electronic manufacturers in Indonesia faced great challenges as the market was flooded with products from other Asian countries. The long monetary crisis in Indonesia and a drop in total sales from 38 percent to 27 percent in the Middle East, its main market, have meant challenges for PT Panasonic, although the company still realised 15 percent growth in 2002.

PT Panasonic, the largest maker of consumer electronics in Indonesia, knew that in order to overcome the challenges in the marketplace, it needed to implement technology solutions that would help it reduce development costs. PT Panasonic wanted to transform its business processes to maximise engineering effectiveness, gain efficiency and overhaul its approach to product planning, design and manufacturing.

### **A holistic approach to gain efficiencies**

PT Panasonic turned to its long time partners at IBM to help integrate its many existing solutions and transform its business processes.

To increase horizontal efficiency – from supply procurement to final product delivery, PT Panasonic selected an infrastructure based on IBM’s pSeries and iSeries eServers coupled with DB2 to support its ERP and SCM systems. In addition, to achieve its ‘Digital Manufacturing’ goals, the company implemented CATIA V5, an IBM PLM solution developed by Dassault Systèmes, for product development running on IBM IntelliStations.

The 'Digital Manufacturing' approach involved integrating all of PT Panasonic's design activities into one division. "In the past, each division was responsible for developing its own products," Daniel Suhardiman, Manager of Information System Centre, PT Panasonic Manufacturing Indonesia. "Now we have established a Creation Centre that allows us to be a 'trendsetter' when it comes to our customers' lifestyles and to preserve our lead in the market."

To improve customer satisfaction and to better meet their product expectations, PT Panasonic replaced its legacy CAD/CAE/CAM systems with CATIA V5 in 2001. "With the process-centered features of CATIA, we can do everything with a greater level of integration," Daniel says.

#### **Hitting the mark with CATIA V5**

Within one year after implementing CATIA V5, PT Panasonic had reduced development time by as much as 33 percent, improved productivity and shortened time to market.

"Our Research and Development division no longer needs to go through two phases of the design cycle," Daniel says. "In the past, a complete cycle included creating, sketching, soft modelling, dimensioning and digital mockup. With CATIA, we can jump straight to creation of a soft model and digital mockup, but still maintain data consistency between design, engineering and manufacturing."

By shortening its product development time, PT Panasonic has been able to increase its competitiveness by becoming more responsive to rapidly changing market demands and precluding the ability of others to copy its products.

Gains in productivity are readily evident. Recently the company launched four new products – a television, a fan, a radio/cassette and a refrigerator – all at the same time. PT Panasonic plans to launch 25 new products each year.

The company also has reduced the cost of new product development by as much as 50 percent. "With the design accuracy and digital mock-up capabilities of CATIA, we have been able to reduce mold modifications to no more than two per product, resulting in enormous cost and time savings for PT Panasonic," Daniel says.

But PT Panasonic knows that to continue to lead in its market it cannot rest on its success. Daniel says with IBM as its partner, the company must further develop its IT infrastructure. For example, PT Panasonic is establishing a Disaster Recovery system using IBM's LTO products. The project is another proof point of the comprehensiveness of the IBM-PT Panasonic partnership, which is targeted to address today's as well as tomorrow's needs to remain competitive through innovation that matters to their customers.

#### **For more information**

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#### **IBM Eurocoordination**

Product Lifecycle Management  
Tour Descartes  
La Defense 5  
2, avenue Gambetta  
92066 Paris La Defense Cedex  
France

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