



Gerber promises further innovation in the years ahead. CREDIT: GERBER SCIENTIFIC

Battle for a cutting edge continues

Cutting technology companies remain committed to helping automotive tanners and car seat manufacturers to continue improving in efficiency and quality.

In recent weeks, laser-cutting technology providers Gerber Scientific and Lectra have both given detailed insights into their visions for the future. As both companies include car-seat manufacturers and automotive tanneries who supply them among their customers, what these companies have to say is of importance to this niche part of the leather industry.

Gerber chief executive, Mike Elia, is keen to point out that his company has been helping automotive interiors specialists automate their operations for 45 years. One recent highlight, Yunique 360, is a technology platform that incorporates 3D imaging technology to reduce the need for users to send samples back and forth, increasing the efficiency and speed of operations. Brand owners and their suppliers can capture a 360-degree view of a sample and send these images, complete with annotation and mark-ups, to colleagues and partners using the technology. Digital sample images eliminate barriers caused by differences in language and time zones and will minimise the number of sample submits and courier charges companies incur,

Gerber says. This will reduce product development time and improve quality.

Need for speed

"Today it's all about speed," Mr Elia says. "But for speed to work in the value chain, data has to move seamlessly and everything has to be integrated free of variability. Seasonal cycles are much shorter now and our clients are bringing out new products faster than ever."

Since the company was taken private in August 2011, Mr Elia says it discloses no financial details now. But he says Gerber's earnings went up by close to 60% in 2012. "We've done that not just by cutting costs but by investing in our technology. So you can expect more innovation and more new products from Gerber over the next several years."

His counterpart at Lectra, Daniel Harari, has said that the effects of the economic downturn that began in 2008 have been so great that what we now have is a "reset economy" (the phrase



Gerber Scientific chief executive, Mike Elia.

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Lectra chief executive, Daniel Harari, has worked hard to follow the lean example of his automotive customers.

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Lectra believes the savings in material consumption that its cutting technology offers are greater than the cost of its products.

CREDIT: LECTRA

comes from Jeffrey Immelt, chief executive of General Electric). Lectra has responded by keeping its main manufacturing and service centres in France, by working hard to focus on its top customers (the top 300 account for 45% of revenue, the top 3,000 for the next 45% and the rest, almost 20,000 companies, bring in the other 10%) and by putting its prices up.

Between 2007 and 2012, the price of Lectra's technology has gone up by an average of between 3% and 5% per year. Mr Harari says the price of his competitors' technology over the same period of time decreased by between 2% and 5% per year. He insists the growing gap has helped Lectra focus on what it offers to justify asking companies to pay more. He explains that in some cases a day's downtime on his company's cutting technology can cost user companies the same as a whole year's service fees. The technology is self-diagnostic and can almost always be serviced remotely without interrupting operations.

Lean dream

As part of its response to the new business environment imposed by the "reset economy", Mr Harari says Lectra will aim to help its users improve their performance in lean production, something that automotive brands and many automotive tanners are already well versed in. Lectra is in the process of applying lean principles to its own operations internally. As a result, Mr Harari says his company is now able to make its cutting technology in France for the same cost as its competitors are making alternative products in China. "Costs in China have gone up," he says. "I'm not negative about competitors manufacturing their technology solutions in China. I'm not saying it's a bad move, just that it's a move we decided not to make because it's not our DNA. If you have a DNA, you have to follow it. But another part of this is that we have become more productive. We are at the point now that even if a competitor offered a user an alternative cutter for free, the user would still be better off with ours because the savings in material more than make up for the price of the technology."

Full use of hides

In other words, automating hide cutting is a good way to reduce waste. Versalis, the Lectra product that is specifically aimed at cutting leather for the automotive industry, carries out analysis of each finished hide automatically. It readily identifies the parts of the hide that might, in earlier times, have gone to waste and cuts them for use in the parts of a car interior that do not require premium material. "Most people could use their cutters better," Mr Harari continues. "Some companies in the car industry are using the cutting technology at an efficiency level of around 20%. It could be as high as 85%."

Time to add value

This assessment, too, is part of his desire to help make Lectra technology part of user companies' lean strategies. He believes the main indicator for lean is the time people spend waiting for someone else to do something compared to the time they spend adding value. "In good companies, people are only adding value about 20% of the time," Mr Harari says. "Even in automotive, between 20% and 40% is usual, although you also have true leaders such as [car seat manufacturer] Johnson Controls who are between 60% and 70%."

During its internal quest for lean, Lectra itself showed up at 20%. "The lean consultants we worked with said that was good," the chief executive says, "but I nearly had a heart attack when they told me that. I don't think I fully understand lean yet. The concepts are easy to understand, but difficult to apply. The problem, it seems to me, is human nature. Companies, traditionally, have relied on giving instructions and insisting that their workers follow rules. Lean isn't that. Lean is permanent improvement of all processes."

As automotive tanners and their customers in the car industry keep working hard to make those continuous improvements to all their processes, they can, at least, take heart from knowing that the major manufacturers of important technology solutions such as the cutters they use are on a similar journey. ☺