

# Unitech Cuts Engineering Change Times from More Than One Month to Seven Days



Unitech Electronics Co., Ltd  
Taipei, Taiwan  
www.unitech.com.tw

**Industry:**  
Industrial Manufacturing

**Employees:**  
400

**Oracle Products & Services:**  
Agile Product Lifecycle  
Management

**Oracle Partner:**  
Ares International Corporation  
www.ares.com.tw

*“By implementing Oracle’s Agile Product Lifecycle Management, we reduced the time required to make engineering changes from more than one month to just a week. This shortened the launch time for new products and made a significant impact on our revenue and profits.” – She Shang-fang, Assistant Vice President, R&D Department, Unitech Electronics Co., Ltd*

Founded in 1979, Unitech Electronics Co., Ltd is a manufacturer of automatic identification and data collection products such as personal digital assistants, handheld terminals, barcode scanners, and RFID readers. The company has offices across Asia, Europe, and North America, and works closely with 1,000 partners in more than 35 countries.

As the use of RFID applications increases, Unitech expects a 30% annual compound growth rate for revenue, putting it firmly on track to exceed US\$120 million in sales by 2010. The development of new products is crucial to achieving this growth, putting the company’s research and development (R&D) division under immense pressure to speed development times, reduce costs, and work more productively.

With help from Oracle Certified Partner Ares International, in August 2008, Unitech implemented Agile Product Lifecycle Management (PLM) to improve the efficiency of its R&D division. The solution has enabled the company to cut engineering change times from 30–40 days to 7 days, reduce material costs, and support information sharing between the R&D and production departments. By streamlining its R&D operations, Unitech has shortened its time-to-market, giving the company and its customers a significant competitive advantage.

## **R&D Inefficiencies Hinder Development Process**

As a company operating in the fast-moving technology sector, Unitech recognizes the importance of IT to the business. Eight years ago, it implemented a product data management (PDM) system in its R&D and production departments.

**Key Benefits:**

- Improved engineering change times from 30–40 days to 7 days
- Improved time-to-market by shortening product development times
- Reduced inventory costs by enabling staff to search for the lowest cost products
- Enhanced interdepartmental collaboration by integrating the PLM and ERP systems
- Eased IT workload and cut costs by giving staff the ability to customize system settings

However, as time went on Unitech discovered that the PDM system did not meet the needs of the R&D department.

“Our requirements were constantly changing because of the evolving market in which we operate,” explained Unitech Assistant Vice President She Shang-fang. “Since we had limited IT resources, we had to spend large amounts of money to refine the system. Even a simple task like adding a field could not be completed in-house and had to be outsourced.”

Moreover, the PDM and enterprise resource planning (ERP) systems were not linked and required staff to manually process data from one system to another. And while the PDM system offered data storage and retrieval, it did not have the stringent security needed to protect confidential R&D information.

**Engineering Change Times Cut to Seven Days**

After implementing Agile PLM, Unitech has improved the efficiency of R&D operations. For example, the sign-off process for engineering changes previously took between 30 and 40 days. The Agile PLM system automatically routes documents to the appropriate personnel, cutting the approval time to 7 days.

These efficiency improvements have resulted in shorter product development times, enabling Unitech to meet the tighter deadlines imposed by customers and ultimately enhancing its competitiveness.

“Because we can now offer new products in a shorter timeframe, we can get a better price for them,” said She Shang-fang. “This has helped increase revenue and profits, and is especially important as we are aiming to derive 25% of our revenue from new products. Even bringing forward the launch date by one month will make a significant contribution to revenue.”

**Reduced Inventory Costs**

The Agile PLM system is integrated with Unitech’s Oracle database and ERP system, enabling R&D staff to access inventory information and search for the supplier with the lowest prices. For example, if staff needs 20 pin connectors, they can link up to the ERP system via the Agile PLM system to view product options, prices, delivery timeframes, and other essential data.

“This is not only more convenient for R&D staff, but delivers cost savings to the company as we can search for the lowest cost option among our suppliers,” said She Shang-fang. “We can also enquire about the compatibility between different components to ensure we purchase products that will work with each other.”

### **Improved Divisional Cooperation**

The integration between the Agile PLM system and the ERP system has improved collaboration between the R&D and production departments.

In the past, critical information was often missing when product development documents were transmitted from the R&D team to the production team. This required staff to manually check each document to ensure all the data they needed was included. Today, information is seamlessly transferred between the two departments, eliminating the need for manual data checking.

New product requests raised by Unitech’s business department can now be automatically processed, ensuring a speedy response.

### **Saving IT Costs and Easing Workloads**

Unitech only has 3.5 IT staff to manage its technology infrastructure in Taiwan and overseas. The company relied heavily on third-party providers to complete tasks such as system customization, which proved expensive and inefficient as the business expanded.

The flexibility and user-friendliness of Agile PLM enables the IT team to customize the system settings themselves, saving Unitech a significant amount of money and easing the IT burden.

### **Why Oracle?**

When Unitech decided to upgrade the PLM system, it had the choice of implementing a solution from its existing PDM supplier. However, Unitech’s PDM system was heavily customized and the cost of incorporating these customizations into a new PLM system would be the same as installing a brand new solution. For this reason, Unitech decided to explore other options. After attending Agile PLM seminar, which led by Oracle and organized by Ares International, Unitech decided to implement the Oracle solution.

“Oracle’s Agile PLM satisfied our requirements for security and project control,” said She Shang-fang. “Oracle also offered low total cost of ownership.”

### Why Ares International?

Due to its limited IT personnel numbers, Unitech required a third party well versed in Oracle technology to oversee the implementation. Ares International fulfilled this requirement and was selected to lead the project.

“We estimated it would take around eight months to install the Oracle solution, but Ares completed the project in just three months,” said She Shang-fang. “The fast implementation meant we could enjoy the benefits of Agile PLM more quickly.”

### Implementation Process

Unitech and Ares worked together to define system specifications and business processes prior to implementing Agile PLM. The company went live with the new system in August 2008.

Unitech is now working on integrating its Oracle enterprise resource planning, customer relationship management, Agile PLM, supply chain management, and logistics systems.

*Unitech Electronics Co., Ltd is a Taiwan-based manufacturer of automatic identification and data collection products such as personal digital assistants, handheld terminals, barcode scanners, and RFID readers.*