1. CETETHERM AND ITS MARKET SITUATION

Cetetherm is a company developing and manufacturing different types of heat exchanging systems (HES). It has two different product lines, one for small HES and one for large HES. The case example being described in this chapter is about the implementation of a product platform for the large HES, systems that are used by professional users in buildings connected to district heating system. The other product line consists of smaller HES that are mainly used in family houses. The market for large HES is exceptionally heterogeneous, meaning that there are many difficulties involved for individual firms trying to increase their market shares. In the large HES business, there are different rules and regulations in each country, and there are even often several different regions with specific technical demands on products within each country. That is why it is nearly impossible for an individual manufacturer to cover all these policies with a narrow set of standard products and thereby becoming a superior player.

The specific requirements of individual customers, the region-unique products, and the market division contribute to a market with demands difficult to meet. A few years ago, Cetetherm realized the need for improving several areas of the company to achieve a reduction in production time and costs, a more efficient use of the capacity in their different
factories, and an increase the time available for the sale personnel. With these goals, Cetetherm started a long journey toward a more modularized product platform (a platform in which components could be more standardized) while still providing customers with a vast variety of products to meet exactly their demand.

This chapter provides a general description of the product platform practice now in use at Cetetherm. This will be clarified by first giving an introduction of the company. The characteristics of the products and its variety are then described, followed by a section explaining the reasons for implementing a product platform development and a description of the implementation process. Cetetherm decided to concentrate their efforts on a specific part of the market where the same range of products could be used instead of trying to cover the whole market at once. The efforts were also structured in a shared sales configuration tool that could also be used to configure individual products. The results for Cetetherm and a description of product platform management conclude this chapter.

2. ABOUT THE COMPANY CETETHERM

Cetetherm is one of Europe’s leading manufacturers of HES. Additionally, it is a world leader in the field of compact district heating installations. The headquarters of Cetetherm are located in the south east part of Sweden, in the small town of Ronneby. Cetetherm was bought in 1987 by Alfa Laval. Alfa Laval is a leading, global supplier of specialized products and engineered solutions, based on optimizing customers’ processes in many key areas, such as oil, water, chemicals, and proteins. The product range is brought on the market through its many subsidiaries and distributors worldwide and the four Cetetherm production sites are located in Sweden, Finland, France, and Czech Republic.

3. HEAT EXCHANGING SYSTEM – A HIGHLY CUSTOMIZED PRODUCT

To understand the challenges faced by Cetetherm and its product platform efforts, there is a need for understanding the product and its market situation. The various actors in the heat exchange market and the versatile standard range of HES products are described in this section.