

Derek Gaston Interview

Europlacer has been developing machines for electronic assembly from its Rocheserviere, France, base since the 1970's. The company invented the intelligent feeder concept in the 1980's before being acquired in 1991 by the late Pat Kellard and integrated into Blakell Systems (now Blakell Europlacer). The mid-range placement machines have a very loyal following in Europe and are now expanding overseas, while at the same time developing a unique strategy to develop the home market. Trevor Galbraith caught up with Group Managing Director Derek Gaston to find out more.

Q1: How does your range of Europlacer machines differentiate machines from other mid-tier machines such as Essemtec and Mydata?

A1: Europlacer technology is differentiated in three key areas: 1) Integrated Intelligence™, 2) adaptability for volume manufacture (Adaptable Business Platform™), and 3) advanced innovations for enhanced productivity.

In 1991 the company moved away from the potential instability of a split-axis, moving-board solution to the inherently more capable X-Y architecture that underpins the machines today. At the same time we introduced the under-girding principle of the Europlacer concept: Integrated Intelligence™. Many SMT placement manufacturers are adding features (such as intelligent feeders) to their machines in an attempt to make them more attractive to a market that cannot be certain about its future needs, but simply 'bolting on' an intelligent feeder will not make a machine flexible if it has not been designed to be used that way. The flexibility may appear to be there in theory, but this is not generally usable in practice.

Europlacer's Integrated Intelligence™ means that the machines have been designed to be flexible from the outset. All aspects of the machine architecture (axis configuration, feeder inventory, turret head technology, software control, programming system, etc) have been designed to work together with intelligent feeders in a changing environment. As a result, Europlacer machines realize usable productivity in day-to-day performance.

Some marketed flexible machines that appear to be high performing are constrained in true flexibility by their architecture. One example is pipette-heads that rely on 'simultaneous picking' and 'simultaneous placement' for maximum specified speed. In practice users do not have 5, 6 or 8 identical feeders/reels for every part number, so simultaneous picking is unrealistic and these rates cannot be achieved in sub-optimised conditions. Europlacer machines provide productive output with only a single feeder/reel for each part number.

Thirdly we offer a number of software and feeder innovations. These range from flexible belt feeders to the most advanced machine process monitoring software

and unique product traceability systems.

Q2: You pioneered the intelligent feeder system in 1990. How has this developed over the years?

A2: Our goal today remains the same as at the outset - to provide highly usable, cost-effective flexible feeding options. As minimum component sizes have fallen, we have had to refine the accuracy of our feeder positioning and pick-up, but the core principle remains the same. Our competitors have introduced other systems, but these are often much more expensive than they first appear and introduce complexity, for example multiple 8mm feeder types to cope with different components sizes (even though all 8mm tape!) and different tape materials. We continue to strive for simplicity and will soon introduce new developments that will provide increased functionality and reduced feeder 'programming' without the use of complex, expensive solutions.

Key recent developments have been to add a patented flexible belt feeder that allows stick-fed components to be placed at rates comparable



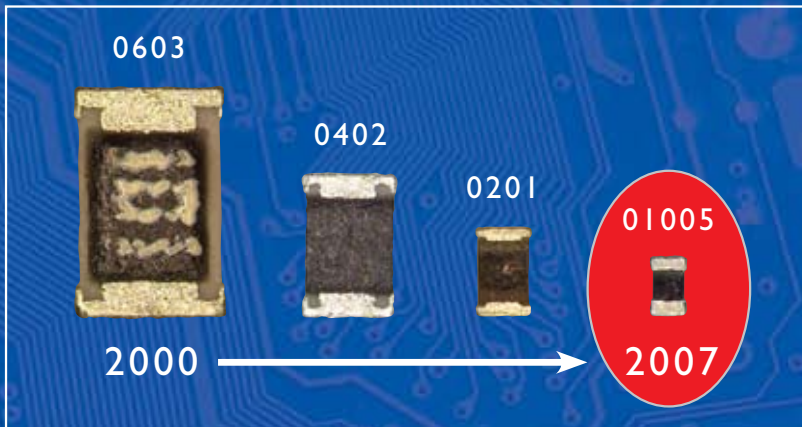
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to tape-fed components. We have also worked extensively with Novatec (inventors of the Proflow stencil print head system) to develop a patented feeder for high speed placement of solder balls, particularly from bulk. This opens up many opportunities in BGA repair and in the use of solder ball attachment methods as Europlacer machines can assemble SMT components and solder balls in the same process..

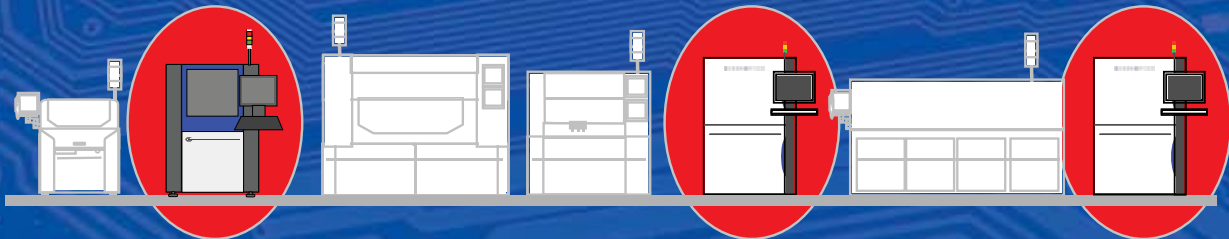
Q3: Are you finding any particular niche applications where Europlacer machines exhibit a strength above its competitors?

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A3: Our core strength is still in providing the most usable flexible machines on the market. Customers are being confused by suppliers that focus on a simple specified speed/price ratio, but this can often mean nothing in real life variable production. Our capability in this area combined with our traceability functions has given us a lead in high-value critical applications such as aerospace. In day-to-day productivity, we still lead the flexible market, but increasingly customers are buying our machines for volume production.

Q4: How much of your annual turnover and how many people are committed to research and development?

A4: We currently apply approximately 20% of our workforce and 10% of our sales revenue on research and development. Innovative development has been our platform and continues to be our lifeblood.

Q5: As a mid-size company, is it a challenge to meet the service demands you have around the world?

A5: Meeting the support needs of customers is always a challenge for every company regardless of size - you should never be satisfied in this area! The key ratio is more related to size/competence of the support organisation per installed machine. In this respect we are usually well ahead of our competitors. The Group strategy has always been to be represented to the local market through distribution partners, and their local capability is key. As a result our effective customer support organisation is much greater than our own direct resources.

Q6: You have been established a long time.

Do you have a large number of loyal, repeat customers?

A6: Many of our customers have been partners with the Blakell Europlacer Group for more than 30 years. We strive to maintain our relationships and to grow our customer base at the same time. Our business mix tends to run at around 60% repeat business and 40% new customers.

Q7: Many of your larger competitors are adding die placement capabilities to their equipment range as chip sizes reduce and technologies converge. Do you have any plans to do the same?

A7: We have recently worked with Hover-Davis and now offer their die feeders on Europlacer machines with full intelligence. We have the capability to place die using this tie-up and will continue to expand our capabilities in line with the demand we see from customers.

Q8: You recently moved your Asian headquarters from Malaysia to China. Can you explain the reasons that drove that decision, and has it helped you penetrate the Chinese market?

A8: We recognised that the weight of Asian manufacturing was in the China mainland and that Malaysia was too remote to focus there. We also felt that we needed to demonstrate our commitment to the Chinese market. In some ways therefore we made a form of restart and this year this has started to have effect. We have demonstration and customer support capability on the ground and that confidence in our longevity of commitment is reaching through to our customers. We have not

ignored other Asia markets and continue to actively sell in the other Asian countries.

Q9: Is it possible to service the Asian market outside of China from a base in P.R. China?

A9: Our strategy continues to be distribution based globally so in the first instance we work with partners who are capable of supporting their own customers. However we do not have 100% of our customer support team based in China and we support other territories from the balance of the team. We will continue to add to our customer support team in line with our growth in installed base.

Q10: In the UK you have recently opened a distribution arm representing some household names such as Dage, SAKI, Speedprint and others. What is your strategy?

A10: This is a Group initiative for the UK only rather than a Europlacer initiative, and it matches our strategy in France. As a Group we want to cover our direct selling territories to the best of our ability. The plan is to deal with a small range of compatible, high-quality capital equipment products and to do an excellent job with each.

Q11: Are you planning to increase this to a full portfolio of equipment and materials?

A11: Our plan is to carry a maximum of around 5 products which are complimentary to each other. We are capital equipment specialists and want to concentrate on selling machines for our own companies (Europlacer and Speedprint) and those of our partners. We have no plans

to expand into the consumables business.

Q11. All companies have to keep reinventing themselves and some say that you have to 'bet the house every three years'. With that in mind, where will Europlacer be in five years time?

A11: In any business today, five years is a very long time. I would challenge anyone to know where their market will be in five years! The challenge is to remain adaptive and to be able to respond to changing conditions. We continue to invest heavily in our products, and you will see new machine releases from Europlacer next year. These will give us the platform for the next 3-5 years but exactly what we achieve will depend entirely on our customers! We are not arrogant enough to set arbitrary market share goals rather we intend to offer the best available placement technology and software productivity tools for an increasingly unpredictable environment for our customers. If we do this as well as we believe we can then we anticipate extremely strong growth over the next 3-5 years as we gain an increasing foothold in markets (such as China) on which our competitors are already dependent while at the same time changing the perception of our traditional western markets regarding the full capability of our latest equipment. If we do these things well then the market will allow us to achieve what we deserve. We believe we have much to offer and much potential as yet unrealised!