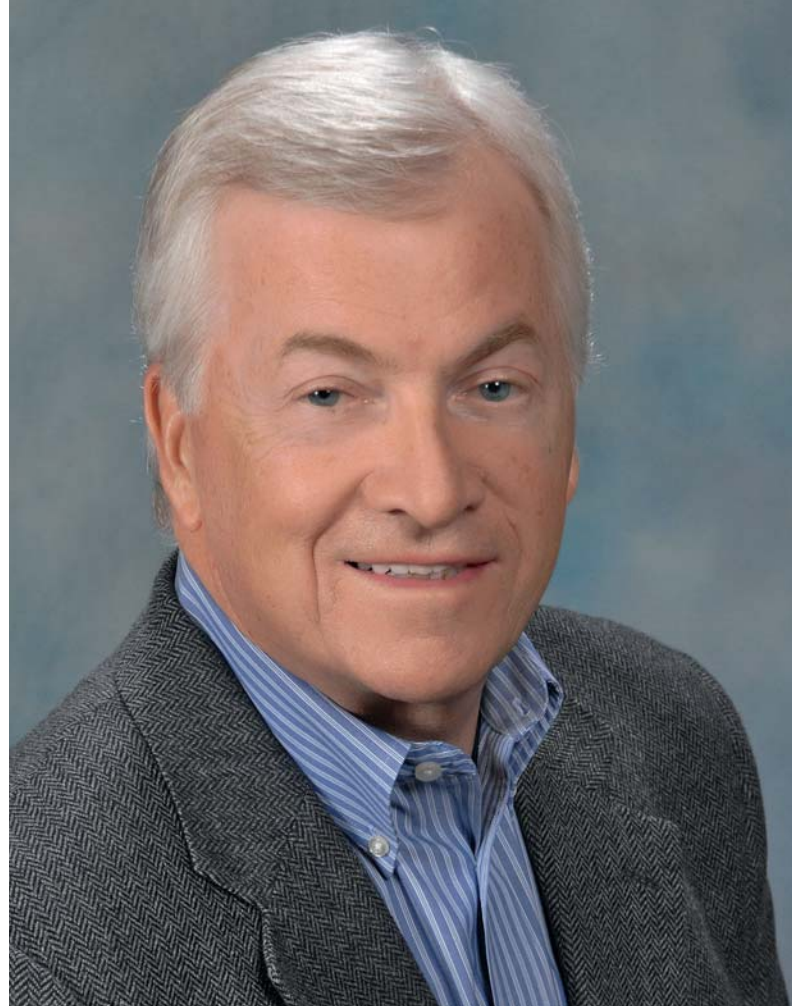


Interview with Managing Director Graham Harris

Beckhoff USA: a success story



Beckhoff Automation LCC, based in Minneapolis, Minnesota, was founded in 1999. Beckhoff's decision to try and "conquer" the North American market with its PC-based control philosophy was trend-setting for the company, which today has more than 30 branch offices worldwide. After around 13 years, Beckhoff is well-established in the North American automation market and is enjoying successful growth. PC Control spoke to Graham Harris, Managing Director of Beckhoff USA, about the development of the American subsidiary and the future prospects for the company.

Over the years Beckhoff Automation LLC has become an established and innovative automation company and has been the Beckhoff subsidiary with the highest sales growth for several years. How did Beckhoff manage to gain a foothold in the rather conservative North American automation market?

Graham Harris: Beckhoff USA was established in 1999 by Gerd Hoppe and Jörg Rottkord. The two colleagues from the German head office started by looking for business premises and staff in Minneapolis and began to establish distribution channels for the Beckhoff products. This formed the cornerstone for the business development in North America. In 2003, when I took on the post of Managing Director of Beckhoff USA, the two-man startup business had grown into a company with 22 staff. Currently we have 87 staff. Right from the start Beckhoff USA enjoyed substantial revenue growth. The annual growth rate was 25% on average, so that our revenues increased tenfold. Our overall sales in 2011 totaled \$49.5 million (approx. 36.3 million euro).

As a result of the company's investment in its personnel, Beckhoff USA has become established as a highly innovative automation provider in the US, Canada and Mexico and has received several awards for its excellent products and technical support. The combination of advanced technology, comprehensive

technical support and the passion to provide the ideal solutions for our customers are the basis for our success and growth.

What strategy did Beckhoff use to establish itself in the North American market?

Graham Harris: The change in strategy in 2002 was a key factor when the company decided to establish a direct sales channel rather than going through distribution. This was a very different approach from the traditional sales approach in North America. Due to the large distances that must be traveled in North America we therefore opted for a strategy that involved opening a number of direct local sales and application offices. In addition to our headquarters in Burnsville, a suburb of Minneapolis, Minnesota we now have 19 local offices in 11 states, including San Diego, California; Seattle, Washington; Charlotte, North Carolina, and Fond du Lac, Wisconsin. As a result we are within easy reach of our customers and can offer industry-leading application support. Also, in Canada we recently established a new regional headquarters sales office in Mississauga, Ontario. In order to meet the rising demand for well-trained service staff and local sales and technical support we will establish further technical centers in Chicago, Illinois, and York, Pennsylvania, during 2012.

Graham Harris, Managing Director
of Beckhoff Automation LLC

The sales engineers and technical staff
of Beckhoff North America at a sales
meeting in Austin, Texas



Which sectors do your customers mainly come from?

Graham Harris: The North American automation market is quite varied, and with our PC-based control technology we serve a wide range of applications and industries. The main areas of application include plastic injection molding, metal forming, metal machining, high-speed assembly, material handling, and test installations. We operate in a wide range of sectors, including the food, beverage and packaging industries, medical technology, pharmaceutical industry, printing, automotive, aviation, semiconductor, photovoltaic, water and wastewater technology, entertainment engineering and building automation - to name but a few.

How does Beckhoff USA position itself vis-à-vis the competition?

Graham Harris: The variety of applications and sectors provide a constant challenge for our sales engineers to develop even better solutions for our customers, in order to increase their competitiveness. This is an important aspect, since the North American market tends to respond more conservatively than the European market. That is, our average customer doesn't necessarily regard the application of new, innovative technologies as an answer to all production requirements. The top goal is always to increase productivity. This doesn't just relate to increased throughput during production, but also to avoiding wasted resources, reducing downtime and energy consumption as well as increasing flexibility and access to a wide range of automatically logged operational data, which must be transmitted to internal systems. Our challenge is to demonstrate with a solid business case that Beckhoff systems are the solution to most, if not all, of these needs.

Another factor in addition to the technical features and benefits of our technology is, naturally, the price. With our integrated control solution – involving less hardware and lower engineering costs – we have extremely competitive offerings. In addition, we also offer outstanding service, both for machines made in the US and for imported machines that are equipped with Beckhoff controllers. After all, North America is among the main importers of machines from Europe and Asia. Our service teams and application engineers support our sales staff in many ways and are crucial for Beckhoff's success in the market.

What are your next objectives?

Graham Harris: We can look back on 10 exciting and challenging years. We have achieved rapid growth in a slowly changing market, and I am convinced that we can expand our market share in the North American automation market further. My aim is to double the sales of Beckhoff Automation LLC over the next five years. We are currently investing in a new, custom-designed building for our head office in Savage, Minnesota which will significantly expand our office and storage space in line with our growth. The ambitious project with 27,000 ft² (2,250 m²) of office space and 20,000 ft² (1,800 m²) of storage space offers adequate room for further expansion.

Further Information:

www.beckhoffautomation.com