

Interview with Liqiang Liang and Kai Ristau
on new developments at Beckhoff China

A photograph of two men in business suits standing in front of a glass wall with the Beckhoff logo. The man on the left is Liqiang Liang, and the man on the right is Kai Ristau. The logo 'BECKHOFF' is in large, red, 3D letters on the wall behind them.

BECKHOFF

Rapid growth continues in China

Beckhoff has continuously expanded its global sales network over the last 10 years. Eight years ago, Beckhoff opened its own agency in Beijing. The PC Control editor discussed development and future prospects in China with Liqiang Liang, Managing Director of Beckhoff China, and International Sales Manager from the Beckhoff Headquarters in Germany, Kai Ristau.

Mr Liang, Beckhoff China was founded eight years ago. What was the background to this milestone?

Liqiang Liang: Beckhoff has already been active on the Chinese market since 1997. We started with only one distribution partner; however, due to the rapid growth of the economy in China, we wanted to expand our activities there. So in 2001, we founded a Beckhoff agency in Beijing. Offices opened in Shanghai in 2003 and Guangzhou in 2004 followed next. Another important milestone for our development was founding the 100 percent subsidiary, Beckhoff Automation Company Ltd in Shanghai on May 16, 2007.

What is Beckhoff's position on the Chinese market today?

Liqiang Liang: All the international suppliers of automation systems are highly active in the Chinese market, which proves how open the industries here are toward European technology. Since Beckhoff supplies complete automation systems and overall solutions tailored to machine builders, the focus of our sales activities is in the relevant vertical markets for plastics machines, packaging lines, tobacco machines, printing machines, etc. Beckhoff is also heavily involved in technology for wind turbines and we are recording above average growth in that area as a result.

How is the sales network of Beckhoff China structured?

Liqiang Liang: In the early days of Beckhoff China when we were staffed with a small team, we built up a number of distributors who sold our components to end customers in some large cities. The market, above all the OEM customer base, is increasingly demanding system solutions as well as components. In order to meet the great demand for support among OEMs and end users, we are now collaborating with a network of skilled system integrators as partners to expand our technical support and application teams.

How have you succeeded in getting Beckhoff products and solutions established in China?

Liqiang Liang: In order to familiarize our customers with our innovative technology, we are using the complete spectrum of communications technology and marketing activities, such as trade fairs, seminars and advertising campaigns in trade magazines. We set a high value on keeping our website up to date as well as publicizing product innovations and application reports and we regularly send newsletters and press releases to customers and the media. Our marketing strategy includes seminars that highlight our technology and products; these are regularly held at various locations. Naturally, we also organize special technical training for our customers. In addition, we have become established through our expert solutions, based on the technological expertise of our parent company on the one hand, and on our Chinese staff on the other.

Mr Ristau, how do you see Beckhoff's role on the automation market in China?

Kai Ristau: We regard it as our role to launch and establish innovative and alternative control concepts on the Chinese market. We are making every effort to develop the market towards PC Control in place of traditional PLCs.



Liqiang Liang, Managing Director of Beckhoff China

We intend to set new standards in the Chinese market with our control technology based on PC and EtherCAT systems, making Chinese manufacturers more competitive on the local and global markets.

The Chinese automation market is vitally important for the world's market leaders. Which particular strategies is Beckhoff China pursuing?

Kai Ristau: Of course, China is seen as a country with enormous growth potential. Many of our international customers either export to China or manu-



Hans Beckhoff and Kai Ristau from the German headquarters with the Beckhoff Shanghai team during a visit in May 2008



Kai Ristau, International Sales Manager from the Beckhoff Headquarters in Germany

Wind power – an important market in China: the Mingyang Group from southern China with its 1.5 megawatt system opts for Beckhoff control technology.



factory in China. On the other hand, dynamic development is taking place by domestic Chinese companies so that more and more of our customers are locally run. This means we not only need innovative technologies and products, but also strong technical support that is application-specific, a reliable repair and spare parts department and technical training for our customers. At the moment, we have about 70 employees handling these services. In order to strengthen our market position, we plan to open even more agencies in the near future and employ more staff there.

How do you expect Beckhoff China to continue to develop financially in 2009?

Kai Ristau: In spite of the worldwide economic crisis which, naturally, affects the automation sector as well, we are optimistic. We will probably achieve our ambitious aim for 2010 – turnover of over RMB 200 million (approx. €20 million) by 2009. Without playing down the challenges of the present economic situation, we are armed for the dynamic growth of Beckhoff China in the future. We have a clear vision: we want to become one of the leading automation suppliers in China and offer Chinese industries the opportunity to optimize machines and production processes on the basis of our technology.

What do you think are the reasons for the ongoing success of the wind turbines sector on the Chinese market?

Kai Ristau: The Chinese wind power market is booming, which is not surprising in view of the voracious appetite for energy associated with the country's rapid economic growth. In the next few years, China is likely to become number one on the global wind power market. At present, there are approx. 60 wind turbine manufacturers in the Chinese market which are largely owned by foreign investors. However, the number of Chinese companies being founded is growing continuously and we are assuming that an increasing number will become involved in the market for pitch and converter systems. The control cabinets for these control systems will certainly be built by local suppliers in future as well. Naturally, this has a direct influence on suppliers of automation technology. Our open, powerful control system is already responding to this challenge. In EtherCAT we have the optimum fieldbus solution for wind turbines and we will obtain additional benefits for manufacturers of wind turbines with the introduction of additional software modules in the future: for example, modules for integrating diagnostic systems such as condition monitoring into control systems. In addition, our customers can rely on a 70 person-strong team of Chinese colleagues to provide on-site support for their plants.

The Beckhoff subsidiary in China underwent considerable expansion in recent years. Is further investment in China planned?

Kai Ristau: In order to cope with the rapid development of the business, we have recruited more staff and stepped up our activities in the last 12 months. This will also be the objective for the coming years. Compared to other international automation companies in China, we are a relatively young company. Therefore, we have some time to make up and will do so with an aggressive drive to expand our own sales network both geographically and in terms of staff. Our aims are set high but we have a strong, motivated team so we are confident regarding further strong business development.