

# 15 years of Beckhoff China – a success story

On 2 November 2016, the Beckhoff China subsidiary celebrated its 15<sup>th</sup> anniversary. Beckhoff China can look back on numerous outstanding developments: With revenue reaching approximately 100 million euros in 2016 and 241 staff, China is currently the largest Beckhoff subsidiary – and the one with the highest sales volume. In an interview with Zheng Li, editor-in-chief of the Chinese edition of MM Machine Market magazine, Managing Director, Liqiang Liang described how the success story of Beckhoff China unfolded.



**Beckhoff China was established in 2001. How did you succeed in entering the Chinese market at the time? Also, how has the company developed since then?**

**Liqiang Liang:** The rapid economic development in China, particularly after the country joined the World Trade Organization (WTO), created an ideal environment for the development of Beckhoff China. In 2001, Beckhoff opened an agency in Beijing, and fieldbus technology was the key factor enabling us to successfully enter the Chinese market. The use of fieldbus technology has been promoted in China since 1997 and has since been increasingly accepted by domestic industries. There was strong market demand, which Beckhoff met with its comprehensive I/O portfolio and support for all common fieldbus systems.

From 2003 on, we began to introduce Beckhoff control system solutions into the Chinese market, ranging from small controllers to Embedded PCs with integrated PLC, NC functions and HMI, and did so with great success. In 2006, due to our continued growth and strategic initiatives, we moved the Beckhoff China headquarters to Shanghai. In September 2007, the “Beckhoff Representative Office” became an official subsidiary and separate legal entity. In the following years, we concentrated even more on vertical markets and established a well-staffed sales network in the main industrial regions in the different Chinese provinces.

**In 2001, traditional PLCs were still more common in the Chinese marketplace. How did you succeed in convincing industrial customers of the benefits of PC-based control technology?**

**Liqiang Liang:** Naturally, this was a significant challenge. Having said this, it is worth noting that back then PC-based control technology was by no means as widely accepted as it is today among engineers in Germany and Europe either. Accordingly, the readiness of Chinese customers to try new control technology on their machines was limited. Nevertheless, we succeeded. The key breakthrough stemmed from the introduction of Embedded PCs from Beckhoff, beginning with the CX1000 in 2002. In order to increase market acceptance of

Liqiang Liang, Managing Director of Beckhoff China



With 241 staff members and revenue of 100 million euros in 2016, Beckhoff China is currently the largest Beckhoff subsidiary – and the one with the highest turnover.

the new control philosophy, we also held numerous TwinCAT training sessions in Shanghai, Beijing, Guangzhou, Chengdu and at other locations. In this way, we were able to reach a large number of engineers and show them the benefits of open control solutions based on PC technology.

Step by step, we kept entering new markets. Let's look at the wind energy industry, for example. Today, control systems for wind turbines in China are dominated by Beckhoff Embedded PCs. Between 2009 and 2015, approximately 38,000 operational management systems and 31,000 pitch systems with Beckhoff controllers were commissioned, giving Beckhoff approximately a 50 percent share of the Chinese market in this segment."

#### Which market penetration strategy did you pursue?

**Liqiang Liang:** Since 2007 we have focused on vertical markets, above all the wind energy industry. Naturally, the expansion of renewable energy installations in China was a big bonus for us. PC-based control technology from Beckhoff is used for wind turbine control, pitch control and wind farm networking. With TwinCAT 3 Wind Framework software, Beckhoff launched an ideal development platform for the new generation of wind turbines, which combines our expertise with Industrie 4.0 technologies. In addition, we expanded our on-site service and technical support for customers in the wind energy sector; we also support wind farm service technicians through comprehensive training resources.

Just like in the wind energy industry, our expansion into other markets was mainly technology-driven. In parallel with the development of the eXtreme Fast Control technology (XFC), we gained a foothold in a wide range of other industries. EtherCAT itself, however, was another major door-opener for us in many cases. Another example is the sheet-metalworking industry, where we successfully applied our software-based CNC solution with positive results.

Currently we are also very active in the area of connectivity to consumer electronics. In the future, we will continue to focus on developing additional

markets. Beckhoff's pioneering role in Industrie 4.0 strategies, which are driven by Germany, will be an advantage for us. The PC-based control technology from Beckhoff has excellent horizontal and vertical communication capabilities, which is a prerequisite for smart factory implementations. With product developments for cloud communication and data analytics, Beckhoff has the right tools to accelerate these developments with our customers today.



Between 2009 and 2015, 38,000 operational management systems and 31,000 pitch systems with Beckhoff controllers were commissioned, which gives Beckhoff a share of approximately 50 percent of the Chinese wind energy market.

Further information:

[www.beckhoff.cn](http://www.beckhoff.cn)