

Alliance Success Story

Working with a System Integrator

Partner - Italy

Leveraging Schneider Electric & System Integrator Partnership...



Schneider Electric Alliance



The End User

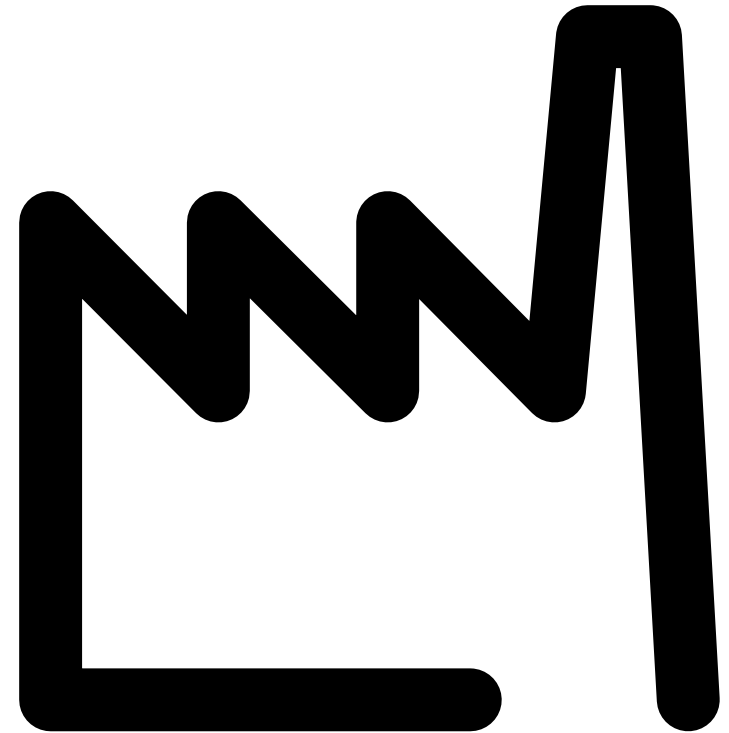
Trade mark of an international group. It has been a leader in high tech and wall & floor tile production since 1962

- Total sales = 03: 300 M€
- Technical “opinion leader” in floor tile within the Modena district



The Project

- **Project: 4 new lines for glazed floor & wall tiles in Modena Plant**
 - Each line: 150 meters long, 40 motors
 - EU project expectations: **high tech solution** to simplify plant installation, management, maintenance, and reliability.
- **SE- HW proposal for each line:**
 - N.1 TSX Premium with embedded Ethernet
 - 40 ATV 31 & Can Open bus
 - 1 PC
 - Total: 4 TSX Premium + 160 ATV 31 + 4 PC



The System Integrator

- The SI is a **technical service provider** for Industrial end users, with a regional presence (near Bologna).
- **80** employees, 14 in the automation services department
- A 2004 turnover of nearly 10 M€
- The SI is a **family-run** business (seven brothers all working within the company).
- Specialist in **ceramic applications & fuel distributors**.
- Service activities include: technical consulting, HW & SW engineering, panel building, electrical installation (machine & plants), system integration, commissioning & start-up, and maintenance services.
- In 1998, the SI joined “Alliance Partnership Program” resulting in a strong relationship with SE & other Alliance SIs. (Also launched a new company with other 5 Alliance SIs).
- The SI purchased 700k euro of SE products in 2004.

Project Start-up & Competition

- SE was **not** originally included in the End User's "VVD vendors list".
- SE's SI was included in the "SI vendors list" for End Users but was forced to use PLCs & inverters from SE competitors and pay more. (End user imposition)
- **End User Target:**
 - Position production plants at the top of the market.
 - Reduce the costs of automation architectures, installation and maintenance, to be competitive with local & international competitors.
 - Reliability
 - Easy maintenance of the Automation system.

SE & SI Co-operation Equals Success

- Prior to the project detection:
 - Presentation to our SI - CANopen products/applications & Training
- After the project detection:
 - Our SI informed us there were problems with the vendor list but the customer was very interested in the “CANopen technology”.
- Together, SE & the SI visited the End User and presented the new ATV 31 and CANopen possibilities (highlighted response speed & simplicity).
- The EU did not validate our components as they did not want to make a test-product on a critical application.
- Our competitor proposed the “classics” architecture.
- Our SI then proposed to the End User:
 - To build a pilot line, free of charge, for a field test (SE supplied 31 ATV free of charge to SI + 1 VVD specialist for consulting)
 - To store with SI 31 ATV & Premium (spare parts) and extend the guarantee to 36 months for the End User.

The Benefits

- Key factors that influenced the EU to choose SI+SE alliance proposal:
 - SE's was the best technical solution
 - Strong relationships & confidence in our SI
 - Willingness of our SI-ALLIANCE to prepare 1 free line as a demo
 - Availability of ATV spare parts within our SI-ALLIANCE
- Benefits for SI:
 - Lower prices on SE HW products vs. Competitors
 - Differentiation from other local SI competitors
 - New order of 6 new lines
 - Mono mark panels components, mono supplier, Service Plus
- Benefits for SE:
 - 200 K € orders of HW
 - Increased demand of small local competitors of the EU who now want the same architectures with ATV 31 /Ethernet/CANopen used by the market leader .

Future of the Co-operation with the SI Partner

- **Benefits of the co-operation:**
 - From our SI >10% increase/year of total sales;
 - For our SI > + 10% of his total sales from other tiles manufacturers
- **Business perspective:**
 - CANopen architecture became the standard solution of local ceramic district: big opportunities to increase SI, turn over & market penetration.
- **Future orientation of the co-operation, goals:**
 - To replicate this co-operation with other 4 SI customers operating in ceramic markets (using the Competitor); to gain 2 new customer in 2005
- **Action planned in the future:**
 - SE salesmen & specialists will visit 10 potential customers, as indicated by our SI, to find new opportunities of business.