

INTERVIEW

Partnership with Halıcı Elektronik

Package Solutions with AC500 PLCs and ABB Drives Win Customers



Based in Turkey, Halıcı Elektronik is an industry service provider working in the fields of automation, electricity, and telecommunication. It was founded in 1994 and has since grown into a company with 90 employees and branches in Istanbul, Bursa, İzmir and Ankara. With its experienced engineering staff in Turkey and abroad, and partnerships with global companies, HALICI has become a leading product supplier in the electrical and automation business, and a driver of Industry 4.0 solutions in Turkey.

Dr. Hüseyin Halıcı is the company's Managing Director and has built up the long-standing partnership with ABB. Read why ABB PLCs and drives are a perfect fit for his channel partner business and how he convinces OEMs to go with ABB solutions in this month's feature interview.

01 Dr. Hüseyin Halıcı,
Managing Director

Mr. Halıcı, can you tell us about the history of the relationship between HALICI and ABB? How did it come about? How did you start the PLC business as a channel partner and how have you become so successful?

Despite having been present in the Turkish market for a long time, ABB used to be a parent company with no dealership network. However, in the late 1990s, ABB came up with a business strategy to establish partnerships. In line with this strategy, we carried out negotiations with ABB for the first time at the end of 1999 and, upon agreeing to ABB's partnership proposal, we became the official AC drives partner starting from 2000.

Nonetheless, the first years were quite challenging due to ABB's lack of experience operating through channel partners and the fact that our company was not a sales-driven, but mostly an engineering company. However, as in every relationship and business, we attained a place that we are proud of today, primarily based on mutual trust, sincerity and long-term strategies. Today we, as the single partner working in four main departments within ABB Turkey, have been taking firm steps forward, feeling excited.

The story of the PLC business line is as follows: We were not only carrying out new projects including ABB DCS projects and ABB Procontic series PLC, especially in the AC motor business line, but also providing technical support for existing projects. Upon having launched the AC500 series PLCs, ABB first started its PLC business line with us in 2006 after providing us with AC500 PLC training in Germany, but unfortunately the desired performance couldn't be achieved by 2011. An approach that solely prioritised project-based work coupled with a lack of organisation and human resources to develop the business line led to a failure.

Nevertheless, with the transfer of PLC to Drives in 2011, a successful process that adopted a partner-driven approach with committed management started, embracing not only us but all partners, and putting in the necessary effort and energy. Structuring the partnership around a functional mechanism, creating a common strategy with the partner and showing the necessary will really turned things around.

We started off by targeting the water, infrastructure and HVAC sectors, particularly OEMs. By listening to customer demands and feedback, thus ensuring customer satisfaction, ABB global management and HALICI built up a strong partnership that overcame challenges and brought us to where we stand today.

From your experience, what is the value of selling AC500 PLCs in combination with ABB drives? Could you give us an example of a successful case where you convinced the customer of the fact that ABB offers the best package solution?

AC500 represents a great product portfolio which fits well into the channel partner's business, therefore, combining AC500 with ABB drives makes us look stronger from the customers' perspective.

HALICI understood the importance of PLCs in 2011 and invested heavily in the PLC business, every year we do more than US\$ 1m pure PLC product business, moreover, thanks to PLC we win even more customers in drives and electrification products. It is key for us to offer AC500 together with drives and EL products.

We all know that ABB Drives is the market leader, but it does not mean that you can easily sell ABB drives to anyone. Especially when it comes to solution offering, you have stronger players in the field and, more importantly, the customers are looking for complete solutions rather than only product supply.

We have many success cases where PLC played an important role in winning over customers, one example would be a company manufacturing textile machinery which we had been targeting with ABB Drives for years, but never been successful; and now, thanks to AC500, we are working with this big leading OEM, which is a big customer for ABB Drives.

Also, extruder machinery is another success story in the company's books: Thanks to AC500 PLCs, a prominent Turkish manufacturer has been with us since 2012 ordering drives, EL and PLC products on a regular basis.

The same applies for OEMs for die casting machines and in the iron and steel industry in general. For some customers, even ABB robots are included in our sales portfolio.

The success cases are not limited to OEMs, as HALICI also acts as a distributor who sells AC500 in combination with drives and EL products to many System Integrators. We furthermore provide technical and programming support to all clients.

How do you think the current AC500 portfolio fits the channel partner business and what strategy do you expect from ABB Motion in order to achieve more growth?

AC500 PLC and Drives business lines should be managed under one strategy and perspective. By creating package solutions for all sectors, especially the OEMs, customers should be served well.

Although the PLC is a time-consuming product to use to win over customers, it has key features that ensure the sustainability of other products' purchase by customers. Therefore, offering package solutions is the way to go.

Exactly like ABB Drives, the AC500 is a channel partner-oriented product. The AC500 portfolio is easy to learn, easy to sell, easy to manage and cost-effective in terms of stock-keeping. Even if AC500 needs improvements in terms of features and products, it is ready for channel partners. I would recommend ABB channel partners to think it over and take action to add PLCs to their portfolio.

In the light of long-term success as an ABB channel partner, bundling PLC solutions and drives together is a very important strategy.

AC500's move to Drives is definitely the right decision. Now it is time for the Drives and PLC teams to work together globally and locally in order to place ABB channel partners into a stronger position with customers. A more digital PLC offering, coordinated Drive and PLC development efforts, and listening to customers will help us find the correct strategy.

What effects do you think will digital trends have on the market and customers in a post-COVID-19 world? How can ABB's digital portfolio help you to respond to these challenges?

Digital Transformation will deeply affect not only the automation sector, but also the industry as a whole and our entire lives. COVID-19 has also accelerated the need for digital transformation. In this sense, a globally important and big company like ABB should take quick steps forward in this field. ABB should not fall behind its competitors who have been working on this issue for some time. More importantly, customers expect artificial intelligence-assisted solutions from ABB regarding digital transformation.

What are your recommendations and advice to ABB and ABB's channel partners?

Our expectations from ABB, one of the global leaders in the industry, are as follows;

- Establishing a sustainable structure by developing a partner-oriented management and business model,
- Ensuring local and global ABB officials communicate more with partners, so that the partner is understood/ listened to, and creating common strategies,
- Developing solutions regarding Digital Transformation and carving a niche in its own field as the most significant player of the future,
- Establishing competent global partner companies capable of providing system solutions and ensuring that ABB solutions are delivered to the whole world.

Understanding that a parent company and its partners can only rise together and embracing this as a company policy will lead us to success.