

ABICOR BINZEL PRODUCTION (INDIA) PVT. LTD.



Established in 1945, Abicor Binzel has more than 30 subsidiaries, sales partners in 50 countries and more than 800 employees worldwide. The product range includes Gas and Water Cooled MIG & TIG Torches, Robotic Torches, Plasma Cutting & Welding Torches, Master Wire Feeding Systems and Robotic Peripheral Equipment. The company produces more than 10,000 special designs and special torches every year. Its manufacturing facilities are located in Germany, USA, Brazil, Switzerland, India and China.

Leading Manufacturer of MIG Welding Torches in India

Abicor Binzel Production (India) Pvt. Ltd. is a wholly owned subsidiary of Abicor Binzel, Germany. It was set up in 1999 and has a manufacturing facility in Pune. The product range in India includes gas cooled MIG Torches ranging from 180A to 400A, TIG Torches of 180A and 320A capacity and 2-Roll / 4-Roll Wire Feeders.

Abicor entered India, sensing a huge demand for its products, arising from the country's industrial and manufacturing growth. It set up a manufacturing capacity of nearly 100,000 welding torches per annum, and has emerged as a leading manufacturer of welding torches in India.

Shift from domestic market to export focus

The demand for new welding torches in India did not grow as per the company's

projections, primarily due to India's unique market characteristics and usage patterns (larger incidence of repair / reuse etc). Domestic demand could account for only around 25 per cent of the company's installed manufacturing capacity.

The company therefore decided to focus on exports as a growth option.

In 2000, Abicor Binzel started exports from India. Within a short span of 2 years, it started exporting to developed countries such as Germany, Sweden, UAE, Korea and Australia. Today, nearly 90 per cent of the products manufactured in India are exported. From 3,000 torches in 2001 the export figures went up to 76,000 torches in 2005. Abicor Binzel India is now the largest manufacturer and exporter of MIG welding torches in the country.

Over the past 5 years, the company has been growing at an overall CAGR of 30 per cent, powered primarily by exports. In the domestic market, the company has grown at a CAGR of 12-15 per cent. The company now plans to make India an outsourcing hub for the group's global operations.



Keys to success

Quality Certification

Abicor has made 'Quality' an integral part of its production philosophy. Customers find value in the German standards and the quality processes that Abicor Binzel India follows. The company has ISO 9001:2000 Certification from DNV, probably the first Indian company to have this certification for manufacture of welding torches and wire feeders.

Vendor quality has improved with volumes

In the early years, low volumes had created problems and led to issues about inconsistent quality of raw material and non-availability of vendors who could meet the stringent quality requirements of the firm. Those who could meet the company's requirements were not willing to supply low volumes, and smaller vendors could not meet the company's quality requirements. As a consequence the products had to be priced high, initially. Gradually, as the volume of business increased, the company was able to attract good vendors and also bring down the price. This was very crucial as the Indian customers are very price sensitive.

Availability of skilled manpower

India provides the company with a rich pool of highly skilled people. Abicor Binzel has been successful in attracting the best talent through the company's competitive pay package and organisational culture. The company currently has over 50 employees and seeking to build upon the availability of people with good engineering and manufacturing skill sets in India, the company has set up a research laboratory here.

Customer service through trained field staff

Abicor-India has a strong local marketing network with trained Sales Executives who are in constant touch with customers. An extensive network of over 50 dealers ensures that the products and



spare parts are readily available anywhere in the country. In addition, it has over 40 OEM customers, selling Binzel torches as part of their standard equipment. Binzel is the only multinational company to offer its products and services to Indian customers through its own trained field staff.

India as a manufacturing and R&D hub

The company has recently set up a research lab in India. The aim is to make India the supporting R&D hub of the group and to transfer a major part of the Testing & Drawing activities of the group companies to India at the earliest. This would be followed by assigning of core designing and prototyping projects to India within the next 2 to 3 years.

Considering the steady growth in exports and the growth expected in the domestic market, the company is also planning to expand its production capacity in India, and claim market leadership in the country.

Abicor Binzel India: At a glance

- Started manufacturing in India in 1999 at Pune
- For Abicor Binzel, India is: Critical to global strategy, Global outsourcing hub
- Factors for success: Quality certifications, Latest products introduced in India, Availability of skilled manpower, Local marketing network
- Future plans: Set up research lab in India, Increase production capacity