

GLOBALCIRCUIT

A PUBLICATION OF THE WORLDWIDE IMELCO NETWORK

DEDICATED TO THE MEN AND WOMEN THAT ARE SERVING THE NEEDS OF THE ELECTRICAL CONSTRUCTION PROFESSIONAL ALL OVER THE WORLD

2017 ISSUE 5

MARKETING

IMELCO WORKSHOPS HELP TO ALIGN WITH SUPPLIERS' GLOBAL STRATEGIES

OPPORTUNITIES

SPOTLIGHT ON PRODUCTS OF OUR PARTNER SUPPLIERS

NETWORKING

MILESTONE ACHIEVED
FIRST 5 YEARS OF RAEC'S EXISTENCE

BUSINESS

DIGITALIZATION & E-COMMERCE: THE ONGOING CHANGES IN THE INDUSTRY

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Global Circuit would love to picture your organisation in the next issue.

If you are interested or wish to contribute to the editorial content of the Global Circuit's next issue, please contact:
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PERSPECTIVES



FUTURE OF DIGITALIZATION WITHIN IMELCO

IN THE FIRST MONTHS OF 2017 IMELCO PUT HEADS TOGETHER TO FIGURE OUT HOW THE ONGOING CHANGES IN THE INDUSTRY NEED TO BE ADAPTED IN A JOINT GROUP STRATEGY.

With regard to the e-commerce, the first analysis carried out within the group showed that member organizations put different focus in their way to adapt their on line sales.

In this context, it is very important for us to hear the voice of our suppliers to understand what our future group activities in the context of digitalization shall represent.

In this issue, we give you the picture of how different members of IMELCO presently deal with the topic and how our suppliers see the world of digitalization.

Elena Reignier
IMELCO Managing Director

SIEMENS + IMELCO

DIGITALIZATION

CHALLENGE ACCEPTED!

Everybody is talking about 'Industrie 4.0' and most of the new products are part of the Internet of Things and equipped with cloud connectivity. Industrial end customers are looking for numerous savings due to the digitalization in their operations.

By 2020 they expect that maintenance costs will decrease up to 40% and asset utilization will go up between 30 to 50% by reducing the down times of machines. Labor costs for service technicians will go down by half, due to the usage of augmented reality and web based knowledge pools. The supply chain will support reduction in inventories by improving forecast accuracy and demand match. But this will not only be seen at industrial projects. The building market is following the same trends and has similar expectations



Valentin Dinkelbach
Corporate Account Manager
Siemens AG

What's in it for electrical wholesalers and how should the collaboration with suppliers like Siemens look like?

This was the major topic, IMELCO members and Siemens were discussing about, during the 'Digitalization'-workshop in Frankfurt, on March 23rd. Looking closer at the challenges ahead, we found common ground in splitting the view in four different segments. Digital products, digital processes, services arising based on digital products and processes and the aspects of digital communication. Digital products are to be identified

"Some have suggested that the internet of things changes everything, but that is a dangerous oversimplification."

Michael E. Porter

either by their ability to communicate with other products and systems, or by providing data to the cloud. We will see in the near future more and more products with integrated software and communication capabilities requiring special know-how from the complete supply chain.

Interactive or even self-learning products as well as plug n' play features will float the markets. Suppliers and wholesalers need to address this trend by constantly updating the knowledge of their employees and customers. Digital processes will be developed,

providing fewer number of touch points with customers enjoying fast and easy purchasing experiences in the web. Traditional borders will vanish and differentiation between B2B and B2C will be more or less impossible. Data security should be the biggest concern of all parties involved.

Solutions that ensure to keep sensitive data confidential and at the same time, providing the correct data on hand are key for success in this business. Digital services could start from guiding customers while selecting products to selling data, performance contracting or even intelligent maintenance. Smart ideas creating additional value for the customers will compete in the service business field.

The important message is, that the traditional decision making process at the end customers might be changed due to the new business models offered by service providers and this can have a disruptive impact on the existing supply chain.

There are two options for electrical wholesalers to deal with the new situation. First option should be, to create a set of own service offers for the customers. For certain areas it might be also reasonable, to line up with external service providers, to offer a complete package to the end customers.

The only thing what should not happen is that the service field would be left unattended. The communication will become digital as well. It's not only about tools like smartphones, tablets or wearables. The whole communication principle is changing from an offline, one way directional style to bi-directional, real-time communication, 24 hours a day, if necessary. This new style requires the adaption of communication rules, guidelines and also ethics in the complete society. A clear differentiation between business life and private life will become a challenge for most employees. How to select the right sources, filter the content and master the information overflow, must be part of the education goals for employees and management. The good news is that the digitalization creates demand for (digital) infrastructure.

All devices still need electric power and the distribution of this will not be done wireless in the near future. Digitally supported processes will help saving costs, keeping existing business models competitive.

“Those, who don't want to change, will lose what they try to keep.”

**Gustav Heinemann,
former German President 1969-1974**

New service models will also help to create new jobs. But we shouldn't forget that the new competitors entering the market, recruiting digital natives for their purposes, are making full use of the data available. Managing the transformation of an electrical wholesale company from today's situation to the new digital environment is a challenging task for the next years.

But IMELCO is well prepared for this. The electrical wholesalers have a long-term personal relationship to their customers, providing expertise and experience to their clients.

On the other hand, IMELCO wholesalers can rely on a strong IMELCO network, both locally and internationally, ensuring high quality services at reasonable costs.

Besides providing training for digital products, processes, services and tools, it will be important to focus also on empowerment and encouragement of the employees involved in the digitalization of the markets. Long-term business plans might not be appropriate for fast changing environments. Shorter time-frames in the decision process will lead to a higher risk of failure. Therefore it will be crucial to watch closely



the developments in the markets and react immediately on changes. If failure is unavoidable, fail fast and cheap. This requires a general change in mindset on all levels.

Real time communication requires frequent monitoring of all channels and it requires also employees, who take inquiries from customers, perhaps not directly related to their actual job. If we want our employees to post online in the name of their company, it needs a company culture providing safe harbors for those, who accidentally went viral with their posts.

Will digitalization change everything? Perhaps yes, in the long run, but it will not change everything at the same

time. Some employees might not be capable to compete in all aspects with digital natives, but there will be also customers preferring the traditional way of doing business. Important is only, that we understand, not to replace the personal relationship by digital processes, but to support it wisely by digital tools.

Summarizing the workshop, we see a huge opportunity for customers, wholesalers and suppliers, but all players in the supply chain need to do their homework, adapting to the digital age in their business.

We believe that we - IMELCO and Siemens - found a solid foundation for growing our businesses together.

Best practice sharing, big data pooling and enhanced online communication are only the beginning.

Creating out of big data also smart data in the sales process will be one of the most important tasks in the future. Bundling forces within the group, enriched by complementing products and services will secure the future of electrical wholesalers in the supply chain.

Looking forward to, creating a common future.

Valentin Dinkelbach
Corporate Account
Manager
Siemens AG



ELECTRICAL WHOLESALERS & GROWTH OF ONLINE SALES

The recent issue of Electrical Gems Issue 137 Feb-Mar-2017, The Aussie Issue featured the article “The Winding Road to Market” which addressed the changing nature of the traditional Electrical Product Distribution Channels in Australia and overseas. Further to that article we are taking a look at the rise of online selling.

In Australia, the fundamental chain of transactions between manufacturers, importers, wholesalers, contractors and end-users has now seen some shifts in how it used to traditionally operate.

The market historically positioned the wholesaler as the backbone of the supply chain, however, more recently, there have been some changes in the way that each level interacts with one another.

For example, manufacturers have begun selling directly to contractors and end-users, wholesalers have started to import directly from overseas manufacturers and sell directly to the public; and contractors have also started to import directly from overseas.

One significant example of this change in the traditional model is the increasing impact of Online Sales being adopted by many Electrical Wholesalers.

We live in an increasingly “Digital Age”. The ubiquitous Internet has meant that Electrical Wholesalers can no longer simply rely on their regional and territorial advantages as the core means of retaining a good and regular customer base.

Similarly, customer behaviour and expectations have changed dramatically, as a result of easy access to a wide variety of online sources.

This has made it generally a more competitive climate, so the traditional Electrical Wholesaler has now been challenged to keep up, and sell their products in multiple channels.

In Australia, there are numerous options for Electrical Wholesalers online. Many of the Electrical Wholesaler’s online sites are easy to navigate, offer products at low, discounted prices, with their product ranges spanning across the full range of electrical products including electrical accessories, circuit protection, enclosures, air conditioning, fans and ventilation, lighting, TV, safety & home appliances.

Some of the key benefits of being able to buy electrical products and accessories online include easy access to the information needed in order to process a request, product specification details, photos of various product offerings and replacement products that are available to order.

Gemcell Members

A number of the Gemcell Members have already tried or are currently looking into Online Selling.

Depending on the size of the Member, there are unique advantages, disadvantages, barriers and issues to contend with.

For the smaller-sized Members, for example Popes Electrical & Data Supplies, Gainforts and Cables Plus, there has been a demand to pursue Online Selling, but there have been some obstacles that the Branches have come up against.

For Popes Electrical & Data Supplies, Director, Daryl Read, has noted that a lack of resources and staff has meant that they have not been able to launch an online site. It has definitely been investigated and there is evidence of a need for a site, but the expense and time do not allow for this to happen. In reality, the onerous day-to-day tasks of tending to the administration, accounts and general operation of the Branch are time-consuming enough - particularly for a small-size Member.

Logistically, it would be expensive and labour-intensive to launch a site, despite their aspirations to do so.

Gainforts, Mona Vale, does not purely specialise in Electrical but also span across Plumbing and Bathroom, with an in-store showroom. There are limited staff, with approximately four full-time staff members and with restricted computer and technology resources available.

These are all contributing factors which make it harder for such a smaller-sized Member to go online. When asked, Branch worker, Kim Hatfield, can see the benefit in heading online; as they have many customers who expect them to compete with the low-prices they find online, but he believes that Gainforts is not currently in a position to do so.

Another of the smaller Members, Cables Plus, has faced unique issues. There hasn't been such a need to go down the online route.

John O'Neil, Director, does not believe that there has been as much incentive to invest in online sales - the results do not justify the expense for the size of the company. It is clear that it is not profitable for all companies to pursue online dependant on the product range they offer amongst other factors.

John O'Neill believes that with their product focus, there would be no immediate benefit from online sales. Cables Plus still relies on their branding. They also have sales representatives who go out actively to generate business, and rely on telephone and personal contacts. In cases such as these the traditional wholesaler still has a place in the market.

For the medium-sized Members, for example, Lecky's and P&R Electrical, there have been different considerations. Lecky's is an example of a Gemcell Member that is currently enjoying the benefits of an Online system which is flourishing.

Lecky's have had their online system up and running for roughly three and half years; and there are plans in place for Lecky's to upgrade their system in order to make it a more efficient and integrated system that can cater to the needs of the younger, computer-savvy contractors who are increasingly becoming the "new market".

This is an ongoing project that they have been working on for the last eighteen months and are looking to launch the live system in just under a month's time. Lecky's sees the benefit of investing in online selling in order to cater to the changing needs of the contractor.

Despite this, Director, Rod Harvey has noted the significant frustrations in undertaking this online project - it being an expensive and complicated process. The difficulties include dealing with feedback and complaints from users of the online system, plus, the particulars involved with the setting-up of the data for the site, including managing multiple data sheets, has meant a lot of administration and work for the staff involved.

For P&R Electrical, Jim Micholos, Senior Commercial Manager, has commented that although P&R Electrical have an online site that has been running for the last 15 years, this site is more of a trade

product-focussed site, that does not have the depth of more advanced systems. This site services existing customers and promotes products to customers already within their current pool of contacts. It is somewhat of an antiquated online system. Jim has recognised that the contractor's needs have changed and that there is a desire for better technology, but the cost and time prevent P&R from making any enhancements on the top of their current system.

For the larger Members, like Middy's and BGW, there has been more opportunity to launch Online sites.

Middy's are due to launch their new ecommerce sites soon. They too, have recognised the importance of covering all channels in the wake of increasing online competition.

Though they still utilise sales representatives to seek out new customers and to assist in imparting knowledge of specialised areas, Director, Anton Middendorp, is a firm believer in embracing Online Selling.

He has noted that the younger contractors have different needs, and are more computer literate - there is a requirement to keep up with technology to meet their needs. There is a lot of expense involved; and launching an ecommerce site is obviously a huge cost to the business, but the pros far outweigh the cons for Middy's, as a larger Member. Online will enable Middy's to expand their reach even further in metropolitan and regional areas.

Danny Syrett, BGW Group's Chief Operating Officer is managing the group's bold foray into the Online space. He believes that innovation is critical in BGW's ongoing success and that they are constantly looking for ways to help their customers save time and money.

BGW's ecommerce websites specifically enable customers to utilise their mobile devices to research and purchase products online, with their technology optimised for mobile use.

There are also many account management functions to make life easier and save time. Some of the specific features include secure 24/7 online shopping, ordering and account payment, with contractors being able to download their personal price files.

Accounts can also be managed fully online, with contractors being able to track all online and offline orders, quotes, deliveries, payments and invoice history.

BGW's sites also offer advanced browsing and search capabilities with enriched product information and images to make it easier to find the right products and solutions. Some of complications for BGW have been in integration between systems. To give a unified customer experience, inventory, point of sale, finance and ecommerce capabilities must be integrated.

BGW regularly engages contractors when developing and testing, to enable feedback to be given on the usage of the site and any suggested improvements.

BGW's websites seek to provide "good data" so that contractors, who often need to know detailed specifications, are able to do so, for example details relating to meeting all relevant safety standards.

Interestingly, a number of the Members, when surveyed, lamented about the fact that Gemcell had not approached creating a unified online system, from the start.

This may have saved multiple individual Members the time, effort and troubles involved in launching their own sites by going through the process once as a group.

It will always be easier for our multi-national counterparts to identify and implement change on a large scale and the purpose of Gemcell has always been to allow its independent members to compete on a level.

With increasing changes to the traditional market, particularly in the area of technology it is food for thought whether in future Gemcell could or should behave more as a group more of the time. This is new territory but arguably the potential financial economies and reduction in barriers to entry available could be great.

Looking to the Future

Electrical Wholesalers may need to look beyond Online Sales and traditional counter sales in order to compete and grow.

There may be a need to sell across a range of channels that include online sales, counter sales, mobile

apps, social media, call centres and kiosks in order to be and remain competitive in the market and grow their businesses.

Overall, it is evident that the traditional model of Electrical Wholesale Distribution has shifted, and that the industry as a whole is changing rapidly, with new relationships and ways of interacting, increasing.

Flexibility, agility and problem-solving to assist contractors will be the key, moving into the future. It may be that in order to compete, Electrical Wholesalers will be required to offer something the competition doesn't - such as product expertise or by doing a better job of meeting the individual customer's particular needs.

Differentiating their businesses from the competition may prove to be crucial, as we head into the future.

Gemcell Member Newsletter #21

ABB'S VIEW OF E-COMMERCE

E-COMMERCE IS NOT AN OPTION, IT IS THE BASELINE FOR THE FUTURE TO ENSURE WE ARE WHERE OUR CUSTOMERS ARE

We are facing a new era in B2B sales, which is very different to what we are used to. The digital revolution has transformed the consumer's purchasing journey: Once predictable, it now has many touch points. This convoluted journey is already happening in B2B, it is less linear: customers are used to doing their own research, evaluation, and selection based on feedback from product experiences shared by others.

More people inside an organization play a role in sizing up offerings, so the path to closing a sale has become more complicated. Additionally, customers are changing their purchasing behavior and being influenced by their consumer shopping experience.

All these dynamics are threatening the traditional sales approach of pushing products to customers along a linear path (which typically comprises lead generation, lead qualification, proposal, negotiation, and close of the deal). As part of this modification process, e-commerce is playing a crucial role.

Frost & Sullivan, in its study on the future of B2B online retailing, foresees that the e-commerce market size is expected to reach \$6.7 trillion by 2020, double that of B2C; with China leading the way with the largest online B2B market, followed by the United States and the UK.



Estimates of B2B eCommerce, Global, 2020

Digital marketplaces are assuming increasing and significant roles with a trend towards public access to cross industry marketplaces (with new-comers such as Alibaba and Amazon), which will hold the significant revenue potential and greatest collaborative 'openness' between suppliers and buyers. The digital marketplace share of spend in electrical components is estimated to be more than 15%.

It's within this scenario that ABB is evolving an e-commerce approach, as part of our strategy to serve all customers with the optimum mix of channels. A key principle is to work together with channel partners to

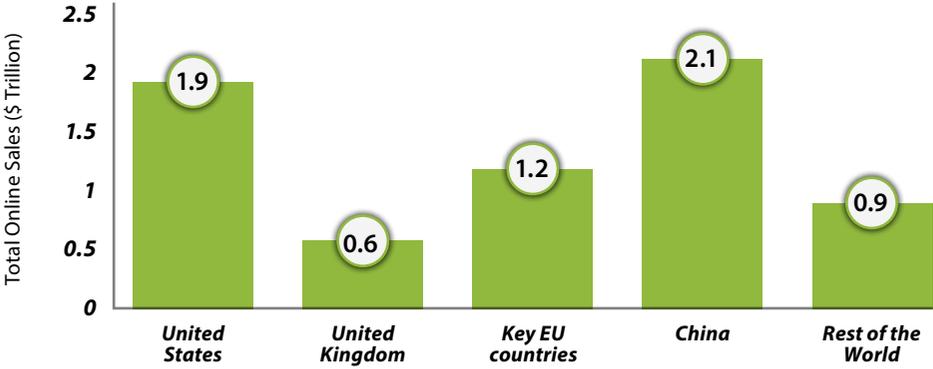
explore the best platforms to make it easier for all the actors in the value chain.

This allows us to be more efficient, fast and enable greater customer intimacy, when it is needed and when it counts most. This makes doing business with us, easier, more transparent and faster. Relating to customers on new digital channels will allow ABB to serve customers more closely when it matters, providing added value when and where a customer expects it.

In addition, since internet access largely knows no boundaries, digital channels will open up sales opportunities in new geographies, giving the chance to serve regions not covered. A structured on line presence will increase opportunities to be noticed by new as well as existing customers.

We will support our distributors active in their web shops, such as Spesa Elettrica/ELEX Italia.

ABB e-commerce channel sales models are used in different countries and each one takes account of specific regional business models.



eCommerce Activity of Enterprises in Key Economies, Global, 2020

Source: FROST & SULLIVAN [Office for National Statistics (UK); EU Stat; US Census Bureau; National Census Bureau]

Although the principles of making business through e-commerce might be globally identified, these must be adapted locally and each case might be different to another depending on the product portfolio, partnership relation, culture, logistical availability and so on.

ABB is active in the Chinese e-commerce market, guaranteeing our presence on the main marketplaces through the support of specialized e-distributors.

Ultimately, we look at e-commerce as a great opportunity and see this as an extension of our salesforce, keeping the current relationship

with our channel partners as a key element of this new process and in line with our distributor strategy.

Distributors are investing to improve their capabilities and we at ABB are strongly committed to supporting the development of the distribution channels to be better aligned with customers' needs.

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低压工业品: 工控产品 | 断路器类 | 开关熔断 | 双电源 | 电网质量 | 智能建筑 | 楼宇对讲 | 接线配线 | 备品备件
民用家装: 开关插座 | 空气开关 | 漏电保护器 | 配电箱 | 智能家居产品 | 扎带
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优惠券专场 2017.4.1-5.7

50元 立即领取 单笔订单满500元
100元 立即领取 单笔订单满1000元
500元 立即领取 单笔订单满5000元
1000元 立即领取 单笔订单满10000元
全场满200元 包邮

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¥3000 限量发放 单笔订单满30000元
¥4000 限量发放 单笔订单满40000元

ELEX' SPESA ELETTRICA THE SUCCESS OF E-COMMERCE MARKET IN ITALY

Since 2004, the eCommerce market in Italy has been growing rapidly. In 2014 overall online sales were estimated at EUR 24.2 billion. Among the top products and services sold and bought online are: online games (49%), holidays and travel tickets (30%), insurance products (7%), clothing (2%) and consumer electronics (4%).

The electrical products present on Spesa Elettrica fall into the latter category. For the near future we expect a rapid increase in online sales of electronic products. This promises well for our e-commerce site and its consolidation.

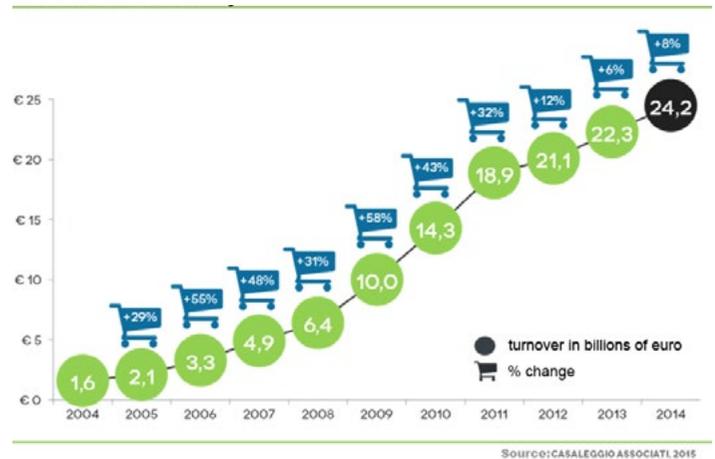
Looking at the sales trend and the number of visits, we can observe a continuous improvement. To date, the site has received 4.678 orders and 573.275 visits, which generated a turnover at about EUR 500.000. The goal for 2017 is to exceed one million euro.

Following an accurate market research, it has been demonstrated that Spesa Elettrica's main strength is its wide product range.

To date, 90.000 products of different brands are available on the e-commerce site!

We have also conducted a market research that has considered the 600 best-selling products on Spesa Elettrica, comparing their availability on other websites.

The result was clear: no other ecommerce site has the same amount of required products as Spesa Elettrica! E-Bay, for example, has only 38.3% of the 600 most sold products on SpesaElettrica, Amazon only 11,1%.



eCommerce Market in Italy
Source: Casaleggio Associati 2015

Our main goal for the future is to continue to invest and push for success. Based on the experience gained, the site will be completely rebuilt. There are two key elements! The first is to improve the use of the site by customers. And the second is to increase the number of marketing functions. Last but not least, in 2017 some of the Elex members will open their own ecommerce site, using Elex as a service provider.



GE COLLABORATES WITH PARTNERS TO ADVANCE B2B DIGITAL COMMERCE

As demand continues to rise for eCommerce in the B2B space, GE’s Industrial Solutions business has been engaging its channel partners in developing the brand-new empower platform to meet their growing digital needs.

The web-based empower platform offers flexible access to do business with Industrial Solutions from anywhere, anytime, with any device. “With empower, we started with a customer-first mentality. We brought our channel partners in early in the ideation process and engaged them throughout each phase of development,” said Drew Marquardt, Industrial Solutions Global IT Leader – Commercial Tools & Services.

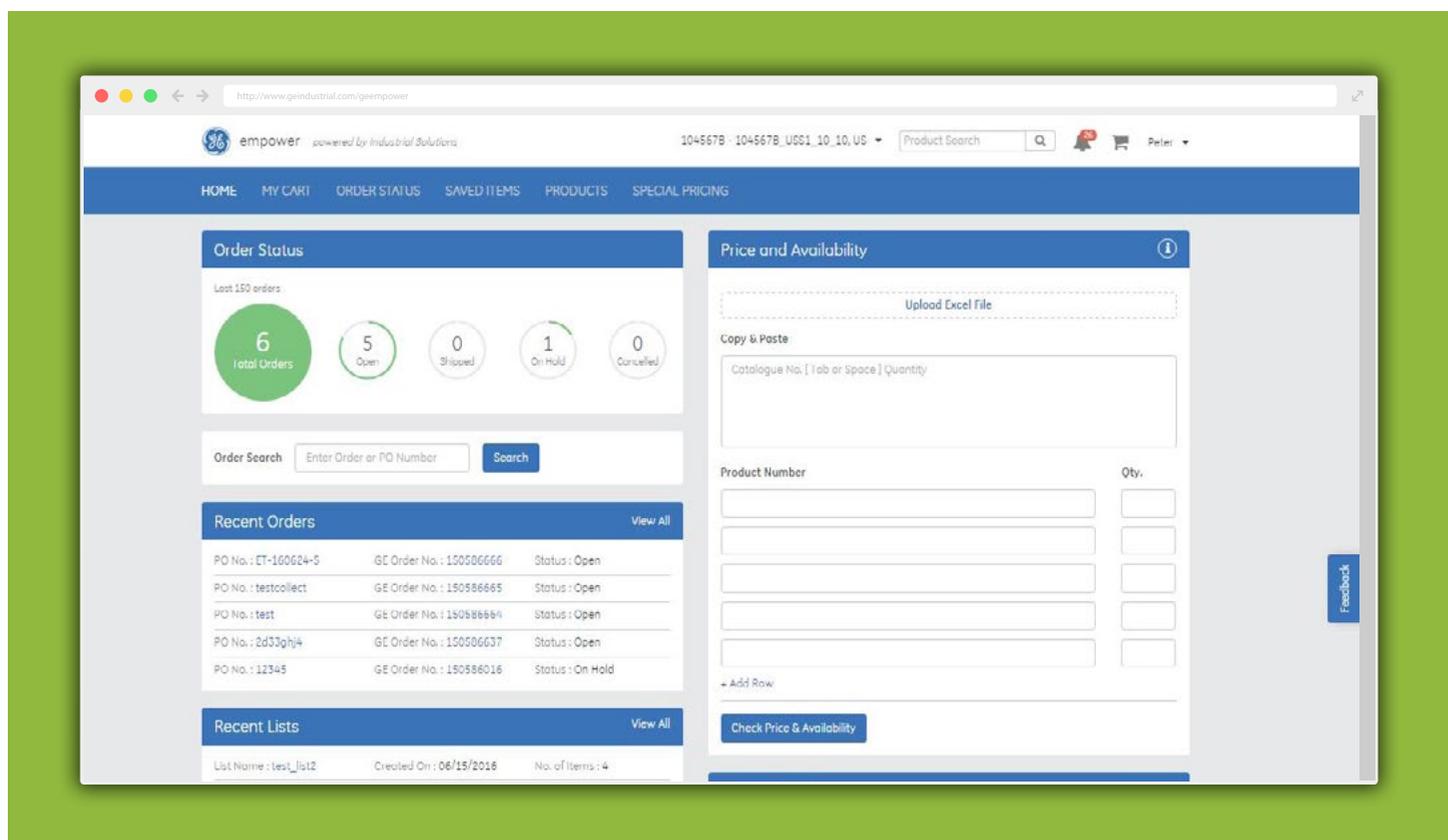
“By applying their ongoing feedback, we’ve created a platform that’s truly built for them and designed to ultimately drive their productivity and speed.”

Today, empower encompasses a full range of functionality channel partners need from real-time visibility into product pricing and availability to placing orders and tracking them. Designed for ease of use, empower features an intuitive interface with simple, graphical displays and drill-down capabilities. In addition, it includes built-in functionality to save time and boost efficiency such as quick reordering and adding multiple catalog numbers under a single line item.

“We’ve received tremendous feedback from our channel partners that they’re excited to be with us on our digital journey and how

empower is a game changer,” said Monique Elliott, Global eCommerce Commercial Leader, Industrial Solutions. “It’s something our industry is truly ready for and benefits from.” Industrial Solutions has also made it simple to learn how to tap into empower’s features and functionality. Adding to the platform’s help screens, Industrial Solutions has launched a digital learning space – empowerU – featuring more than 80 on-demand courses. Participants also have an opportunity to quickly get an answer to any questions that come up in their training via “Ask an expert” functionality that connects them to the Industrial Solutions team.

For more information, please visit www.geindustrial.com/geempower.



IMARK'S MEMBER SURVEY REGARDING E-BUSINESS PRACTICES

Two hundred thirty-seven IMARK member executives completed a survey addressing member activity in the world of e-business.

The survey was conducted in August 2016. IMARK members who are interested in developing a webstore using elements of the IMARK e-Branch Content Kit are encouraged to visit the "General Info, e-Branch Content Kit" section of the IMARK website.

Question	Total result in %
----------	-------------------

Please estimate your company's current customer mix by estimating the percent of annual company sales to the following types of customers:

Contractor (doing residential work)	25.7%
Contractor (doing commercial/industrial/institutional projects)	44.4%
Industrial new construction and MRO	17.9%
Other	11.7%

Please check any of the following elements that are currently featured on your company's website:

List of branch locations	87.6%
Current list of key employee contacts	51.8%
Your company's supplier line card	88.5%
New product information	47.3%
Digital product catalog with search capability	34.1%
Customized account info (password protected access)	33.2%
Customers can check your inventory on your website	29.2%
Customers can check delivery status on your website	10.6%
Links to product training - Electric Smarts	45.6%
Links to product training - Rep Files	11.9%
Electrical industry news	25.2%

Can customers place purchase orders on your company's website?

Yes	31.0%
No	69.0%

(For members currently without a webstore) With regard to a company webstore (that accepts customer purchase orders), please select the following statement that best fits your company's current thinking:

Currently developing a webstore to accept orders within the next 12 months.	25.2%
We plan to open a webstore by no later than 2018.	30.8%
We have no plans to make a webstore available to our customers.	44.0%

Question	Total result in %
----------	-------------------

(For those members with a webstore) 6. Please indicate the number of years that your company's webstore has been able to accept purchase orders?

1	5.0%
2	4.2%
3	3.8%
4	2.5%
5	2.9%
6 or more years	13.0%

Please estimate the percentage of overall company orders (by \$ volume) that are placed on your company website.

0-5%	84.3%
6-10%	6.5%
11-15%	3.7%
16-20%	0.0%
21-30%	0.9%
31-40%	0.9%
41-50%	0.9%
51-60%	0.0%
61-70%	0.9%
71-80%	0.0%
81-90%	0.0%
91-100%	0.9%

Has your company developed (or offered) one or more apps pertaining to your company that customers can access on their personal digital devices?

Yes	18.0%
No	82.0%

Does your company integrate customer specific product/pricing data into any of the tools (i.e. New Pricer, Tra-Ser (Supplier Xchange), etc.) that can sync with estimating software packages used by your contractor customers?

Yes	20.9%
No	79.1%

IMARK E-BRANCH CONTENT MANAGEMENT KIT 2017 EDITION

IMARK has partnered with Second Phase and Trade Service to develop an e-branch content management kit that will give participating IMARK members the tools to offer a 'best-in-class' webstore experience to customers who want to find, select and purchase products on your website or mobile platform

The contents of the IMARK e-branch content management kit are as follows:

- 320,000 SKU database of attributed rich product content data developed for IMARK members by Trade Service "from scratch" (+ 10% new SKUs each year).
- A Cloud LSI (Light Speed Index) has been developed

by Second Phase to be your "one stop data hub" for managing, editing (using a Product Information Management tool, or PIM.) and displaying all your product content data in your webstore. This "data management solution" helps drive a better customer experience in your webstore which means more eSales for your company.

- A webstore developed by Second Phase (as described in options 2 and 3 below) that will display the product content for a rich e-Commerce experience.

To view the current demo catalog visit <http://imarkdemo.secondphaselive.net>

"WHAT'S AB" MR BETTERMANN?



Mr Bettermann, is the app the point of sale of the future?

Mobile apps are changing shopping behaviour among planners and tradesmen. They are pushing the trend towards online purchasing; we cannot separate ourselves from that. Digitalisation will quickly permeate the marketing systems used by specialist retail structures

What do you mean by "digital organisation" in three-tier distribution?

Customers want to be advised about products which are becoming ever more complex. Wholesalers alone cannot manage that. Complex planning and standardisation requirements mean manufacturers' online planning tools need to be combined digitally with the ordering process at electrical wholesalers.

Online shops offer electrical companies almost everything - and often at low prices...

Procurement through different channels is nothing new and cannot be prevented. However, I don't think there is a better way for electrical fitters to buy their materials than through electrical wholesalers, who offer high-quality products from trustworthy manufacturers. The profit-margin model used in

three-tier distribution allows our customers to cost their products adequately.

Why should a fitter buy products from an electrical wholesaler?

Strong arguments in favour of that are optimised logistics coupled with high availability, including B and C parts, service, and the best possible flow of funds in the distribution chain.

And product safety?

Definitely. Electrical installation products are basically safety products. They carry electricity, enable communication and secure infrastructural investments. For electrical fitters, product quality from trustworthy sources is important because, at the end of the day, they are liable for installing systems and for the materials they use.

Will OBO set up its own online shop for direct sales?

No, three-tier distribution has gained a foothold in every developed economy. The challenge of digitalisation exists in those countries as well.

Which marketing system has a future?

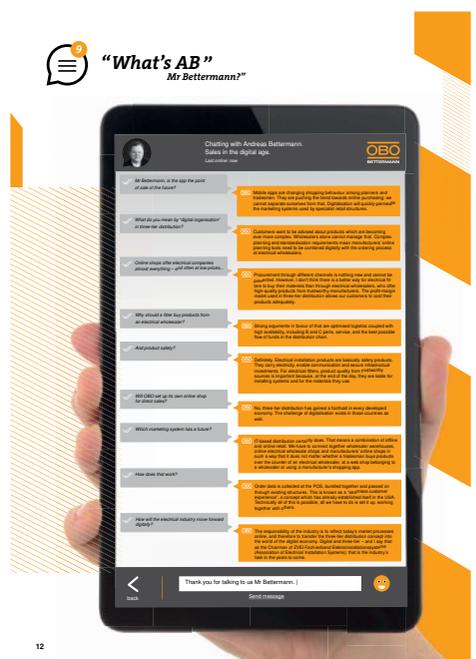
IT-based distribution certainly does. That means a combination of offline and online retail. We have to connect together wholesaler warehouses, online electrical wholesale shops and manufacturers' online shops in such a way that it does not matter whether a tradesman buys products over the counter of an electrical wholesaler, at a web shop belonging to a wholesaler or using a manufacturer's shopping app.

How does that work?

Order data is collected at the POS, bundled together and passed on through existing structures. This is known as a "seamless customer experience", a concept which has already established itself in the USA. Technically all of this is possible, all we have to do is set it up, working together with others.

How will the electrical industry move forward digitally?

The responsibility of the industry is to reflect today's market processes online, and therefore to transfer the three-tier distribution concept into the world of the digital economy. Digital and three-tier – and I say that as the Chairman of ZVEI Fachverband Elektroinstallationsysteme (Association of Electrical Installation Systems): that is the industry's task in the years to come.



INDUSTRY 4.0 EFFICIENT CUSTOMISATION

The software standard eCl@ss translates complicated products into understandable data - it is used, for example, by Weidmüller

The future of industry is totally networked and digitized. Components and tools, machines and products are smart devices being able to communicate to each other; the manufacturing process in the smart factory of Industry 4.0 is extremely automated. So far the theory. This begs the question: How, for example, should the screwdriver in company `A` know exactly, where to connect to a terminal block supplied by company `B`?

A practical answer to this question is given by the electrical engineering manufacturer Weidmüller in Detmold. The company relies on eCl@ss – which is a cross-industry data standard, made in Germany and already used by 3 500 domestic and foreign companies. Approximately 1,800 of the company's 4,500 workers are employed at their global headquarters in Detmold, Germany. The company mainly produces connection technology, such as in switch cabinets. The product range consists of 50 000 different products, each of them can be described with more than 100 characteristics, resulting in huge amounts of data.

"In order to be able to deliver standardized information to the customer and to master this diversity internally, we use eCl@ss", said Gerald Lobermeier, Responsible for product information and process management. "As English is the language in business, eCl@ss is the language in engineering – from our point of view it is the most comprehensive and suitable system worldwide."

Greatly simplified, eCl@ss translates all important details of a product into standardized data. This can be read and understood by any other user, from development to distribution, even in another industry or another continent.

Weidmüller uses the system, among other things, to provide electronic catalogs of its own products to its Distributors. „Five years ago, an Excel list was often enough.“, said Computer scientist Matthias Redecker, „but requests from customers for eCl@ss data are increasing, domestically and internationally.“

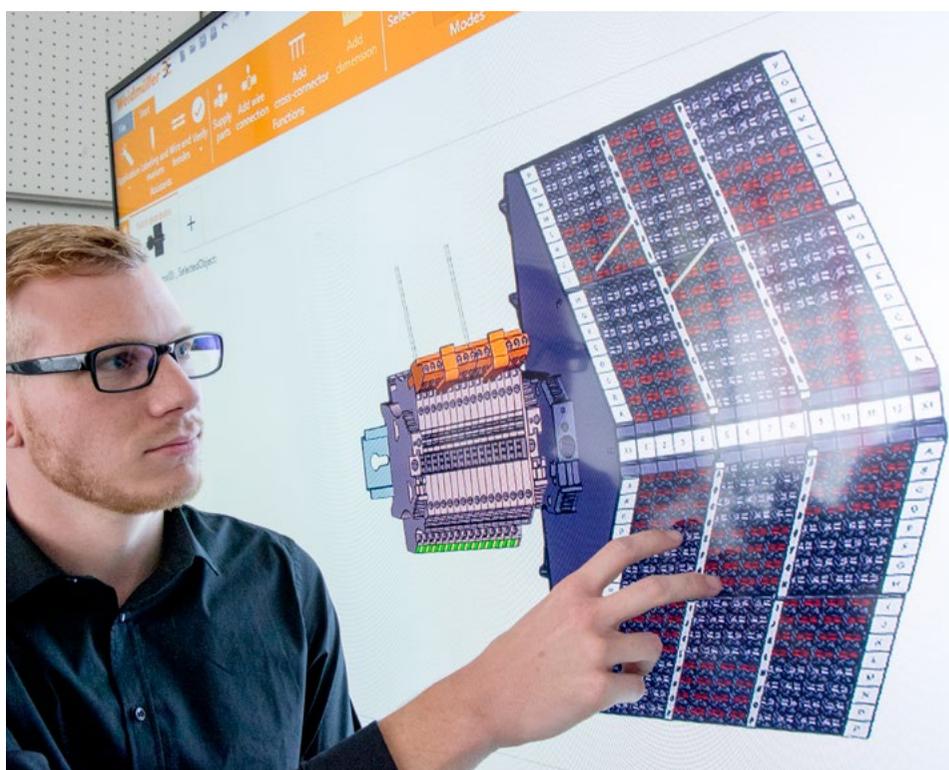
Redecker's job is to provide this data – He fills, so to speak, virtual material drawers, from which Electric Planer can be used worldwide with all possible software tools.

As an example, using the "Weidmüller Configurator", the computer scientist Thorsten Naust can rapidly assemble some components from the signal

technology range into a so-called marshalling distribution. But only virtual: With a few mouse clicks, he converts the parts recorded in eCl@ss. After barely two minutes, Naust then rotates the 3-D model back and forth on the screen: „In the same way, our customer can design his personal terminal strip to order and send the prototype to our production department.“ More service for the customers, therefore, through easy-to-use information and closer connectivity - so far, so good.

But could this transparency backfire? Potentially one could find out via eCl@ss immediately who delivers the same component – and at a lower price? From Lobermeier's view this is not a problem: „Customers appreciate the fact that they can simply import this data into their own system and reward the service that Weidmüller offers – it creates a win-win situation for both sides.“

Thomas Hofinger



HIGH QUALITY LED TUBES ARE IDEAL REPLACEMENTS FOR FLUORESCENTS

The fastest way of cutting a building's energy costs is normally to replace lights with their LED equivalents. However, many LED tubes aren't bright enough, so you end up compromising on the quality of light. Recently, some tubes have offered 500+ lux for demanding applications like offices and supermarkets. Check the tube specifications carefully, though, since not all have the high quality of light or easy installation you'll need.

65% energy savings, longer lifetime

Philips MASTER LEDtubes give energy savings of up to 65% with a lifetime of 50,000 hours – over 3 times longer than their fluorescent equivalents. They're affordable too; efficiencies have improved to reduce payback times even further. That cuts both energy and maintenance costs for building users. Philips LED tubes give the same quality of light that customers are used to from conventional lighting, making them ideal fluorescent retrofits. Unlike many others, Philips LED tubes maintain their light output over their full lifetime. So your customers won't have to replace them early, and you keep your good reputation.

High light output, consistent color

Philips offers a broad range of LED tubes. The top-of-range Master Ultra Output series provides up to 3700 lm, with best value-for-money over the 50,000 hour life-

time for demanding applications like Offices. The High Output (HO) range is ideal for retail and warehousing. The CorePro series gives up to 2100 lm and offers the shortest payback times – only 2 months for car parks where operation is 24/7. Philips LED tubes are flicker-free, and the individual LEDs are invisible so they are comfortable to view. They maintain light quality over their lifespan without noticeable color differences between the tubes. The color of the light stays consistent over their lifetime too.

Fast, safe installation

Philips LED tubes have the widest compatibility on the market, with almost every existing luminaire. And the InstantFit versions can directly replace the LED tube of HF ballasts, eliminating 20 minutes rewiring or replacing the luminaire. Customers won't have to re-apply for their building's insurance certificate either, as the lighting installation remains CE compliant. There are two more special features unique to Philips LED tubes: they

come with rotating end caps, so you can rotate the tube and quickly direct the light to best effect; and they have been designed with electronic pin safety, so you can safely install LED tubes of HF ballasts even if you touch the other end-cap during installation.

Unrivalled support to help you get it 'right first time

As the world's leading lighting supplier, Philips has a continuous program of innovation, testing and application support, with 5% of sales being invested in R&D. Quality levels are benchmark within the lighting industry. We do everything we can to help you get it right first time.

<http://www.lighting.philips.com/main/campaign/right-first-time.html>

Unsure of which type of LED tube you need? Check out our step-by-step selector tool:

<http://www.lighting.philips.com/main/support/support-tools/ledtube-selectortool.html>



innovation  you

The unique rotating end caps simplify lamp installation and optimize the light distribution in a few seconds.

PHOENIX CONTACT'S PROTIQ HIGH QUALITY 3D PRINTING FOR EVERYBODY

Did you know that Phoenix Contact has a new company, which is specialized in 3D printing, in its group? It is called Protiq and it is so easy for everyone to print their models in high quality materials, including various engineering metals and a wide range of plastics.

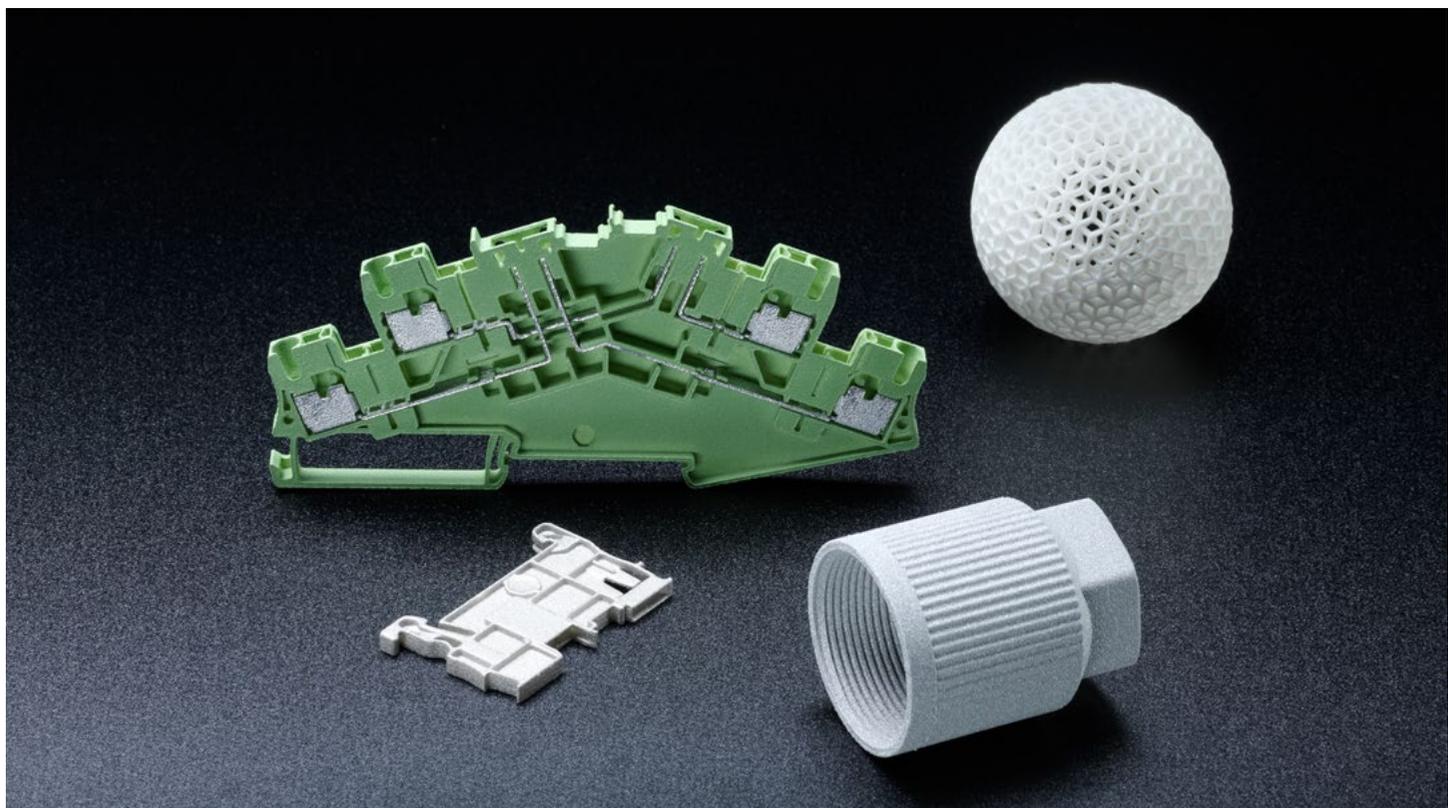


If you are interested in 3D-printing and need further information here you can find everything you want to know:

<https://www.protiq.com/en/home/>

<https://www.youtube.com/channel/UCdgCxxwMCal8f5ve5VZK5YA>

You just have to create a file of your 3D-Model – they can work with many popular formats, regardless of whether you create it with CAD software or 3D scanning technology – and upload it with an easy drag-and-drop system. The clue is that Protiq checks and repairs your file automatically. After that you can configure your object which means that you can select the material, change the size and choose the desired color and the preferred finish. And that's it!



INTELLIGENT LIGHTING WITH THELEDA P LED SPOTLIGHTS

Automatic lighting has never been so intelligent. And so beautiful.

With its unique shape, harmonic lines and high quality surfaces, the new LED spotlight theLeda P from Theben represents a new chapter in automatic lighting control. The special design of the LED panels also emits light to the sides, additionally illuminating the wall on which the theLeda P is installed. This aura effect makes its bright light appear much friendlier and softer. Glare-free, radiant light instead of a piercing light beam.

The LED spotlights not only feature an elegant exterior and a special light output, but also powerful functions such as an orientation light, protection rating IP55, a dimming function and the intelligent parallel connection.

theLeda P is part of a large family of LED spotlights and motion detections for outdoor use: this includes theLuxa, theLeda E and LUXA-LED. Each one of these increases safety. With reliable light, you are never left standing in the dark. Inviting for everyone who is welcome. Discouraging for those who have no place in the detection area. Each of the products is easy to install, powerful in terms of functionality and reliable in use.

You can find more information about LED spotlights and motion detectors from Theben on our website at www.theleda.com/en

Functions of all theLeda P LED spotlights

- | | |
|--|---|
|  Easy adjustment |  Suitable for flush-mounted boxes |
|  IP 55 Simply rainproof |  Spacious socket |
|  Bright, glare-free light |  LED panel with flexible positioning |

Functions of all theLeda P LED spotlights with motion sensor

- | | |
|---|---|
|  Orientation light |  Clever teach-in-function |
|  Convenient test function |  Manual switch on |
|  Area limitation with cover clips |  Convenient creep under protection |
|  Energy-efficient night switch-off |  Easy to use remote control |
|  Dimming function |  Intelligent parallel connection |

SMOOTH LED DIMMING WITHOUT THE KNOBS THE NEW DIMAX RETRACTIVE SWITCH DIMMING MODULES

The new DIMAX retractive switch dimming modules

The new Theben universal dimmers DIMAX 542 plus & 544 plus ensure harmonious and flicker-free dimming of LED lamps. Individual lighting scenarios can be conveniently programmed via the free app for android smart phones and sent to the DIMAX 544 plus via NFC.



Technical details

- In ceiling or remote mounting
- Universal dimmer for R, L and C loads with automatic load detection
- Optimised settings for LEDs, incandescent lamps and energy-saving lamps
- Comfort setting with wake-up and snooze functions
- Up to 2 light scenes (additional switches & diode modules required)

DIMAX 542 plus

- Programmable with simple potentiometer
- Switch-on brightness can be saved individually

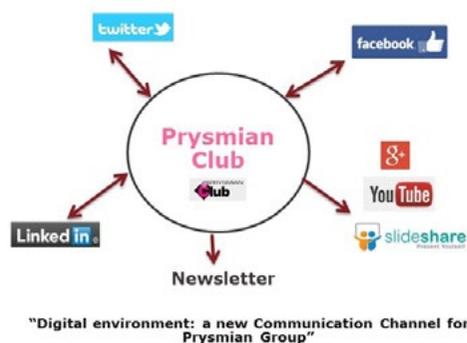
DIMAX 544 plus

- Settings with potentiometer or using a NFC capable smartphone
- Adjustable dimming rate (with automatic functions)
- Special settings can only be set using the app:
- 2 Button operation (1st Switch = On 2nd Switch = Off)
- Staircase time switch or switch function (presence detector)
- Alternative dimming curves

PRYSMIAN CLUBS LINK CUSTOMERS TO THE FUTURE

Prysmian Group is actively working in being closer to our Customers, providing up to date information on the cable industry, new technologies and best practices sharing.

One of the most relevant example are Prysmian Clubs. They are very active in South Europe - with Prysmian Club Country Websites being present in France, Italy and Spain. Each Country is managing his own Prysmian Club Website, issuing Newsletters on regular basis to the registered Customers and Users, informing them on the most relevant updates available on Prysmian Clubs. Social Media are also playing a key role in Prysmian Clubs, allowing Prysmian to closely interact with our Customer base and market at wider extent.



Italy and Spain have been the first Prysmian Clubs launched – years ago – and count over 15.000 Subscribers each. France one was launched June 2016 and already reach several thousands Subscribers after 6 months from the launch. The numbers of subscriptions steadily increasing.

The main scope of Prysmian Clubs is to bring qualitative information to installers, distributors and specifiers

on their daily activities. The information available in Countries Prysmian Clubs are related to cable industry and covering up-to-date information on product evolution, new norms, installation material.

Market information management tools are also accessible, such as new work legislation, new softwares and much more. In some Countries interactive tools are also available - such as factories visits, online webinars,

social media information exchange. Prysmian Clubs are also a fundamental communication and tutorial tool for CPR new regulatory information.

Prysmian Clubs Website are today considered as the reference in each Country among the professionals of the electricity market, contributing to disseminate technical culture and know-how.

Registrations are available through each Prysmian Club WebSite:



RAEC CELEBRATE ITS 5TH YEAR ANNIVERSARY

The celebration of the first anniversary of RAEC took place on the 2nd of February 2017 at the palace complex "Turandot".

The evening brought together the heads of the twelve RAEC participating companies, the top managers of the Association, the owners and top managers of more than forty supplier companies of electrical goods, as well as representatives of IMELCO.



The evening was opened by the members of RAEC's management committee: Andrey Sukhoverkhov, Chairman of RAEC and Chairman of the Board of Directors at AVS-electro, Anton Bork, CEO of Elevel, Alexander Sheiko, CEO of EC "Eco-Svet" and Vladimir Glazunov, Chairman of the Board of Directors at EKS. In their welcoming speeches they expressed their gratitude to the participants for their cooperation and emphasized that this evening, as well as all the activities of the association, was aimed to bring



together the best suppliers and distributors in the Russian market: "Together we can do more! Open relationship of trust, collaboration in setting goals and solving problems enhance the businesses of each participating company". The evening was continued by the speech of Mr. Konrad Ramhorst, executive director of the German association of



electric companies MITEGRO, who congratulated RAEC on behalf of IMELCO and shared his experience of international cooperation.

The business part of the program was devoted to the future of both the global and Russian market for electrical goods. The special guest of the evening German futurologist Sven Gábor Yanszki was the first to cover the topic and he did it

NETWORKING

in a vivid and persuasive manner. The discussion continued in the form of a colloquium on the topic "Russian Market of Electrical Goods - what's next?" Aleksin Conan (General Director for Russia and CIS, Legrand Group), Dmitry Kurpekov (vice president of the retail division, Schneider Electric), Dmitry Nalagin (president, "Light technologies"), Bohumil Stephan (CEO in Russia, CIS and Poland, Ledvance), Alexei Stepashin (Chairman of the Board of Directors, IEK) and Dmitry Kolpashnikov (CEO, DKC) shared their thoughts on the issue.

The speakers supported Mr. Yanszki's idea of a penetrating influence of digital technologies on the consumers, the market, the business, and on the need for distributors to take up a leading role in the development of e-commerce, big data management and market research.

After thanking the speakers for the active and open dialogue, the hosts of the evening went on to the most important part - the awarding ceremony for the best RAEC suppliers. Under the tumultuous applause the well-deserved and exclusive awards were given to:

In the nomination "The Godfather of RAEC" - Dmitry Nalagin, president of "Light Technologies", since it was he, who a few years ago put forward the idea of creating the association.

In the nomination "The pioneer of RAEC" - Schneider Electric, as the first company to enter into a formal cooperation agreement with the RAEC.



In the nomination "Leader of RAEC turnover" – the company IEK, for the most rapid growth in turnover among all RAEC suppliers.

In the category "RAEC Locomotive" - the company DKC, for continuous growth and advancement of both their company and other RAEC members.

In the category "RAEC Olympic reserve" - Varton company, as the youngest and most prospective RAEC supplier.

And finally, the long-awaited moment of the announcement of "The Best RAEC Supplier" came. RAEC's Chairman Andrey Sukhoverkhov addressed the audience: "In my opinion, this company possesses such qualities as loyalty, willingness to accommodate requests, a competent commercial policy and effective products. I am proud that each of our suppliers has these attainments. However, there is always one who is a little ahead of the rest. The title of the best RAEC supplier, a kind of grand prix, goes to the Legrand company and Alexis Conan."

The evening continued with a drinks reception and a friendly communication in the unique atmosphere of the Silver Hall. Perhaps, it was the first time the walls of the "Turandot" palace complex saw so many successful people united by a common goal and sincerely sharing their success with each other.

RAEC - THE POWER OF COOPERATION!

Stay on the move!

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ELEKTRO

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www.socoda.fr

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Gibed
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www.gibed.be

RAEC
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