

Danfoss Drives expands in a recessive drives market

Danfoss Drives, a leading supplier of Adjustable Frequency Drives worldwide, has maintained a focused approach to successfully expanding market share overall. This is especially true in its target markets of food, beverage, automotive and HVAC.

The market for variable speed drives experienced a considerable drop in 2002.

Despite this, Danfoss Drives succeeded in gaining market share and closed the year with total growth of a few percentage points. On the largest European market, Germany, Danfoss had only a slight decline in spite of the fact that the German market showed the biggest drop in Europe.

Targets and Strategies

A given drives solution depends on the individual customer's need. Where an air handling unit manufacturer requires a frequency drive with the necessary filtering and dedicated software to save system costs and installation time, the monorail manufacturer needs a combined drive, gear motor and controller solution.

Danfoss Drives meets customers' requirements by introducing the highly acknowledged Decentral program to distribute intelligent drive solutions for all applications.

The other half of a drives solution is the local support and service available worldwide. Here Danfoss has one of the most extensive networks of staff and partners with comprehensive drive know-how. Recently Danfoss established sales companies in South Korea and Turkey.

Growth and Investments

To meet customers' needs Danfoss Drives has invested heavily over the last years.

Investments have been made in the supply chain to allow Danfoss to meet customer requirements with products ready to install, delivered within 48 hours from one of the Danfoss factories.

Investments also include a new product platform, new plant facilities in Loves Park, Illinois, United States, a new printed circuit board factory in Graasten, Denmark, a manufacturing facility for Power Modules in Schleswig, Germany, acquisition of gear motor manufacturer Bauer in Germany, implementation of Danfoss Low Power, and a division focusing on customized products.

Launching the New Drive Generation

Danfoss Drives' is also investing extensively in the introduction of a new product program that involves a new drives concept, to debut at the Hanover Fair this year. Introduction of the new generation VLT® AutomationDrive FC300 in 2003 will confirm Danfoss Drives' strong position on international markets.

Internal investments

In spite of the moderate growth, Danfoss Drives' relative profit has grown. This is due to successive improvements in back-office, distribution and service. Danfoss Drives enters the year 2003 with expectations of expanding market share on a slow or moderately growing market.

