

Master Thesis - Business Engineering

Development of a Market Entry Strategy for ABB's PLC Platform AC500 in the Swiss Market



ABB PLC Portfolio (Source: ABB)

Problem Statement

While ABB has been among the pioneers to develop PLCs over 50 years ago, their focus has been to develop the portfolio for internal use. Little effort was put into developing the open market. With the new strategy of the business unit Motion, which the PLC portfolio belongs to, this is supposed to change.

In order to enter the Swiss market, ABB's Local Sales Unit in Switzerland wants a person with an external view to suggest a market entry strategy including:

- What products of the portfolio to focus on?
 - What market segments to target?
 - What organisation and staff is required?
- Creating a market entry strategy for ABB's PLC portfolio into the Swiss market is the main objective of this project.

Supportive objectives are:

- Understand the company ABB, their business areas, industries and the PLC portfolio.
- Explain the used research methods.

- Gather primary and secondary data.
- Verify the results with experts from ABB.
- Address strategic recommendations to the senior management of ABB.

Solution Approach

Right from the beginning, it was clear that PLCs are a commodity market, which made relevant secondary data gathering much more difficult. The project duration was not long enough to make market experiments either. Thus, interviews with internal experts, potential customers and benchmarking partners were selected as the main source of information. A total of 37 interviews were conducted and analysed with coding. That built the basis for the market entry strategy development.

Results

As the result, three options were developed for ABB. While one option consists of reasons that speak against a market entry, two options describe different strategies for a market entry with the PLC portfolio.

The recommended option is a cautious market entry with limited risk. A small team with strong technical expertise targets customers based on the PLC portfolio's strengths and the customers specific needs to create unique value while actively supporting the customers.

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