

# Dawning of a new era

AS CANADA-BASED XANTREX CELEBRATES ITS 25TH ANNIVERSARY WITH RENEWED COMMITMENT TO GROW ITS MARINE OEM BUSINESS, *IBI* CAUGHT UP WITH RICH GAUDET, VICE PRESIDENT OF XANTREX BUSINESS AT SCHNEIDER ELECTRIC, TO DISCUSS THE COMPANY'S NEW GROWTH STRATEGY

WORDS: CRAIG RITCHIE

**Q** Xantrex has been growing increasingly active in the recreational boating industry since its 2008 acquisition by Schneider Electric. Now with economic recovery evident in markets worldwide, the company seems to have a renewed focus on developing its global footprint.

**A** From a marine perspective, this is a very exciting time for Xantrex as we celebrate the 25th anniversary of our Freedom line of AC power inverters, the product line which really solidified our position in the boating industry. In 1992, the original Freedom was the first micro-processor controlled inverter ever designed for boats. It's obviously evolved over the years and this summer we're introducing a whole new generation of Freedom products, including our Freedom X inverter and Freedom XC inverter charger that are going to be revolutionary in terms of value, features and performance.

**Q** Through the years Xantrex has been primarily an aftermarket supplier but in recent months it has been actively developing partnerships as an OEM supplier. Does this mark a strategic shift for the company?

**A** For our product categories, and particularly the inverter and inverter charger product, the boating industry has historically been predominantly driven by the aftermarket. Having said that, the new product coming down the pipeline has unique capabilities which provide solutions to problems that boatbuilders have specifically articulated, and this is encouraging us to renew our focus as an OEM supplier. Over the last six months we've enjoyed an extremely positive response to our efforts to directly re-engage the boatbuilder market. We're very pleased with the reception we've received so far,



▲ Xantrex VP Rich Gaudet is re-engaging with boatbuilders

initially with battery chargers and moving into inverter chargers.

**Q** Are there other factors which led to this re-engagement as an OEM?

**A** With the proliferation of electronic devices on boats today, including high-draw appliances like air conditioning, the demands on a boat's electrical system have never been higher. At the same time, people want to focus on green solutions wherever they can, and not have to run the generator all the time. So it started from a technology perspective, looking at a problem and recognising that we had an answer.

It was also a matter of responding to our representatives and our customers' interest in us to re-engage at the OEM level.

There was a clear appetite from the boatbuilding market for us to re-enter that space. We realised that over the years we had grown more distant from those builders, and we recognised that we want to stay closer and nurture those relationships.

**Q** Xantrex is a global brand. Does that OEM interest come from specific markets, or is it worldwide?

**A** Most of the boatbuilders we deal with are located in North America, but there are some in Europe that we work closely with as well. This re-engagement is step one in our strategy, and step two is to simultaneously develop the business beyond our existing footprint. Toward that end, we've made investments to help us build our client base in Europe and develop our offer strategy to ensure we can meet the needs of European boatbuilders.

We've exhibited at METSTRADE for the past two years and that's working out well. The first year was a bit of an experiment to get the feel of things. Last year, as part of the Canadian pavilion, we did develop some strong new relationships. That investment in expanding our commercial reach led to our new partnership with Global Marine



QUICK NEW RANGE



▲ At Xantrex, in-house testing and R&D ensures full control of the final product



▲ Xantrex parent Schneider Electric

Associates (GMA) that will help us to expand our reach into Europe (see sidebar). As part of our product road map, we're further committing to expanding our 230V product offering in the inverter line. This product category has been heavily focused on the North American market, so over the next two years we plan to launch additional new products specifically for the 230V market.

**Q** The renewed OEM focus is intriguing. Will we see a similar growth strategy for the aftermarket?

**A** The aftermarket segment continues to do very well for us. We service North America, the Caribbean, Latin America, Europe and Australia as primary markets. With the US economy now fully recovered, the United States currently represents our greatest aftermarket sales volumes, followed by Canada, the Caribbean,

## A VOICE IN EUROPE

**IN MAY XANTREX** appointed Fareham, UK-based Global Marine Associates (GMA) to represent its brand and product offer to marine distributors and boat builders in major European markets including the UK, France, Germany, Spain, Poland, Russia and Turkey. Established in 2008, GMA already represents leading brands as Balmar, Glendinning, Lector Lab, CDI, Lehr and many more.

"We are delighted to have been appointed as representatives of Xantrex in Europe," said GMA managing director and founder, Martin Harding. "We see huge opportunities to develop sales of their existing product range, and to work with them on the development of new products specifically suited to the needs of the European marine market."

Australia and Europe.

North American sales probably represent more than 80% of our revenues in the boatbuilding market. It's a huge proportion, but it reflects the simple fact that that's where our primary focus has been over the last decade. We've strongly invested in that market from a product and channel development perspective, and we're gratified to see a rewarding return on that investment. This allows us to now invest in other markets and grow them the same way.

**Q** One would expect your competitors to have something to say about that.

**A** What differentiates us in the marine marketplace is that we've been in the industry for a very long time. We understand the market, and we understand the evolution of those markets. All the products that we offer for sale in marine are regulatory or compliance-rated for the marine industry, not just for the local markets in general.

From a product build perspective, we look at the marine industry as setting the benchmarks for durability and design. These have to be the most robust products we can build outside of military product. If you were to look in the industry and see how many Xantrex products that we haven't manufactured in 10 years or more that are still out there being actively used today, it's just tremendous. That's a powerful metric, and it says a lot about the quality of the product and the engineering behind it.

**Q** One would have to believe that being part of the Schneider Electric family brings its own benefits too.

**A** No question about it, being a part of Schneider is huge. Xantrex had been around for a long time before coming into the Schneider family. But now as part of a €25bn conglomerate, we're in the fortunate position of being able to leverage the strength of that enterprise while maintaining our own unique DNA.

That's one of the many reasons why we still go to market as the Xantrex brand, and operate as a separate company. We're able to maintain the agility and the laser-like market focus that's required for us to be successful and to have products that are responsive to the needs of the marketplace. At the same time, we enjoy the bankability that being part of Schneider Electric brings, which is critical – especially on an OEM level.

We feel that having the financial and technological backing of Schneider gives us a significant competitive advantage. None of our competitors have the kind of in-house testing and R&D capability at their disposal that we do, and we're seeing the fruits of that now in the new product.

This is an exciting time for us. In many ways, it's the beginning of a whole new era. **IBI**