2016 Global
SMT Reflow Soldering Equipment
Growth Excellence Leadership Award
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Background and Company Performance

Industry Challenges

The surface mount technology (SMT) reflow soldering equipment market is undergoing a transformation, in terms of requirements coming from Industry 4.0 ventured from end-user verticals such as the semiconductor industry and electronic assembly. SMT reflow soldering equipment manufacturers are faced with addressing end-user demands for advanced requirements such as connectivity, continuous real-time monitoring, reduced manual involvement, and more automation during operation. The situation, however, is more challenging because SMT reflow equipment manufacturers need to reinvent themselves constantly to develop innovative designs and competitive pricing.

Over the years, the SMT reflow soldering equipment market has evolved so that market participants failing to produce cost-effective, innovative designs year after year are affected enormously after a few years. Technology convergence has ensured that design innovation is the way forward, and a price competitive strategy is the way to success in a tough competitive environment. These industry challenges shape the SMT reflow soldering equipment market, making it challenging for market participants to sustain growth.

Growth Performance and Customer Impact

Growth Strategy

Heller Industries, Inc has seen remarkable growth in the last 10 years in the SMT reflow soldering equipment market, in terms of an innovative product portfolio and advanced technology, and has become one of the top market participants in this space. Heller Industries’ growth and evolution as a SMT reflow soldering equipment manufacturer can be attributed to the company’s successful growth strategies: a competitive pricing strategy and a company-wide attitude to meet every client’s requirement, no matter how unusual or unique. The company’s say-yes attitude to all customer requirements, combined with its strong technological capabilities, has aided the company to spread and build its market share. A good example to illustrate this is when a semiconductor company required the substrate to be kept flat during its process. Heller Industries accommodated this client’s unique request and developed this capability in the equipment.

Over 10 years ago, Heller Industries recognized the growing importance of Industry 4.0 and anticipated that most of its customers would require advancements in their SMT reflow soldering equipment to assist in increased connectivity, more automation, and less manual intervention. The company transformed itself to address the requirements rising from Industry 4.0 by creating a reliable and strong technology roadmap. Heller Industries’ research and development team is working on innovative technologies to transform the SMT reflow soldering equipment market, and this long-term planning will enable the company to gain a tremendous competitive edge over its competitors.
Growth Diversification and Sustainability

Consistent with the long-term vision to accommodate any requirement from customers pertaining to Industry 4.0, Heller Industries is inclined to enhance its already strong research and development division, spanning across the United States, Korea, and China. Approximately 50 design engineers are being trained to achieve long-term contributions toward the visionary technological roadmap for the company’s SMT reflow soldering equipment. In addition, Heller Industries is focused on expanding its reach in Europe and Asia and is vigorously recruiting top minds in these regions for this purpose.

Heller Industries’ top management has extensive knowledge and about 30 years of experience in this SMT market and in innovating flexible, advanced designs to meet customers’ requirements. The company strongly believes its long-term growth sustainability lies in expanding its product portfolio and global footprint as well as in recruiting top talent who can shoulder the company’s vision in the long term. The company has a resourceful recruitment platform that continues to attract industry experts and thought leaders to be part of the Heller Industries family. An important aspect helping Heller Industries attract talent is the availability of diverse and challenging projects that are unique and promising, compared to most other SMT reflow soldering equipment manufacturers.

Price/Performance Value

Heller Industries goes the extra mile to ensure its customers have innovative and reliable SMT reflow soldering equipment at affordable prices. The company’s pricing strategy is to provide its customers with the best price value, while maintaining high-quality standards. A good example to highlight this would be Heller Industries’ collaboration with IBM Microelectronics to develop fluxless mass reflow furnace equipment that eliminates the requirement for pre-reflow fluxing and post-reflow flux cleanup steps. The strategy to meet every client’s requirement at affordable pricing helps the company attract new customers, while ensuring high customer retention. When a customer approached Heller Industries looking for a solution that would enable them to cure epoxy under pressure, Heller Industries designed a cost-effective solution to meet the customer’s demand. Moreover, the company’s fluxless reflow equipment has many performance advantages such as the ability to be used for any reflow profile such as a tent or soak profile with formic acid. The equipment can adjust the formic acid profile in the oven in conjunction with the thermal reflow profile, while possessing an advanced safety system that adheres to industry standards and a real-time formic acid concentration monitor system. In addition, an elaborate formic acid abatement system for green process solutions is available. Along with these performance advantages, an important selling factor for Heller Industries is the equipment’s availability at affordable pricing.
Total Customer Experience

Heller Industries is actively focused on reducing the total cost of ownership for its customers. The company’s research and development engineers are constantly engaged in providing advanced technological capabilities to the SMT reflow soldering equipment to meet requirements rising from Industry 4.0 as well as focusing on reducing nitrogen and power consumption of the equipment. Heller Industries’ SMT reflow soldering equipment currently operates below 10 kilowatts (kW), which is lower than most other companies’ offerings. However, Heller Industries’ design engineers are working toward reducing the power consumption even further, to fall within the 8 kW to 9 kW range. These efforts will have a positive impact on Heller Industries’ customers. Moreover, the company offers the ability to upgrade equipment based on individual customer requirements. A perfect example to showcase this is when a customer purchased a vacuum machine but later required an additional application that could melt the solder at a much higher temperature. Heller Industries upgraded the customer’s equipment to handle much higher temperatures.

Additionally, Heller Industries works closely with its customers to ensure their satisfaction. The company implemented an extensive feedback system, where customer input and feedback are registered and reviewed on a monthly basis, and any design reconfiguration requirement is addressed immediately and implemented across all relevant products. The company is adept at providing extended support services to its customers, enabling it to provide immediate assistance in the case of an emergency. This support service is possible because the company has a service center in all its operating regions worldwide. In rare cases where no service center is available, Heller Industries utilizes a third-party service provider that has been trained to work with the company’s SMT reflow soldering equipment.

Brand Equity

Heller Industries is aggressively promoting its technological capabilities, enabling it to build a brand name synonymous with innovation and reliability. The company’s sales team proactively meets prospective customers and engages with existing customers to present its ever-evolving technological roadmap, providing more recognition of Heller Industries’ strong product portfolio and capabilities. Given the opportunities coming from Industry 4.0, Heller Industries has started aggressive promotions on a global scale and leverages its expertise to gain a competitive edge over other market participants.
Conclusion

Heller Industries’ effective growth strategy and visionary ventures to design SMT reflow soldering equipment capable of meeting Industry 4.0 requirements are commendable. Frost & Sullivan’s independent analysis clearly shows that the company’s long-term planning to sustain growth and leverage top talent in this market, along with an excellent price/performance delivery, gives it a competitive edge over other market participants.

For its strong overall performance, Heller Industries has earned Frost & Sullivan’s 2016 Growth Excellence Leadership award.
Significance of Growth Excellence Leadership

Growth Excellence Leadership is about inspiring customers to purchase from your company, and then to return time and again. In a sense, then, everything is truly about the customer, and making those customers happy is the cornerstone of any long-term successful growth strategy. Companies that excel in driving growth strive to be best-in-class in three key areas: meeting customer demand, fostering brand loyalty, and carving out a unique, sustainable market niche.

Understanding Growth Excellence Leadership

Companies that creatively and profitably deliver value to customers ultimately set up their businesses for long-term, rapid growth. This is what Growth Excellence Leadership is all about: growth through customer focus, fostering a virtuous cycle of improvement and success.
Key Benchmarking Criteria

For the Growth Excellence Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Growth Performance and Customer Impact—according to the criteria identified below.

Growth Performance

Criterion 1: Growth Strategy
Criterion 2: Above-Market Growth
Criterion 3: Share of Wallet
Criterion 4: Growth Diversification
Criterion 5: Growth Sustainability

Customer Impact

Criterion 1: Price/Performance Value
Criterion 2: Customer Purchase Experience
Criterion 3: Customer Ownership Experience
Criterion 4: Customer Service Experience TCM
Criterion 5: Brand Equity

Best Practice Award Analysis for Heller Industries

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES

The Decision Support Scorecard is organized by Growth Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.
The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan chooses to refer to the other key players as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD: GROWTH EXCELLENCE LEADERSHIP AWARD

<table>
<thead>
<tr>
<th>Growth Excellence Leadership</th>
<th>Growth Performance</th>
<th>Customer Impact</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heller Industries</td>
<td>9</td>
<td>9</td>
<td>9.0</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>7</td>
<td>8</td>
<td>7.5</td>
</tr>
<tr>
<td>Competitor 3</td>
<td>7</td>
<td>7</td>
<td>7.0</td>
</tr>
</tbody>
</table>

**Growth Performance**

**Criterion 1: Growth Strategy**
Requirement: Executive team has a shared vision for the organization’s future growth, and has created and implemented a strategy that is consistent with that vision.

**Criterion 2: Above-Market Growth**
Requirement: Company’s growth rate exceeds the industry’s year-over-year growth rate.

**Criterion 3: Share of Wallet**
Requirement: Customers allocate a greater percentage of their total spend to purchasing products or services produced by the company.

**Criterion 4: Growth Diversification**
Requirements: Company is equally able to pursue organic (e.g., distribution channel optimization, new product innovation) or inorganic (e.g., acquisitions, partnerships) growth opportunities consistent with the long-term objectives of the organization.

**Criterion 5: Growth Sustainability**
Requirement: Company has consistently sought out opportunities for new growth, enabling the organization to build on its base, and sustain growth over the long-term.

**Customer Impact**

**Criterion 1: Price/Performance Value**
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

**Criterion 2: Customer Purchase Experience**
Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

**Criterion 3: Customer Ownership Experience**
Requirement: Customers are proud to own the company’s product or service, and have a positive experience throughout the life of the product or service.
**Criterion 4: Customer Service Experience**
Requirement: Customer service is accessible, fast, stress-free, and of high quality

**Criterion 5: Brand Equity**
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

**Decision Support Matrix**
Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

![Decision Support Matrix: Growth Excellence Leadership Award](image)
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan’s research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company’s Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.