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# Is Specialization The Key To Success In The Wind Energy Market?

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One wind industry executive is calling for wind power companies to adopt a networked approach in order to deal with the slowdown and boost innovation.

Jukka-Pekka Makinen, president and CEO of [The Switch](#) – a provider of permanent magnet generators and full-power converters to the wind energy industry – says the industry should adopt a networked model in order to overcome the rigidity of the vertical integration that still stifles the entire industry, making it difficult to adjust rapidly to the slowdown and to maintain a high level of innovation.

'In the wind power industry, we have all witnessed the fallout from the global economic downturn and the significant geographic shift from Europe and the U.S. towards China and emerging markets,' Makinen says. "Now, we're finally seeing signs of this industry opening up to the benefits of networking, with large turbine manufacturers selling off component manufacturing operations to other specialist players to better compete by concentrating on their core strengths."

According to Makinen, industries that have embraced networking are better prepared for fluctuations in the market that can come from business cyclicity, market volatility or even geographical shifts. Networking within entire industries is not new. The automotive and telecommunications industries have been operating in such a manner for years, which has led to deeper expertise, the ability to add scale where necessary and a faster time to market.

Companies in the wind power industry now need to focus on being good at their chosen core competences, Makinen says, adding that through specialization, they can tap into cumulative experience, which leads to significantly improved quality.

"Scalability, or being able to ramp up or down rapidly, is another benefit," he adds. "In the wind industry, this means that a company can develop something new for six months, use it for two years and then move on to new products, if the market so demands. This gives a company unrivaled agility when it comes to designing new technology and being on the innovative forefront."

For the wind power industry, a networked approach takes companies to where the market is – to be in the right geographical location, to make rapid product changes and to survive at a time of major economic and market upheavals, Makinen adds.

"We strongly believe that a networked approach is the only way to move the wind power business to the next level with world-class expertise, agility and speed," he says.

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