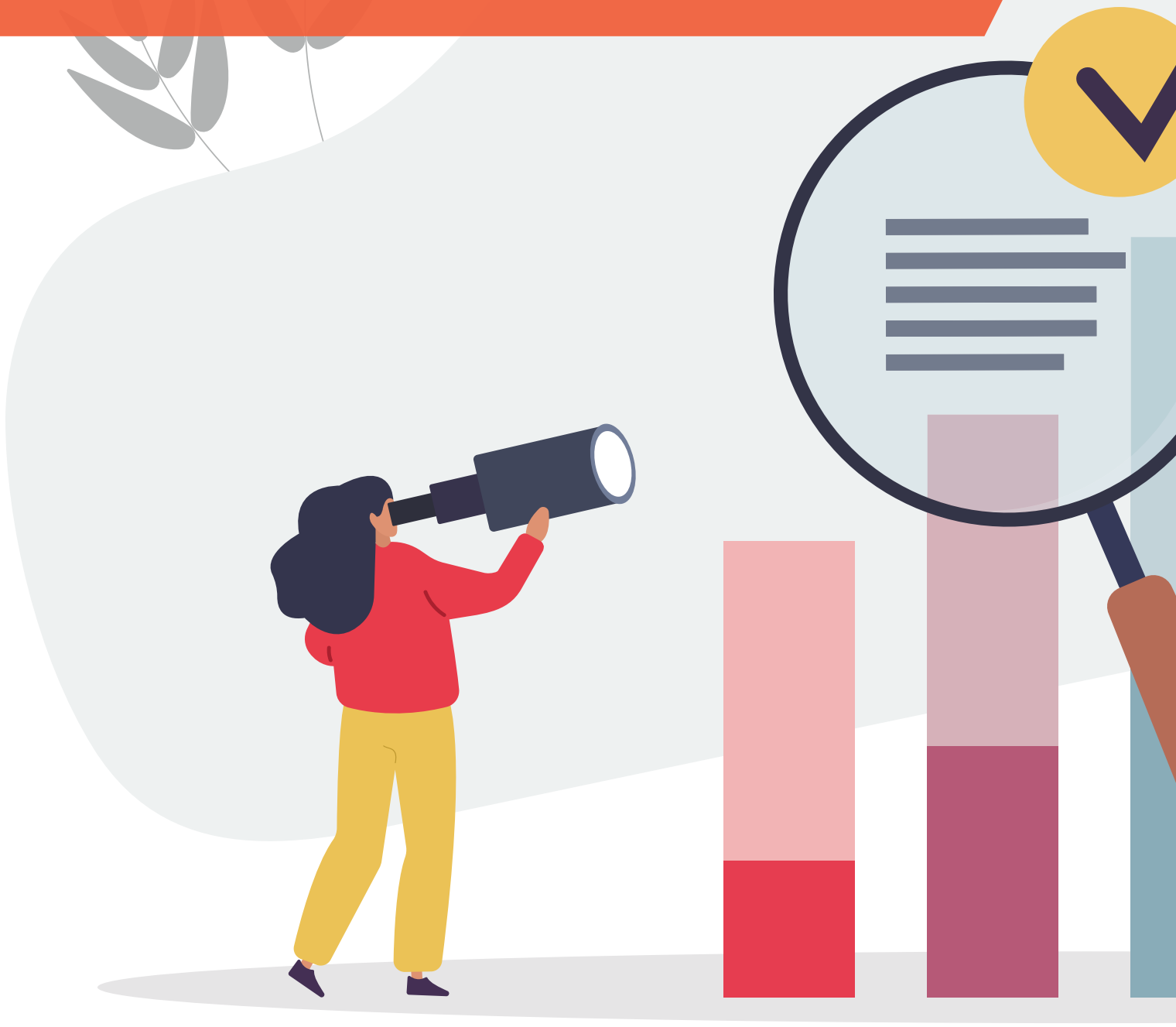
The business power of research based insights

Why knowing where you stand is one of your strongest advantages



Intensity and meaning of pressure in the industry differs across regions, companies, product categories, and positions in the value chain



ABSTRACT

This article explores how research-based insights can become business power in the industry. In a market shaped by uneven pressure, long lead times, supply-chain constraints, major capacity investments, quality-related costs, and workforce challenges, companies need more than general impressions. They need benchmarks that show where they stand compared with the wider market. Based on the logic behind this year's Industry Navigator research, the article explains how insight can strengthen negotiations with suppliers, support discussions with customers, guide investment and capacity decisions, reveal hidden supply-chain advantages or weaknesses, and help professionals argue more convincingly for internal change. It also highlights the importance of transparency, commitment, competence, and structured knowledge transfer. The central message is that knowing the market is valuable, but understanding your own position within it is where insight becomes real business power.

KEYWORDS:

transformer industry; research; benchmarking; resilience; supply chain

Research-based insight turns market pressure into something measurable, comparable, and actionable

1. Introduction

The transformer industry is under pressure, but not in the same way everywhere. Demand, lead times, supplier access, available capacity, workforce availability, investment levels, and delivery risks differ among product categories as well as among companies, countries,and regions. This makes general impressions not sufficient anymore.

A company may feel that its situation is difficult, but without a solid basis for comparison, it cannot fully understand what that difficulty means. This is where research-based insight becomes valuable. It describes the market and helps companies and professionals interpret their own position within it.

That is the philosophy behind this year's Industry Navigator research on the critical business pillars of the transformer industry. The value of the results will be in helping companies understand where they stand.

2. Different colours of pressure

Any serious discussion about today's transformer market should begin with one simple fact: pressure does not have one colour. Demand, lead times, capacity, supplier access, investment levels, workforce availability, and delivery risks vary from one company, country, region, and product category to another. The situation is not the same for distribution transformers, large power transformers, HVDC transformers, converter transformers, shunt reactors, or other special transformers, and it is also not the same in Europe, North America, China, India, the Middle East, or other regions.

This is important because general impressions can be misleading. A company may feel that its situation is difficult, but without a solid basis for comparison, it lacks a reliable reference point. The same difficulty can mean very different things: it may reflect a broader market reality, an avoidable internal weakness, a temporary disturbance, a structural constraint, or a warning that others have already moved ahead.

Without a clear market reference point, it is difficult to know how to respond. Should the pressure be accepted as a market reality? Challenged in negotiations? Escalated internally? Used as an argument with customers? Or treated as a warning that others may already be in a stronger position?

Long lead times, supplier delays, demanding customers, late specification





changes, and shortages of engineering capacity can all create serious pressure. But none of these challenges can be properly understood in isolation. Their real business meaning emerges only when they are compared with the wider market, and this is where insight becomes much more than information.

In a constrained market, a company's supply-chain position can determine whether it waits in line or receives priority

3. Insight as business power

With insight, companies are no longer forced to rely only on impressions, assumptions, or isolated experience. They can negotiate more confidently with suppliers, defend delivery times more strongly with customers, and support internal arguments for investment, training, supplier development, or change. This helps management direct its energy where it has the greatest chance to make a difference.

Without a benchmark, every problem can appear as your problem alone. However, with a benchmark, pressure becomes measurable, comparable, and actionable; making it possible to see whether the company is exposed, aligned with the market, or already in a stronger position than it realises.

4. Lead times as signals

Lead times are perhaps the clearest example. The industry already knows that lead times in general have been long. But knowing that lead times are long is no longer enough. The more important questions are: are they improving, stabilising, or getting worse? For which product categories are they improving? How do they differ across regions? Which materials and components are still blocking delivery, and which are returning to a more manageable situation?

If a supplier offers bushings in 100 weeks, that number alone does not tell the full story. If the relevant market is also around 100 weeks, the situation is painful but understandable. If the market average is closer to 70 weeks, and some companies are securing delivery in 50 or 20 weeks, the same 100-week quotation becomes a very different signal.

It may indicate that the supplier is underperforming. It may show that the buyer is not high enough on the supplier's priority list. It may suggest that alternative sourcing should be explored. It may give the company a stronger basis for negotiating delivery, price, allocation, or contractual terms.

The same logic applies in the opposite direction. If a manufacturer can offer

The critical question is whether new capacity will match the market that emerges when investments fully materialise

delivery times that are better than the market average, and a customer is still pushing for shorter delivery or additional concessions, the benchmark becomes a powerful argument. The company does not need to defend itself with opinion, but it can show that its offer is already strong compared with the market.

This is the practical value of insight. While it does not remove the problem, it does change the conversation.

5. Navigating the supply chain

The same applies across the supply chain. In constrained markets, lead time is not always only a technical or production fact, but sometimes a signal of commercial priority as well.

This needs to be said carefully, but it cannot be ignored. When a supplier says that faster delivery is not possible, the most useful question is whether the quoted delivery time reflects the general market reality, or the customer's relative position in that supplier's allocation priorities.

Some companies are strategically important to their critical suppliers. Others are simply one of many customers waiting in line. Some receive earlier warnings, better flexibility, more attention, and priority treatment when capacity is constrained. Others hear about problems only after those problems have already affected delivery. That difference can be decisive.

If a company knows that its supply-chain position is weaker than the market average, it has a reason to act. It may need to negotiate differently, qualify additional suppliers, develop strategic partnerships, reserve capacity, improve forecasting, or become a more attractive and reliable customer. If, however, the company is already receiving better-than-average support from suppliers, the priority may be different. The task may not be to push harder, but to protect the relationship that already gives it an advantage.

6. The demand and capacity puzzle

The same need for comparison applies to demand and capacity.

Demand is driven by grid expansion, electrification, renewable energy integration, data centres, industrial growth, replacement needs, and infrastructure development. But the strategic question is not only whether demand exists. The strategic question is what demand will remain once recent investment decisions have fully materialised and new capacity is fully available on the market.

Many companies have already invested significantly. New manufacturing capacity, testing capacity, service capacity, material capacity, component capacity, and engineering resources are being built or are already becoming available. The central question is whether these investments will be insufficient, sufficient, or too large in certain parts of the value chain.

Each situation means something different.

If investment remains insufficient, companies will continue to fight for capacity, protect supplier positions, manage customer expectations, and be careful with delivery commitments. If investment is broadly sufficient, the market may move from "who can deliver" to "who can deliver reliably, efficiently, and profitably". In that situation, quality, execution, engineering discipline, supplier reliability, and cost control become even more important.

If investment becomes excessive in certain areas, the industry may face a different kind of pressure: price pressure, weaker margins, more aggressive competition, order cancellations, and lower negotiating power.

This is why capacity cannot be discussed in general terms only. A strong capacity position in distribution transformers does not automatically mean a strong capacity position in large power transformers or HVDC applications. In a high-demand market, not every order has the same attractiveness. When factories are full, manufacturers naturally look for productivity, predictability, and manageable execution risk. More standardised transformer categories may be easier to fit into production planning than highly customised, engineering-intensive, or technically demanding units.

This does not mean that complex projects are less important. Often, they are strategically critical. But their business reality is different. They may require more engineering capacity, more coordination, more testing availability, more supplier alignment, and higher risk tolerance. This is exactly why market insight must be read by product category, not only as one general industry average.

7. Where transparency becomes commitment

Another area where insight can change business behaviour is the point at which transparency becomes strong enough to support commitment across the value chain. One recurring challenge in the industry is that information does not always become firm enough, early enough, for companies to act on it with confidence. Forecasts and project signals are useful, but they often have limited value when a supplier is deciding whether to invest in new capacity. For that, suppliers usually need more credible demand visibility: long-term contracts, capacity reservations, framework agreements, firm orders, or other commitments that reduce the risk of investing for demand that may not materialise.

This has already mattered. If more credible signals, in the form of long-term contracts or other commitments, had reached suppliers of bushings, insulation paper, transformer board, and other critical inputs earlier, some of today's pres-

sure might have been reduced before it became visible.

But this is not only a lesson for a future demand cycle. The same logic applies now, in any part of the value chain where pressure is beginning to emerge. It will also apply again whenever the industry faces a comparable bottleneck or imbalance.

However, market insight cannot replace direct commercial transparency between companies. It cannot replace clear forecasts, long-term commitments, or serious supplier-customer dialogue. But it can reduce part of the damage caused by poor visibility. It can act as a market radar. It can show where pressure is increasing, where investment may be insufficient, which components are becoming critical, and where companies may need to act earlier instead of waiting for the problem to become obvious.

8. The price of late clarity

Two signals stood out in the first stage of this year's Industry Navigator research: rising costs related to quality problems, and increasing challenges in interpreting specifications by suppliers. This does not automatically mean that the industry is losing competence, but it does raise a serious question: could this be an early warning that competence, experience, and cross-functional understanding are becoming stretched beyond comfortable limits? This should not be dismissed.

When specifications are misunderstood, when requirements are interpreted differently, when corrections come late, or when quality-related costs increase, the issue may be larger than quality assurance. It may point to a deeper need for stronger technical knowledge, better communication between engineering, procurement, manufacturing and sales, and more systematic training across the value chain.

9. Competence as capacity

This is where workforce and engineering capability become central.

The industry often speaks about workforce shortages in terms of numbers: not enough engineers, not enough skilled workers, not enough experienced people. But in transformer manufacturing, capacity is not only a question of equipment,

Real capacity depends not only on factories and equipment, but also on experience, judgement, training, and knowledge transfer

factory space, or production slots. Effective capacity also depends on engineering throughput, specification interpretation, design review, supplier coordination, testing competence, project management discipline, and the ability to make correct technical decisions under time pressure.

Equipment can be installed faster than experience can be built. A company can expand nominal capacity faster than it can develop engineering judgement. This is why workforce capability is not only a support function. It directly influences delivery reliability, quality performance, lead times, supplier communication, and the ability to absorb growth.

Training is therefore not only a personal development activity. It becomes part of how the industry protects reliability, quality, and delivery performance.

The industry seems increasingly aware of this problem. This can also be seen in the growing use of Transformer Academy, where usage has doubled year on year. Structured knowledge transfer can help younger professionals grow faster, reduce dependency on a small number of senior experts, improve communication between departments, and reduce avoidable mistakes. In a market where knowledge itself is becoming a bottleneck, training becomes a business capability.

There is a/the personal side of market insight as well.

For an individual professional, insight can strengthen internal discussions. It allows a person to bring more than opinion to the table. Instead of saying, "**I think** we are doing well," they can say, "**Compared with the market**, this appears to be one of our strengths." Instead of saying, "**I think** we have a problem," they can say, "**This does not appear to be a market-wide pressure**;



The Industry Navigator research provides benchmarks that help professionals and companies understand where they stand

it may be our competitive gap?" That distinction makes a difference.

Insight can help a procurement manager challenge supplier lead times more effectively. It can help a sales manager defend a delivery offer with customers. It can help an engineer argue for better specification discipline. It can help a training manager show why competence development is not optional. It can help senior management decide whether to invest, wait, protect margins, secure capacity, or focus on specific bottlenecks.

The value is not only in knowing the market. The value is in understanding your position within it.

Benchmarking has an emotional dimension as well as a commercial one. It brings confidence when a problem proves to be market-wide. It brings pride when it shows that your team has built a position worth recognising and protecting. It also brings urgency when it reveals that others are doing better. In all cases, a benchmark is empowering because it replaces uncertainty with a clearer basis for action.

10. Research-based business power

These are the types of questions behind this year's Industry Navigator research on the critical business pillars of the transformer industry. The research looks at supply-chain resilience, market visibility, lead-time trends, investment and capacity, complexity, organisational capability, future risks, and the resources needed to support the next phase of the industry.

The value of the results will not be only in showing what the market is experiencing, but in better understanding where you and your company stand: where you are exposed, where you are aligned with the market, and where you may already have a stronger position than you realise.

For those working with suppliers, customers, investment decisions, workforce development, delivery commitments, specifications, or strategic planning, this kind of insight can become a practical reference point. It can support negotiations, internal discussions, risk assessment, and decisions about where to focus next.

Participation is therefore not only about answering questions. It is about gaining a reference point that can later help in real business situations: when negotiating with suppliers, explaining delivery times to customers, discussing investments internally, or deciding where management attention should go next.

Because in a market under pressure, not knowing where you stand may be one of the greatest risks of all.



Author



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