

## Quantum Automation



### PROFILE

**Quantum Automation**  
[www.quantumautomation.com](http://www.quantumautomation.com)  
**Headquarters** Anaheim, Calif.  
**Employees** 12  
**Products** Automation parts distributor  
**Brian Gallogly, president**  
 “Rather than just being order takers, we’re order makers.”

President Brian Gallogly (left) says Quantum Automation forms strong relationships with customers.

## ‘ORDER MAKERS’

Quantum Automation serves customers in the control and automation niche with an encyclopedic knowledge of product lines.

by Chris Petersen

**Q**uantum Automation does more than distribute parts for automation systems, according to President Brian Gallogly – it distributes the knowledge and expertise customers need to put those components to their best use. Gallogly started Quantum Automation in 1991 and received purchase orders from some large clients within two months thanks to the knowledge he brought as a former member of the General Electric and Texas Instruments organizations.

That business model is still in place throughout the entire organization today, as

Gallogly stresses the technical expertise his employees provide in support of the diverse product lines Quantum Automation offers. “Most of the people who work at Quantum Automation are either mechanical, electrical, or instrumentation engineers,” he says. The company fills an important niche in the electrical industry with enormous growth potential and is already being seen as a role model by other distributors, he adds.

Based in Anaheim, Calif., Quantum Automation serves as an industrial control solutions provider for 11 western states. The products it carries range from AC motors and relays to software and operator interfaces. Gallogly founded the company



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with \$50,000, and originally focused on providing distribution of control and automation products in Southern California. He says the knowledge of product lines he developed during his time with GE and Texas Instruments proved to be crucial in the company's early success.

Quantum Automation differs from other companies serving the same markets because of its narrow focus, Gallogly says. Standard electrical wholesalers typically represent one many lines and sell all electrical parts including wire and conduit. "What we do differently is we focus on the control and automation aspect," he says.

#### **SALES KNOWLEDGE**

This focus is what allows Quantum Automation to provide more than just components to its customers. Because it concentrates specifically on controls and automation, the company's employees can specialize their knowledge and get into more detail with customers about the products. This means that Quantum Automation's salespeople not only help customers find the parts they need, but they

can also help them increase productivity by optimizing those parts to their specific operations. "It's the fact that we have the ability to train customers on the software as well as help them engineer the products into their control systems," Gallogly says. "Rather than just being order takers, we're order makers.

"There are some other distributors like us around the country, but a lot of the other ones tend to rely on the manufacturers for support, whereas we do a lot of support ourselves," he adds.

The company motivates its salespeople to focus on more than just the sale, and to concentrate on forming strong relationships with customers. "I've tried to create a bunch of rainmakers in our regional sales managers, and they all work on straight commission, so they tend to be more motivated to help the customers to generate new business," Gallogly says.

#### **DIRECT PARTNERSHIPS**

Quantum Automation is even starting to bring its expertise and knowledge into partnerships with other distributors. For example, the company has been working

with Automation Direct, a master distributor of control equipment based in Georgia for 15 years.

According to Gallogly, Automation Direct didn't have much experience working face-to-face with customers. Joan Welty, marketing manager for Automation Direct, says the company used to rely exclusively on mass advertising and catalogs for its nationwide sales regardless of the customers. Automation Direct has sold through a limited number of value added resellers, including Quantum Automation, since its inception.

Welty says the company wanted to change its approach and spend more time working face-to-face with larger clients, but did not have the experience. "Having a value-added reseller in various parts of the country made sense to us," she says. "They would go after the types of customers we couldn't reach."

Without the intervention of Quantum Automation, Welty says, Automation Direct would be without a number of major clients. "We would probably not have as many large customers in the western region," she says. "Those are customers that would just be very difficult for us to reach. We ourselves have a very wide customer base. We have literally thousands of smaller customers."

The difference, however, is that smaller customers tend to buy smaller orders. "A lot of the customers Quantum Automation brings to the table are customers that we can count on to create constant revenue streams," Welty says.

In that way, Quantum Automation serves as a sales force in the field for Automation Direct, providing a direct conduit between Automation Direct and larger customers,

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### ADVERTISEMENT

Automation Direct Marketing Manager Joan Welty says her company's goal is to make ordering parts and receiving quality service as close to automatic as possible. The company has received a boost through its close ties with Quantum Automation and its regional focus, but Welty says Automation Direct has its own strengths that have made it one of the top sellers of automation and industrial control products.

"Our greatest strength for our customers is really our total service, and that stems from trying to become as efficient as possible," Welty says.

Efficiency is key, Welty adds, because Automation Direct's customers are primarily small companies that place relatively small orders. With so many orders being processed and shipped to so many different accounts, Automation Direct has to operate as lean as possible, or else the company could drown in costs.

For example, Automation Direct has integrated an electronic order-processing system with its automated warehouse. With this system, the company can take an order as late as 6 p.m. EST and still ship it the next day. Welty says the company also is geared to provide as much support as it can to customers from a distance.

"We have great personal customer service on the phone," she says. The company points to a recent customer survey that found more than 93 percent of its customers rated its phone sales team above average.

The company also says its 1,900-page catalog keeps overhead low by not having to rely on a large sales force. Although this approach has worked well with smaller customers who value efficiency, Welty says, the company's partnership with Quantum Automation has helped it land much larger customers who appreciate more face-to-face interaction.

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such as semiconductor and food manufacturers. "It's very beneficial in the aspect that we don't do any specific marketing to much larger customers, and when I say larger I mean national accounts," Welty says. "They have people who are in the field who do those types of things, whereas we don't do that type of thing at all."

Welty says the partnership between Quantum Automation and Automation Direct has other benefits, as well. "For example, when we launch a new product, we try to get marketing information, whether printed or Web-based, to them so they can get them out to their people," she says. "For us with mass advertising, it might be months before someone notices that we have a new product, whereas they can get the product into their hands quickly."

Gallogly says this partnering approach has taken root at Quantum Automation and is finding new outlets. "We took that knowledge of being able to do it without a lot of hand-holding from Automation Direct to another company that also didn't have a lot of support from the manufacturer, and we were able to parlay our technical abilities to be successful with that product line, as well," he says.

### PLANNING AHEAD

"The biggest challenge right now is the macroeconomic world having their troubles, which trickles down to our customers having problems getting financing from the banks to build new machines and processes," Gallogly says. Although the company has not seen the effect of this yet, it expects customers to begin slowing down their orders soon as the capital for new equipment begins to run out.

"As a result, I've had to make sure that our credit line is solid and we have minimal balance on our credit line," Gallogly says.

Quantum Automation is also concentrating on bringing in new OEMs and new product lines under its umbrella, as well as finding new applications for its existing product lines.

The price of components has also gone down significantly since the company first started, with a typical programmable controller dropping from \$2,500 to \$200, Gallogly says. That means we need to sell higher volumes at sometimes less profit margin, plus more processing as a result.

Still, Gallogly notes there are still plenty of growth opportunities for Quantum Automation. "We're looking at continuing to take on more and newer product lines and/or our existing vendors as they bring on new product lines, support those new product lines and explore some other avenues of business, meaning different markets that we have not been focusing on," he says. *USM*

**AUTOMATIONDIRECT** While primarily a direct business, AutomationDirect also maintains relationships with a limited number of key regional distributors. For nearly 15 years, Quantum Automation has been instrumental in serving West Coast customers with their control systems expertise and local availability of the full range of AutomationDirect products. Quantum's business strategies support and complement those of AutomationDirect, whose main focus is mass marketing to a diverse base of small- to medium-size customers. Quantum can provide personalized face-to-face service to larger clients whose applications require it. Quantum also supplies expertise in servicing machinery OEMs by helping them increase productivity and reducing costs.

# Quantum Automation

Western Automation Solutions Provider

## Authorized Value Added Reseller

- Application experienced sales people since 1991
- West Coast inventory
- Local technical support
- Friendly Customer Service

## Featured Product Line

AUTOMATIONDIRECT.com

Quantum Automation was the first and is the largest Value Added Reseller for AutomationDirect since 1994.



DirectLOGIC PLCs · Universal Field I/O · Software · PC-Based Control Software · Operator Interfaces  
AC Drives · Motors · Step Motor Systems · Servo Systems · IEC Motor Controls · Sensors  
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Fuses · Circuit Protection · Enclosures

### The Benefits of Purchasing from Quantum Automation

- Local technical support
- Training
- West Coast inventory
- 24 hr. Emergency support
- Same price as AutomationDirect.com

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or to place your purchase orders.**

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