

EXECUTIVE OUTLOOK 2013



Grow Value Of Existing And Planned Investments

Steve Sonnenberg, President, Emerson Process Management

First, we agree that the global economic recovery seems to have stalled, and indications are that it will remain flat for the near term. Consumer demand has not yet exhausted existing manufacturing capacity, allowing manufacturers to defer major capital expansions. Many of our customers are instead working with us to improve the economic performance of their existing assets.

There is optimism in some sectors of the economy, notably those related to the shale oil and gas expansions. Similarly, depletion of oil fields is leading to new projects, and even new technologies like FLNG (floating liquefied natural gas) to meet global energy demands.

Emerson Process Management is helping further economic development by constantly increasing the value that our customers get from their existing and planned investments—for example, by improving plant safety, reliability and efficiency. Much of the hard work has been done, and our customers are enjoying the benefits.

That said, we know that there is still room for improvement, especially in areas where the cost of adding sensing points to collect additional data was previously a barrier to project approval. We are aggressively addressing that barrier by driving down the cost and complexity of installing additional intelligent instrumentation. For example, our investment in wireless technology has dramatically reduced the cost, time and effort required to install new instruments. Today, a manufacturer can install a wireless instrument at one-quarter of the cost of a wired device. This opens up new opportunities to monitor rotating equipment, steam traps and environmental conditions that were hard to justify earlier.

With the additional information provided by these new instruments, manufacturers can often identify problems before they impact production, and better allocate maintenance resources to reduce downtime and maintain safe and reliable operations. This ability to provide affordable pervasive sensing will help manufacturers move from reactive to predictive maintenance—one of the keys to success in the 21st century.

It's worth noting that pervasive sensing and the additional information it generates about manufacturing operations and maintenance could actually add to the complexity of running an enterprise. The solution is an efficient method to sort through the data, identify areas of real concern and convey the need for corrective action to the right persons in the enterprise to set things right. Increasingly, manufacturing enterprises will bring such data back to central locations where diagnostics specialists or other experts can examine it and relay the need for preventative maintenance back to the plant. This centralized data analysis will also foster collaboration between disciplines that will often be necessary to arrive at the right overall course of action.

Being shut down for just one or two days a year due to unforeseen events can make the difference between successful financial performance and the elimination of bonuses and profit for entire manufacturing complexes. To help our customers avoid such problems and play a role in the economic recovery, we are developing and deploying the eyes and ears that enable process manufacturing plants to move operational performance to previously unachievable levels. **MT**