

An American Asian



Fluent Japanese speaker and self-professed enthusiast for all things Asian, Mike Train, President, Emerson Process Management Asia Pacific, has helmed the regional business through a major expansion over the last six years and remains enthusiastic for more growth and success.

CEA: How long have you been here in Asia with Emerson Process Management?

Train: It's almost exactly six years now. Prior to that, I spent five years as the vice president for planning at the Emerson head office in St Louis, and four years working in corporate roles in Tokyo and Hong Kong. I actually began my working life as an electrical engineer working for General Motors.

CEA: It was your choice to come back to Asia in 2002?

Train: Yes, absolutely. There is only going to be one time when two billion plus people come into the global economy – that's China and India – and I very much wanted to be part of all that. Emerson is also very committed to Asia: David Farr, the Emerson Chairman & CEO, visits the region several times a year, and the board is very comfortable making investments here.

For Emerson Process Management, around two-thirds of business is outside of the US and that's set to increase further. Since the time I joined in 2002, the Asia Pacific operation has grown from 2200 to 6000 people and surpassed a billion dollars in revenue. And our manufacturing capability has grown to the extent that we can supply around 90 percent of products for Asia from Asia.

CEA: And where are the hot spots in Asia right now?

Train: India is expanding rapidly and so we have been busy adding locations there. China continues to grow – there's still a lot of multinationals coming in to invest. In fact, the growth in China over the last five years has been truly explosive – we've tripled our business there. With a lot of greenfield projects like oil & gas, power plants, and other infrastructure, we see India on a similar growth path with a few years time lag.

Aside from India and China, our business in Japan is doing well. A lot of the plants there are 25 to 30 years old and in need of modernization, plus the Japanese have an appetite for technology and want to ensure that they remain competitive, especially when they see "world class" plants going up in other countries. And as well as the domestic market, we also serve the big Japanese EPCs that have mega projects in places like the Middle East. That mix also applies to our Korea business.

CEA: How about Southeast Asia?

Train: It's very solid. It may not grab the headlines, but for us, it's going well in the region. We are seeing power and petrochemical investments in Thailand, strong gas industry activity in Malaysia, modernization and expansion in Brunei. In Vietnam, power plant projects are a good

early indicator of more investments to come, and we do see the government there creating a more conducive climate for investment.

CEA: Your thoughts on the increasing prevalence of main automation contractor (MAC) projects?

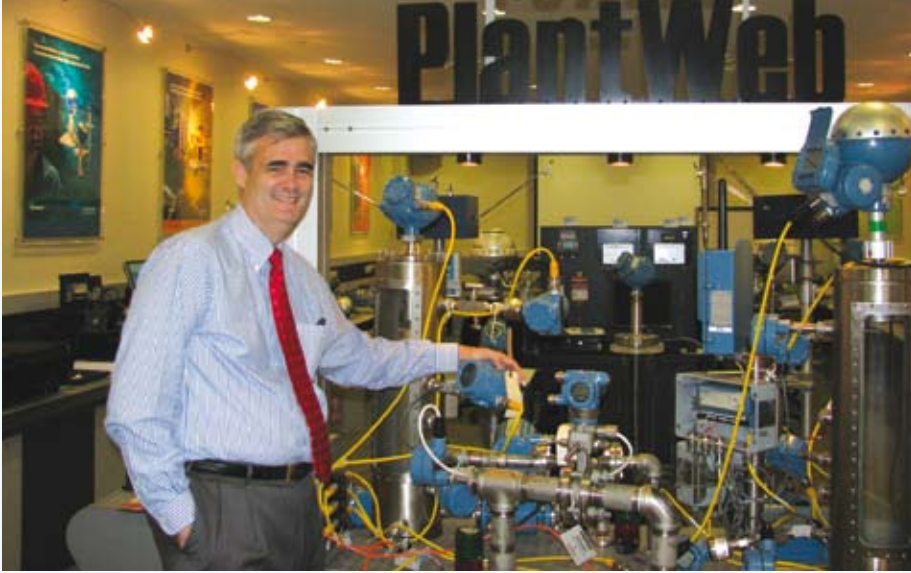
Train: These are fascinating projects – typically, multi-year development and large dollar value. There's a lot at stake for the customer and a lot at stake for us. We put a lot of energy into them and I personally get involved in many of the projects. A high level of project management capability is essential, given the additional integration responsibility and with the client liaising with just one automation contractor.

A great benefit is that we gain tremendous experience and knowledge from working on these projects, such as SECCO in Shanghai, which we can take with us to other projects of similar scope.

CEA: Which are some of the current key projects for Emerson in the region?

Train: A major one is automating the Fujian Refining and Ethylene plant, which is the largest integrated refining and petrochemicals project ever undertaken in China. Another is the huge Qatargas LNG project in the Middle East, where we are helping

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PlantWeb digital plant architecture, Foundation Fieldbus communications, and main automation contractor responsibility are key elements of Emerson's process industry projects.

the company towards its goal of becoming the world's largest supplier of natural gas. Both projects involve the implementation of PlantWeb digital plant architecture, Foundation Fieldbus communications, and main automation contractor responsibility.

CEA: Are you seeing more acceptance of Foundation Fieldbus by end users?

Train: Yes, it's proven to be robust in our projects and it's certainly less of an issue now to convince users to adopt it. I think this is particularly true for Asia. There is a plant in Thailand that we are currently commissioning where both the EPC and customer supported the use of FF and it's turned out beautifully. Such development is becoming frequent with our customers across the region.

CEA: What are some of the pressures and challenges faced by your customers?

Train: An absolutely key one is the tightness of talent pool. While retirements are diluting the experience base particularly in North America, here in Asia, the sheer amount of greenfield activity means everyone is

looking for scarce plant operators and engineers. As a supplier, we face similar challenges in finding the right talent to build our own organization.

The talent shortage, in my opinion, will soon become one of the world's biggest issues, and what we should be doing collectively as an industry is reaching out and telling young people about the attractiveness of a career in process automation.

On our side at Emerson, it's important that we anticipate the challenges that our customers are going to face. And so if they are going to have trouble recruiting talent or retaining experience, our automation products should help offset this. We also have PlantWeb University, a great, free online learning tool that allows people to get familiar with process automation concepts and latest trends like wireless.

CEA: The launch of industrial wireless products was a major initiative for Emerson last year. How has the response been so far?

Train: Customer feedback has been outstanding, quotation activity brisk, and it has very much matched our expectations in Asia. The great thing is that wireless is enabling ideas that we would never

anticipate and that customers had not previously thought about until they saw our Smart Wireless solution.

For instance, I was just in Japan with a power plant customer. They had been doing manual temperature measurements of the coal pile outside the plant. After hearing about wireless, they ordered 15 devices and a gateway and are currently testing out remote monitoring. That is an application that at least I would never have thought of.

The next four or five years are set to be very interesting in the wireless space: more devices are on the way, the next release of the DeltaV digital automation system has been designed with wireless in mind, and we should see demand in new projects rather than just existing sites.

CEA: After six years of leading the business in Asia Pacific, what keeps you motivated and excited?

Train: I like winning. I like growing our business. Seeing our people develop and blossom. Experiencing the camaraderie at the different sites across the region and the mix of nationalities working on projects.

My first connection with Asia was when I studied Japanese as part of my MBA. It was a tough, intensive course but very rewarding. And so I sometimes joke that I am an American Asian! Because I really do appreciate and take an interest in the cultures here; it's actually a strength of the region, although not always perceived that way. I really enjoy the things that Asia has to offer, people here are really switched on, and it's all very energizing.

CEA: And your thoughts on the future?

Train: The near term outlook in Asia Pacific is solid. There are a lot of projects being discussed and I don't see any slowdown in the US affecting our customers in Asia and the spending that they intend to do.

For Emerson, our passion is around developing leading technology that's useful and makes life easier for the customer. And the equally important other half of the equation and success factor is the ability to implement projects and support our installations to the satisfaction of our customers.

CEA