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YES, EMERSON, TOO, IS IN THE MES MARKET

Over a year ago, Emerson quietly acquired Decision Management International (DMI), a maker of manufacturing execution systems. Unlike Invensys or SAP, which made a big splash into the MES marketplace with their acquisitions of CIM-NET and Visiprise, respectively, Emerson chose to bring a small, unknown, and very vertically oriented company under its wing.



Bob Lenich

At first glance, this is Emerson's attempt to gain a foothold in the budding manufacturing operations management market. According to an AMR Research report, MES specifically (excluding asset management and EMI) is expected to post 14% compound annual growth through 2011, increasing from \$2.7 billion in 2006 to \$5.2 billion in 2011.

But Emerson hasn't been completely absent from the MES field. It has been dabbling in MES since 2003, when it struck up a strategic alliance with DMI, then a 35-person, Florida-based business catering to the pharmaceutical industry. The companies had complementary products built on Microsoft .NET using object-oriented code. The two worked together with several major pharmaceutical customers that needed the Emerson DeltaV advanced control and batch system together with an operational management program. And though Emerson's management team wanted to delay any MES acquisition until they were sure they could make money, they ultimately had to surrender to customer pressure.

"We had several major customers going through a combination of laying out an operational improvement program [together with] the technology to make it work. Those are the companies that bought into the idea and encouraged us to acquire [DMI]," said Bob Lenich, director of data management service and solutions at Emerson Process Management.

Having a complete technology solution, however, is only half the battle. Emerson also has to penetrate a saturated market. Emerson's approach will be as judicious as its acquisition strategy, the company said, maneuvering into areas where its DeltaV and PlantWeb digital plant architecture are well-established.

"In 2009 and [beyond], we'll look at other industries key to Emerson, such as chemical, specialty chemical, oil and gas, petrochemical, and refining," Lenich said.

The sequenced workflow and integration with process control and other systems can be applied across any industry. "The problem is the terminology. The DMI software doesn't necessarily have the functionality that a refinery needs," Lenich said.

Emerson already started resolving that issue with its January acquisition of The Automation Group, design and engineering experts in the refining and petrochemical industries, for example.

And more acquisitions are likely to come.

"In parallel with its technology investments, Emerson is making major investment in service organizations around the world to have the global resources to execute on projects. We have people on board who understand refining and oil and gas, and now they can expand the scope by applying [the DMI technology]," Lenich said.

So, why move into MES now and not years ago? "The light bulb went off," he said. "This is what customers need, and we are going to pursue it." — *Stephanie Neil*