



# Asia to drive Schneider Electric sales

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ENERGY management solution provider Schneider Electric hopes to achieve 4-5 per cent global revenue growth, driven by sales from Asian emerging markets.

In its first quarter ended March 31 2010, overall group sales increased 2.3 per cent as industrial activities recovered and new economies, led by Asia and the Middle East, posted robust growth.

"Last year, the business saw its sales shrink due to the adverse economic conditions. But this year's growth will come from several key industries, such as oil and gas, the energy sector, mining and water as well as buildings," said Schneider Electric South East Asia senior vice-president Stuart J. Thorogood.

He was speaking to Malaysian and Indonesian journalists on Tuesday at the company's launch of its EcoStruxure solution architecture in Singapore.

Schneider Electric provides energy management solutions to 10 industries: electrical energy, water and wastewater, marine, oil and gas, data centres, hospitals, hotels, office buildings, retail and mining, minerals and metals.

The solutions come in the form of power, data centre, process and machine, security and building management.

The solutions, which have undergone several directional changes over its 170-year history, focus on helping companies and businesses make energy reliable, safe and green.

"One unit of energy saved at home means

three units are not generated at the power plant. The focus for energy management must be on the biggest final energy consumers," Thorogood said during his presentation.

Among the largest energy consumers are industry and infrastructure players (38 per cent), buildings (18 per cent), residential (15 per cent), and data centres and networks (less than 2 per cent).



Thorogood sees several key industries contributing to growth this year

Schneider Electric country president for Malaysia, Mow Li Li, said the local growth will come mainly from the data centre, energy and water industries.

"The growth in data centres will be driven by MNCs (multinational corporations) investing in call centres and with the government placing emphasis on broadband infrastructure. Other drivers for this include the outsourcing of human re-

source services and shared services," she said.

On its EcoStruxure platform, Schneider Electric said it allows connectivity between its five domains of expertise, including power, data centres, security, building control, and process and machines.

Basically, EcoStruxure allows the five domains to sit on a single platform connected using the Internet so that energy can be used more efficiently and safely.

Schneider Electric industry business support director Dan Vlasceanu said the biggest consumers of energy could see significant potential savings by utilising the EcoStruxure: industry and infrastructure (15 per cent), data centre and network (30 per cent), building (20 per cent) and residential (15 per cent).

## Efficiency can solve energy woes

EcoStruxure solutions is Schneider Electric's new business model to position itself to tap lucrative opportunities in the power sector

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SOME may find the power business to be boring but to Stuart J. Thorogood, the senior vice-president for Schneider Electric's South-East Asian operations, there isn't any other business as exciting as power now and for the years to come.

Thorogood was in Singapore over the week to deliver his keynote address at the Inspiration 2010 Conference organised by France-based energy management solutions provider Schneider Electric. The event was to introduce to the Asian communities the group's new EcoStruxure solutions, aimed at promoting energy efficiencies for its clients.

Thorogood points out that he has good reasons to feel the excitement surrounding the power sector. Sharing what he and his team at Schneider Electric thought is going to be the new global crisis, he says the global energy dilemma is here to stay.

"The global financial and economic crisis may be over by now, but the energy dilemma is set to be the next crisis," he says. The fact is that global demand for energy will continue to grow, driven especially by China and India, and it will likely double the level it is today by 2050. And to meet this growing demand, more energy has to be generated. But at present - and for many more years to come - the bulk of electricity generated globally will still come from the burning of fossil fuels. Such activity will only relieve even more greenhouse gases into the atmosphere and contribute to global warming and depletion of natural resources.

### Dramatic climate change

Already, as environmentalists point out, the world is going through a dramatic climate change. So, this necessitates an urgent reduction of greenhouse gas emission globally, and efforts to conserve natural resources.

But the question is, how can the global economy balance between the need to meet the growing demand for power while ensuring the sustainability of eco-systems? While the world is looking at developing renewable energy sources to partly counter this dilemma, experts say it will be a slow and gradual process before renewable energy can ever significantly contribute to the growing global demand.

There is a key to address this dilemma, Thorogood says, and it lies in energy management, he contends. Schneider Electric believes that energy efficiency is a quicker and most effective solution for the global energy dilemma. Pointing out that the "greatest source of energy is energy saved", it estimates, for instance, that one unit of energy saved at home is equivalent to saving up to three units of power from being generated by a power

station. The bottomline is we need to achieve more while using less, the company emphasises.

The energy-efficiency game has already started for Schneider Electric, with its focus on providing its clients with customised solutions to conserve energy while improving their business performances. This year will see the group intensively rolling out its EcoStruxure reference architectures as well as the corresponding training globally.

While the group's EcoStruxure solution architecture has only been introduced to the Asian market recently, the concept has already taken off in major developed markets such as the euro region and the United States at least two years ago.

### Unique approach

The concept, a unique approach that unites Schneider Electric's five domains of expertise - power, data centres, process and machines, building control, and physical security - to promote energy efficiencies for its clients, will be the group's main guideline in research and development (R&D) for new products and services from now.

According to Thorogood, the group plans to maintain the benchmark of devoting about 5% of its global revenue to R&D each year. Last year, it spent 764 million euros (RM5.18bil), or 4.8% of its global revenue, on R&D.

Schneider Electric's energy management solutions are focused mainly on 10 industries, including oil and gas, water and wastewater management, marine, data centres, retail, mining and office buildings.

After a challenging period in 2009, the group expects to see a single-digit growth for its global revenue this year, with new economies, including the Asian emerging markets such as China, being the main business drivers.

"We're looking at a growth of 4% to 5% for our global group revenue, and this is in line with the improving market conditions, especially in the new emerging economies," Schneider Electric global business support director Dan Vlasceanu says.

Schneider Electric's global group revenue last year fell 15.7% year-on-year to 15.8 billion euros. In the first quarter of this year, its global group revenue at 3.91 billion euros was 2.3% lower compared with the previous corresponding period.

Schneider Electric's presence in Malaysia is headquartered in Shah Alam. It has been in the country since early 1960s when its Merlin Gerin and Telemecanique products were sold through local agents.

Its operations in Malaysia now employ about 700 local residents. It has three manufacturing plants, all of which are in Shah Alam, and boasts an extensive network of offices and about 80 distribution and system solution partners



Dan Vlasceanu (left) and Stuart J. Thorogood at the Inspiration 2010 Conference.