

PULSE OF THE INDUSTRY

JUNE 2018



As we approach the July 4th Holiday, we wanted to take a moment to share our experiences from AICHEMA-18, in Frankfurt, and this week's Pump Summit Americas event in Houston.

At both shows we spoke with dozens of end users, partners, suppliers and other manufacturers, to gauge their thoughts on innovation & customer expectations. For most industries, those two items go hand in hand - as continuous innovation is needed to keep up with customer demands.

Why then, did so many people at both events mimic a sentiment we've been pondering for years? Many of our customers in the upstream oil & gas, refining, power generation and chemical processing industries subscribe to the adage "if it's not broke, don't fix it." They are happy customers. Their business is doing well, and the role our pumps play in their processes is working just fine.

Is that a good thing? It's always nice to have happy customers. But how should we, as equipment manufacturers balance satisfied customer sentiment with our own desire to innovate our technology?

The following storyline, which we presented at both AICHEMA-18 and Pump Summit Americas discusses this topic in further detail. I hope you enjoy reading it, and on behalf of everyone at Pulsafeeder, I wish you a happy 4th of

July holiday.

Sincerely,
Axel Bokiba
Pulsafeeder

Conservatism Doesn't Have to Stifle Innovation

When your mobile phone prompts you to upgrade your operating system, why is it that you almost always select “Upgrade Later?” It’s because you’re busy and your current phone works fine. You quickly weigh the potential benefit of an upgrade versus the risk that something might go wrong – and at this very moment, you don’t have the time (or the interest) to drop what you’re doing, to “fix” something that you didn’t even know required an update.

The pumping industry that supports heavy duty oil & gas and petro-chemical applications has been hitting that “upgrade later” button for more than 50 years!

Think about the advancements we’ve seen with telephones, televisions, computers, and so many other technologies over the last few decades. These technologies have taken quantum leaps forward. Think about the automotive industry (where brands rarely change, but the product representing that brand improves every year). Does a 2018 BMW-5 series look and act like a 5-series did ten years ago?

Consider the rate of change in these industries, and then ponder why things haven’t gotten smaller, faster, cheaper, and more efficient for pumps, and for much of the infrastructure used in upstream environments, chemical plants and refineries. Ask yourself why pumps of all kinds (metering, centrifugal, etc.) continue to behave today in much the same way they did decades ago.

One explanation might be because the patents for many pumping technologies expired decades ago, and today, it can be difficult to differentiate between different manufacturers? Another explanation might be customer expectations, or the lack thereof. The adage “if it’s not



broke, don't fix it" might very well be true – but that doesn't mean that things cannot get (even) better.

In the market for pumps & pumping infrastructure, the customer's conservatism should not limit the innovation (and the imagination) of equipment manufacturers.



Imagine an FPSO using computer technology from the 1980s. Where would it fit?

Today, many of the constraints that pump manufacturers seek to overcome relate to footprint (size and weight) because real estate on a platform or FPSO topside is crowded, and total costs on these vessels can exceed \$40,000 per ton.

The entire industry deals with these constraints today because we hit the “upgrade later” button 30 years ago – and we've continued to drag our feet because “it's not broke, so there's no need to fix it...”

It's an odd problem when success traps innovation. Over the last 70 years, pump manufacturers have happily dealt with successful, sensitive, and extremely conservative customers. One drawback to this success is that conservatism has stifled innovation.

Ironically, it took a substantial (and prolonged) downturn for operators to widely embrace innovation – and the results have been worth the risk. Today, it's time to unleash the next level of innovation that can benefit the entire industry.

Pump manufacturers need to see beyond the expectations of conservative customers, and find new ways to improve the efficiency of their equipment in the

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industrial processes: new materials; higher power density; metal 3D-printing; augmented reality assisted system conception; energy efficient micro-controlled drives; closed loop electronic controls; enhanced diagnostics & automation; wireless communications; digital transformation, IIoT, and many other enhancements that we haven't even thought of yet.

It's time to click on that "upgrade now" button, so that we can fix things today, before they become constraints tomorrow.

If you're interested in learning more about how Pulsafeeder is meeting today's water treatment challenges head-on:

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