

**COVER FEATURE**



# PUMP IT UP!

*While the global pump market remains flat, Grundfos continues to post positive results in its key markets. Poul Due Jensen, group executive vice president responsible for group sales, marketing and service for Grundfos Holding speaks to UME about the underlying factors behind the company's success and its wider business agenda in the Middle East.*

**H**e might be widely regarded as the privileged grandson of Grundfos Pumps' founder, but Poul Due Jensen draws much of his respect from his enduring commitment to the company over the years, and his zeal to see Grundfos out-grow his own generation.

When UME caught up with him while on a trip to Dubai last month, Due cut a figure of a down to earth man who seemed extremely knowledgeable about his industry, but above all, passionate about working for a company that his grandfather and namesake, Poul Due Jensen, started 72 years ago.

In fact, he tells me, the purpose of this particular visit is to explore possible ways through which the company can bolster its number one position in the Middle East and also

broaden its clientele base across the region.

"We are already the leading pump manufacturer in the world and certainly the largest pump company in the Middle East," says Due, who is the group executive vice president; responsible for group sales, marketing and service for Grundfos Holding A/S.

"As part of our medium to long term plans for this region, we have to constantly explore ways of maintaining our number one position in the market. This region holds great promise for the overall performance of Grundfos.

"The past few years have seen unprecedented growth in urbanisation in the Middle East, we see new development projects coming up here and there to serve the rise in population. Water needs to be pumped to all these new developments, which increases demand for our pumps."



# \$3.5bn

**Net turnover posted by Grundfos Pumps in 2016 despite a market slowdown**

With 18,000 employees globally, Denmark-based Grundfos is the world's leading pump manufacturer with an annual production of more than 12 million pump units, circulator pumps (UP), submersible pumps (SP), and centrifugal pumps (CR).

Grundfos also produces electric motors for the pumps as well as other applications. It develops and sells electronics for controls for pumps and other systems.

Since 1945 when Poul Due Jensen snr founded Grundfos, the company has come to be globally known as a trendsetter in pumps technology.

And one area where Grundfos wants its impact to be felt across sectors is energy efficiency. At a time where end users are looking at how to scale down operational expenditure, demand has increasingly tilted towards products that can guarantee a high level of efficiency, something that Grundfos has channelled a lot of resources to achieve.

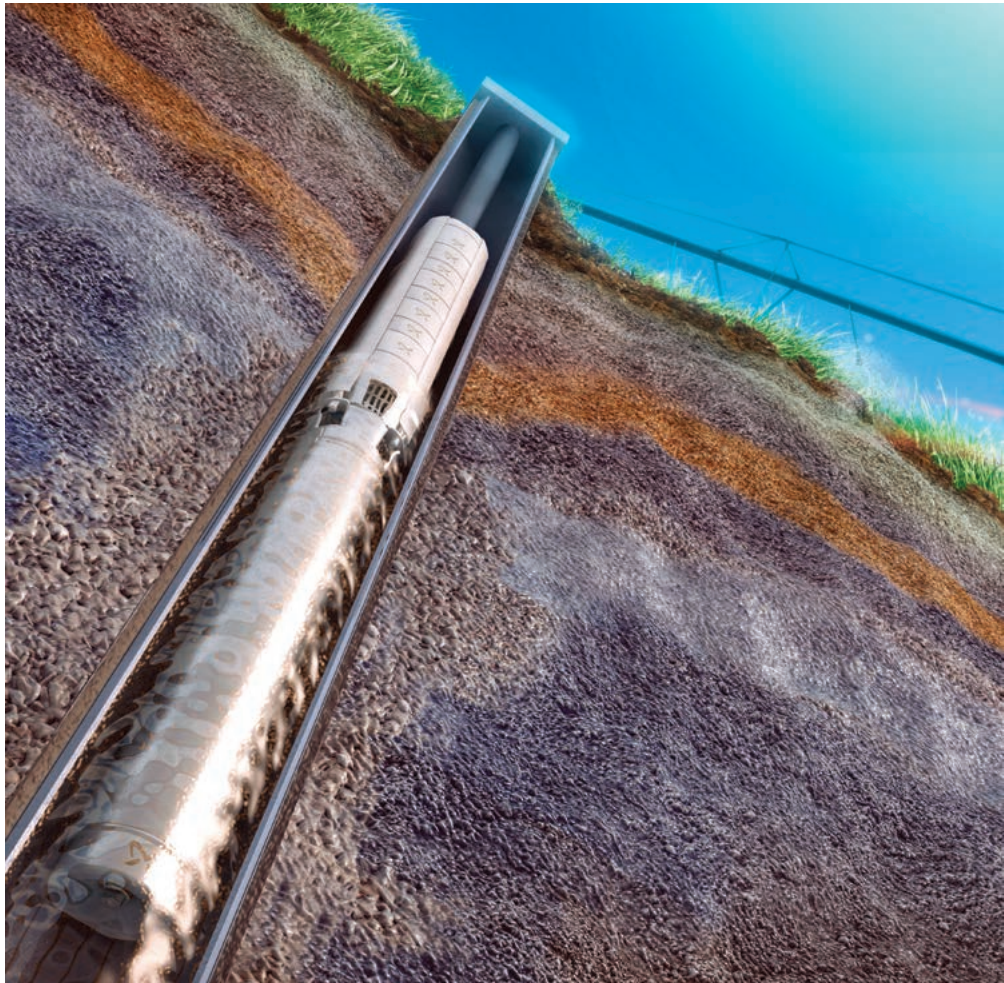
"We operate in markets that continue to experience a decline in business revenue. Our clients in these markets now want to cut down on operational costs. We have over the years offered energy efficient products," says Due.

"We want to push our innovation frontiers beyond what the competition is doing in terms of guaranteeing energy efficiency. We want to provide long lasting solutions to our customers while keeping our integrity."

The company has recently rolled out new pump products aimed at enhancing levels of efficiency to its customers. For instance the new MGE with IE5 motors offer 10% energy savings and up to 25% reduction in payback time of controlled E-pumps compared to the IE3 solution. It by far exceeds the coming IE3 legislative demands to meet the strictest criteria of IE5, the highest energy efficiency level for electrical motors.

The key to MGE motors performance lies in their state-of-the-art intelligent components that adapt to the surrounding system and, coupled with the high-efficiency IE5 motor, drive energy consumption down considerably.

In fact, Grundfos hopes to post positive results over the next years, mostly driven by its energy effi-



cient pumps to address the new demand trends.

In 2016, largely considered a flat year for the global pump industry, Grundfos posted a net turnover of \$3.5bn, and its earnings before interest and tax (EBIT) struck \$315mn.

Due attributes this performance to the company's ability to effectively service demand coming from industries and utilities that seek to

scale down power consumption, a key factor in driving up operational costs.

Grundfos has not however been spared by the low oil prices globally that continue to affect budgets for new utilities projects around the Middle East. However, the company remains optimistic about the future, with the region's population expected to grow quickly. By 2020, the GCC population is forecast to reach 53.5 million, a 30%.

"The utilities market has been very difficult for us, especially this year. It has been slower than the previous one, but we are not going to pull back our activities in the region at all. We have great confidence in this market and we expect the oil prices to bounce back soon. However, such situations act as a wakeup call for us to rethink our business approach in the markets where we operate," says Due.

"We have been in this region for so long and our presence will always be a major factor in the pump industry. One of the main purposes of me

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**Poul Due, Grundfos.**





“*But this time we want to increase our levels of innovation. We do not want to simply do what our competitors are doing in terms of guaranteeing energy efficiency. We want to provide long lasting solutions to our customers while keeping our integrity.*”

**Poul Due, Grundfos.**

coming here this week was actually to take a deep dive strategy in the whole of the Middle East and see how we can maintain our number one position in the region.

“This is really interesting for the future because there are lots of opportunities here that Grundfos can take advantage of. We are doing more and more feasibility studies around the whole product agenda, seeing what is it that needs to be done about our products to further drive adoption.”

“We just brought a new line of products into Dubai, but we also need to look at geographical expansion into some of the newer areas such as Iran and Pakistan. We are also looking at expanding further into Saudi Arabia where opportunities are increasing now. I am happy with what I am seeing so far,” says Due.

Grundfos is also planning to put more feet on to the streets to allow faster penetration into the market. This will mean expanding its network of partners and distributors around the region and opening up newer outlets in previously unexplored markets.

The company has been present in the Middle East since the 1980s, and today its regional headquarters are in Dubai’s Jebel Ali Freezone, one of the largest ports and freezones in the world. It has additional representative companies in Saudi Arabia and Egypt, and branch offices throughout the region.

In the UAE, Grundfos has a long list of blue-chip developments with which the company is associated, including Dubai Mall, Burj Khalifa, Palm Jumeirah, Dubai Airport, Atlantis Resort on The Palm, Ski Dubai, Mall of the Emirates, Ferrari World Abu Dhabi, Dubai World Central Airport and Dubai International Financial Centre among others.

Last year, Grundfos launched its new showroom Studio Miyah in Jebel Ali Freezone. The new showroom takes visitors on an interactive



journey to discover pump manufacturing, with its intricacy explained through speech bubbles, visual aids, presentations, and videos.

With competition on the rise, Grundfos has found it necessary to get closer to its customers and align its products with their needs. Product localisation has gained momentum over the past few years, which gives customers a greater say in their choice of products and allows customisation of pumps according to application.

For instance, Grundfos recently launched its first assembly line for CRN pumps in the Middle East. The opening of the assembly line located at the company's facilities in Jebel Ali in Dubai came after an extensive feasibility study that examined numerous product types and their market. The company has maintained an assembly line in Jebel Ali since 2000.

Grundfos also has plans to enhance its exist-

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## » New Grundfos dosing pumps

*The new Grundfos smart digital XL DDA and DDE diaphragm dosing pumps enable accurate dosing of virtually all chemicals.*

Accurate dosing of chemicals is a crucial part of production processes in many different businesses. From drinking water and wastewater treatment to industrial processing in the pharmaceutical, chemical, and food and beverage industries, dosing exactly the right amount of chemicals is important in order to reach process targets, and in order to lower operation costs while ensuring process safety and reliability.

Since 2010, the acclaimed Grundfos SMART Digital range of dosing pumps has provided reliable, safe, and economical dosing with industry-leading accuracy. The new SMART Digital XL DDA and DDE pumps extend the range, delivering a dosing flow of up to 200 l/h and a pressure of up to 10 bar while enabling safe, flexible, and user-friendly operations.

### SAFETY THROUGH ACCURACY AND INTELLIGENT MONITORING

The diaphragm dosing technology used in the SMART Digital XL pumps enables them to deliver an accuracy of repeatability of  $\pm 1.5\%$  of the set point and  $\pm 0.1\%$  of full scale. This makes it possible to achieve savings on process chemical consumption. More importantly, it means that the pumps contribute to consistent process outcomes. Additionally, the SMART Digital XL DDA includes features that improve process control, such as built-in flow measurement, automatic dosage adjustment to actual operating conditions, and automatic deaeration during pump standby.

### FLEXIBLE ENOUGH FOR ANY INSTALLATION, ANYWHERE

With the SMART Digital XL, flexibility is built in. The entire performance range is covered by only three variants, and there are few limits to what can be dosed. The diaphragm is resistant to virtually all chemicals, the pumps can dose high-viscosity liquids (up to 3,000 mPas), and the deaeration features on the DDA allow dosing of degassing chemicals. All pumps accept supply voltages from 100 to 240 V at 50 or 60 Hz, and the control cube can easily be modified to face left or right.

The SMART Digital XL range provides a wide selection of communication and control options – from analogue, pulse, level control, and external stop on the DDE to advanced communication options over Profinet IO, Modbus TCP or Profibus DP via the Grundfos CIU Fieldbus system on the DDA.

### EASY SET-UP AND OPERATION

Operating the SMART Digital XL models is very easy. It features an intuitive wheel for setting the dosing flow, and pump status is shown using LEDs. It also features a backlit graphical display showing a self-explanatory menu that can be displayed in 28 languages. Using the click wheel, the user can quickly and easily access menu items and change pump setup. The background colour of the display changes to indicate pump status, so operator can check pump status from a distance.



ing facility in Saudi Arabia to cater for the projected demand growth in the Kingdom. The company has plants in countries like India, Poland, Hungary, Mexico, Germany, the UK and mainland China, apart from its main manufacturing base in Denmark.

It now wants to tap into emerging renewable energy opportunities in the Middle East. The region

is expected to invest more than \$670bn in renewable energy over the next 20 years to reduce its dependence on fossil fuels for power generation and to keep carbon emissions in check.

“Renewable energy is an area that we are very keen on supporting. We have been developing solar powered pumps for markets especially in Africa and developing countries. More than





**POUL DUE  
JENSEN**  
Taking Grundfos  
Pumps to new  
heights



200,000 Grundfos solar driven pumps are in the market," says Due.

"We want to leverage our expertise to support the renewable energy agenda in the Middle East and also take full advantage of the opportunities that come with it."

Grundfos is investing heavily in research and development (R&D) to integrate renewable energy to help increase the efficiency levels of its pumps across various applications.

While competing companies such as Xylem are opening up rental services divisions, this is a strategy that Grundfos is not ready to adopt. It would rather leave the service to its network of distributors.

Although counterfeit pumps have been around for years, with unscrupulous dealers imitating established brands and taking advantage of unsuspecting buyers, its impact on business is believed to be minimal, according to Due.

"This practice has been around for so long and

## » Grundfos IE5 classified MGE-motors

*The latest generation maximises the benefits of extreme energy efficiency and outstanding pump performance*

Grundfos recently introduced its latest generation of MGE-motors. Grundfos MGE-motors achieved a remarkable world class rating with their IE5 classification offering 10% energy savings and up to 25% reduction in payback time of controlled E-pumps compared to IE3 solution.

The latest generation maximises the benefits of extreme energy efficiency and outstanding pump performance, providing another testimony of the company's sincere and deeply rooted commitment towards sustainability and the environment.

"The new motors are the result of our continuous development efforts and our extensive experience in pumps sector, and come in line with our sustainability plans that are an integral component of Grundfos strategies," said Henning Sandager, Grundfos area managing director, Middle East and Turkey.

He added: "This launch stresses the company's global involvement in sustainability, and sheds light on the benefits the company can offer to the United Arab Emirates (UAE) and the wider Gulf Cooperation Council (GCC) markets. The new IE5 classified MGE-motors have a wide range of applications in industrial and commercial building sectors making them the ideal solution-of-choice for businesses in the thriving market of the UAE."

The IE5 level has been attained by all MGE-motors in the range from 0.75 to 11 kW. These ground breaking motors by far exceed the coming legislative demands to meet the strictest criteria of the highest energy efficiency level for electrical motors. Notably, all Grundfos MGE motors in the range from 0.75 kW to 11 kW have successfully attained the IE5 status.

The IE5 motor with integrated frequency converter connects the accumulated pump experience of Grundfos into the dedicated control software. This combination of pump and customisable software optimises the system's performance for any load point, delivering an unsurpassed reduction of energy consumption. The key to these MGE motor's unparalleled performance lies in their state-of-the-art intelligent components. These will adapt to the surrounding system and, coupled with the high-efficiency IE5 motor, will drive energy consumption down considerably.

"Reliable, customisable and energy sufficient are the words that connect to the MGE-motors from Grundfos. Since their introduction in 2013, the motors have set the standards in the business, and just recently, the updated version has raised the bar even higher. Their energy efficient attributes, including the frequency converter, have made it possible for motors to exceed the previous versions," said Sandager.



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our brand has been copied for nearly 20 years. So, rather than fight the counterfeiters, we have instead channelled our resources into improving our brand to standards that they can never match. This has worked for us as key differentiator in the market," says Due.

The 45-year-old father of two appears more determined than ever to steer the company in the kind of direction his grandfather would have chosen. As a member of group management in Grundfos, and with his experience working at the global headquarters in Denmark and across Europe, North America and Asia, Poul Due's travels around the world should pay dividends. [Utilities](#)