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For immediate release

Flow Research Releases Worldflow Barometer; Finds that Integration is Critical Market Force

Wakefield, Massachusetts, June 4, 2002 — Flow Research (www.flowresearch.com) has released the **Worldflow Market Barometer**, the first in a series of monthly reports published as part of the Worldflow Monitoring Service. The Barometer identifies **integration** as the most critical issue for process control companies today. Analysis of process control companies finds that those companies that integrate their diverse divisions and acquired companies with the rest of the company will be in a more favorable competitive position. By contrast, companies that fail to absorb newly acquired companies or divisions into the company as a whole will struggle to compete in today's globalized marketplace.

As a result of globalization, larger companies with a worldwide reach are outpacing smaller companies that compete in only one market, or have distribution channels mainly within their own country or geographic region. Companies such as Emerson Process Management, Honeywell, Yokogawa, Endress & Hauser, and Danfoss are companies that benefit in this environment. Many smaller, single-technology companies will be forced to allow themselves to be acquired in order to compete effectively in this new globalized world.

“The concept of integration refers to the extent to which the components of a company and organization are playing the same tune, or on the same page,” according to Dr. Jesse Yoder, president of Flow Research, Inc. “Our analysis finds that companies who are in the business of expanding by acquiring companies run the risk of creating a collection of inconsistent and in some cases incompatible product lines. Until they can rationalize their product lines by finding a single perspective in terms of which these products can be viewed, they will continue to struggle in the flow and process control environment,” Yoder continued.

“How to deal with the brand names of an acquired company is an important decision for a company that acquires an existing product line. Some companies choose to eliminate brand names that customers have developed loyalty to. While customers may eventually develop loyalty to a new brand, this is a process that can take years. Companies that keep the brand names of acquired product lines have been more successful in retaining market share than companies that do away with existing brand names,” concluded Yoder.

The Worldflow Market Barometer is part of a series of monthly reports published by Flow Research, Inc. The Barometer provides a detailed analysis of events in the flowmeter industry. It provides an update on events in ten different flow technologies, and also reports on important developments within flowmeter companies. Other publications in the series include **Process Industry Monitor** and **User Perspective**. The service is intended for suppliers and end-users of flowmeters and process control equipment.

Flow Research, Inc. is a market research company that specializes in providing market data and strategies on flowmeters and other measurement devices. The company was founded by Dr. Jesse Yoder in 1998. Flow Research recently completed a series of six market studies on new-technology flowmeters, comprising over 3,000 pages. Ducker Worldwide (www.ducker.com) published these studies as part of a partnership with Flow Research. In addition to market research, Flow Research conducts technical research on flowmeters in its flowlab. The Worldflow Monitoring Service is described in more detail at www.flowresearch.com.