

For TMEIC, it's time of plenty >

Executive Summary:

The former GE Drive Systems in Salem works with industries across the globe who need its products and need them now.

By Rod Belcher

At a time when the majority of those in the business community, locally, nationally and globally, are pulling out their umbrellas and bracing for the coming storm, Dale Guidry's sky isn't falling. At least not yet.

"I am ... cautiously optimistic about our immediate future," says Guidry, the president and CEO of TMEIC, an international integrator of industrial drive systems.

Guidry has good reason for his positive outlook. When many companies in the region are downsizing and closing, TMEIC is looking at a surplus of work that will carry it over well into the next year.

"Over 50 percent of what we are doing in 2009 is backlog," Guidry says. "The economy hasn't had as great an impact on the





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industries we supply and our global basis helps as well. We export 60 percent of what we do here around the world."

It's been a year since the company, which began life in 1955 as General Electric's drive system operation in Salem, moved to its new headquarters in the former Atlantic Mutual building in Roanoke County. In that year, GE's involvement in the company, with controlling partners, Mitsubishi Electric and Toshiba, has decreased, changing the company's brand to TMEIC, from the former TMEIC GE. Guidry recently returned from a business summit in Japan where the company's new logo was unveiled.

"We still work closely with GE," Guidry explains. "But it now has a minority voting interest in the company."

Globalization continues to be integral to TMEIC's business strategy. New industrialization in places like China, India and South America has been less affected by the global economic downturn. The industrial drives that TMEIC designs and produces are essential to industrial processes like steel production, cement manufacturing and papermaking and are still in demand in those regions of the globe.

Guidry, who has been on the forefront of developing business relationships with China for almost 20 years, says that it's not luck that they TMEIC is positioned in these markets, but rather the fruition of a long-term corporate vision.

"We planned globally. We wanted to be in China," he says. "All of the major economies are anticipated to have a negative GDP next year. However The BRIC countries—Brazil, Russia, China and India are expected to have positive GDP growth next year."

In the last 12 months, TMEIC has won numerous contracts in India, China and Mexico and Guidry says that in 2009 they are targeting South American markets.



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We're going after Brazil.

—Dale Guidry

"We're going after Brazil," he says. "There were some factors down there that were looking closely at and we think now is the time to move into that market."

The TMEIC office in Roanoke handles much of the company's engineering development and Guidry, a former engineer himself, says that his employees have been less impacted by the current economic trends in the area, but that there is still an element of uncertainty, even in his workforce.

"We're seeing some employees delaying retirement right now," he says. "We're not seeing cancellations of projects, but we are seeing more projects being delayed. We're working to accommodate clients with their changes in scheduling."

As an international company with an emphasis on the Japanese business model, TMEIC has a long view of employment, Guidry says. "While we don't guarantee lifetime employment to anyone, when you are hiring, you are looking at that process as a potential life-long relationship. Likewise, the success or failure of this company is viewed as the direct responsibility of my team and myself."

That kind of direct cause-effect responsibility may be a different model than how many companies are structured, but in economic times like these it seems a sound business model; and it's hard to argue with success. 