

“Things to Think About” from Jeffrey R. Immelt’s Keynote Address

1. Successful companies have **product breadth** – you need to occupy more space and focus on building products with enhanced technology.
2. Play emerging markets – consider **acquiring state-owned enterprise companies** (SOEs) in certain markets and investing in mid-market companies in economies with good growth but off the radar: **Turkey, Poland, Indonesia and Columbia**.
3. Over the past decade, many companies have outsourced their supply chain to get lean. Consider **acquiring back parts of your supply chain** and capture that profit for your business.
4. **Customer profitability** is a big deal for GE as they find innovative ways to help their customers. Consider acquiring analytics, software and control system businesses that “sweat assets” better for your customers to help them become more productive and profitable. GE announced the acquisition of a rail signaling business today.
5. **Watch for dislocation of industries** – the EU crisis is presenting many opportunities for investment in mid-market companies in Europe (Germany, Poland).
6. **Infrastructure investments and related equipment** are interesting – mining may be too late but not agriculture.
7. GE remains very **bullish on renewables** yet predicts it will get worse in areas such as solar before it gets better at the end of the decade. Additionally, natural gas and distributed power (diesel engines, small turbines, intelligent grid components) are interesting.
8. The crisis in financial services will create numerous opportunities to **acquire “pieces” of financial companies** that do not fit with other larger players.
9. Consider **plotting the earnings of your industry** and determine where you might find additional profits.
10. Despite lots of activity on producing “systems”, **“widgets” make the most money**. The acquisition of Converteam is a recent, relevant example for GE.