

## Monetising Home Energy Management *Pilgrim Beart, Founder*

3<sup>rd</sup> June 2014



6th Smart Grids & Cleanpower Conference  
3 June 2014, Cambridge, UK  
[www.hvm-uk.com](http://www.hvm-uk.com)



- Context
  - Why does HEM matter?
  - Drivers for IoT & Connected Home
- Mapping the market
  - AlertMe products, propositions, numbers
- Possible HEM Business models
- Monetisation of Home Energy Management
- Discuss!

# Why does Home Energy Management matter?

---



- 30% of UK's energy is used in homes
- Consumer can move fast, unpredictably and uncontrollably
  - Purchasing new energy-consuming/producing products
  - Usage patterns...driven by economics (e.g. PV or EV become cheaper) or fashion

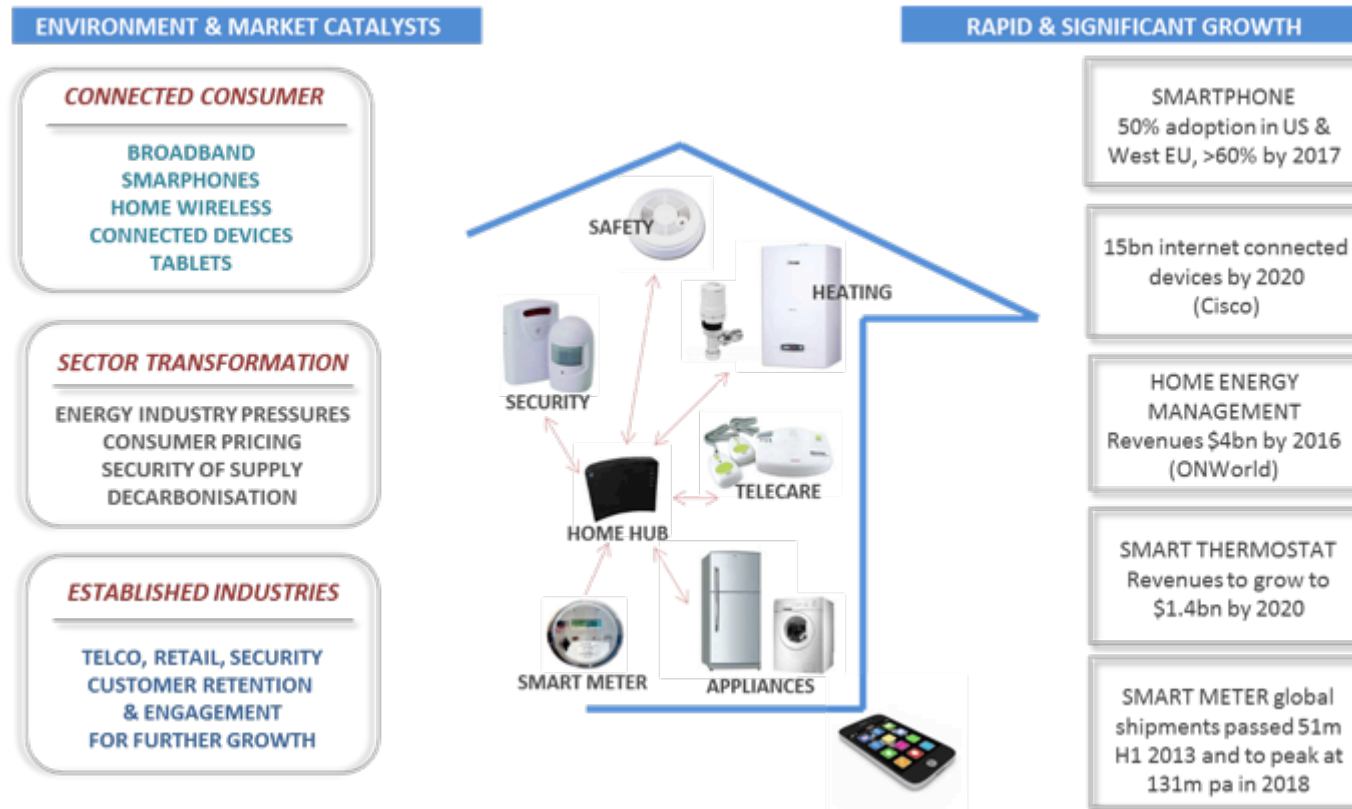
# The Internet of Things - Why Now?



Today consumers are living life on the go, connected to everything that matters – except their home.

- Cloud link to your home for access and controls of devices, making ‘dumb’ devices intelligent through data
- Simplify busy lives through improved efficiency, convenience and peace of mind

## Three catalysts driving a significant market



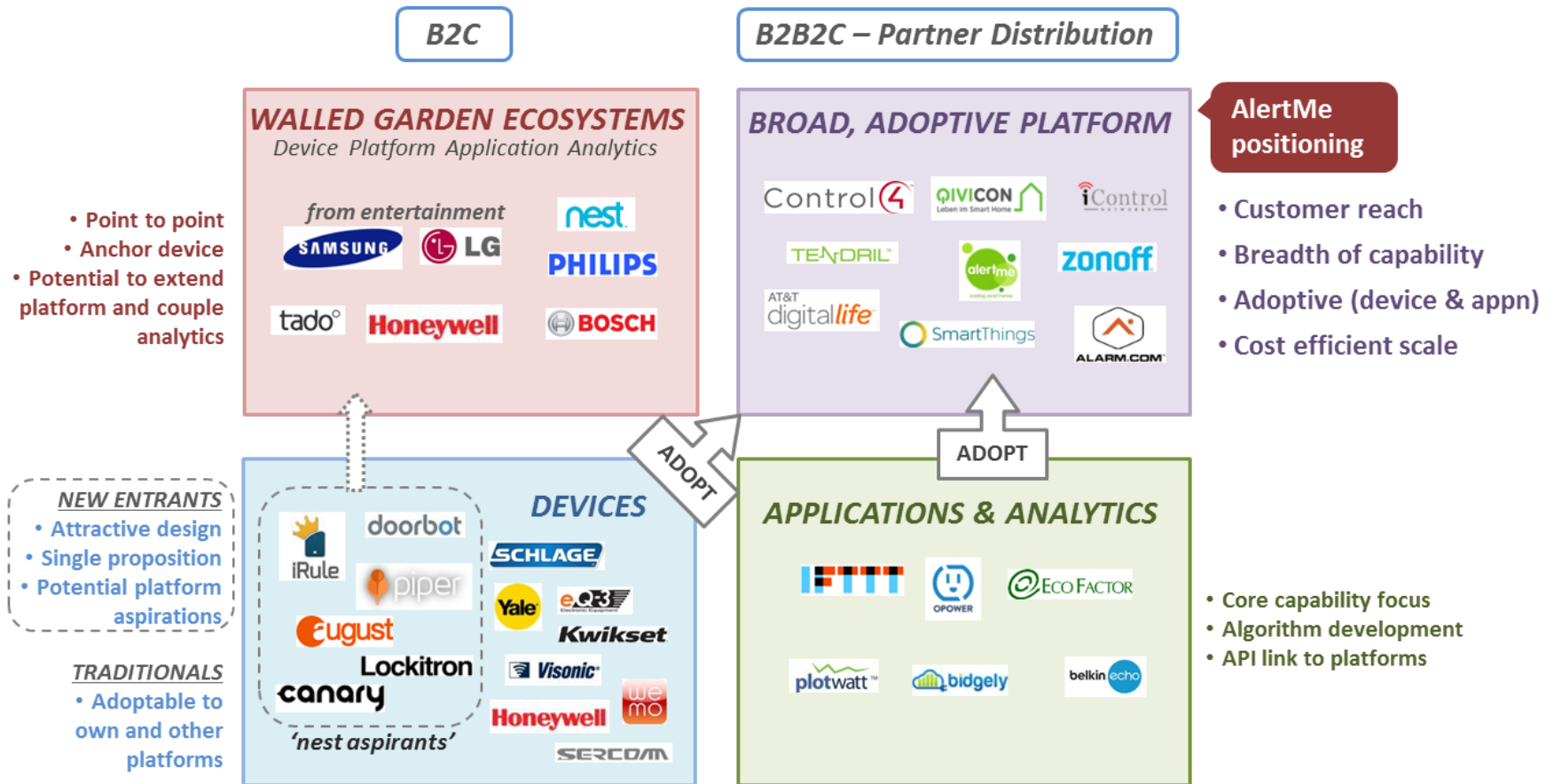
Structural Transformation + Market Dynamics + Connectivity = MARKET INNOVATION & GROWTH

# The Connected Home Market Map – more than just Energy



A fragmented market beginning to coalesce

- Route : Direct B2C and Indirect B2B2C and Approach : sector (energy, retail, CE, service provider) and proposition



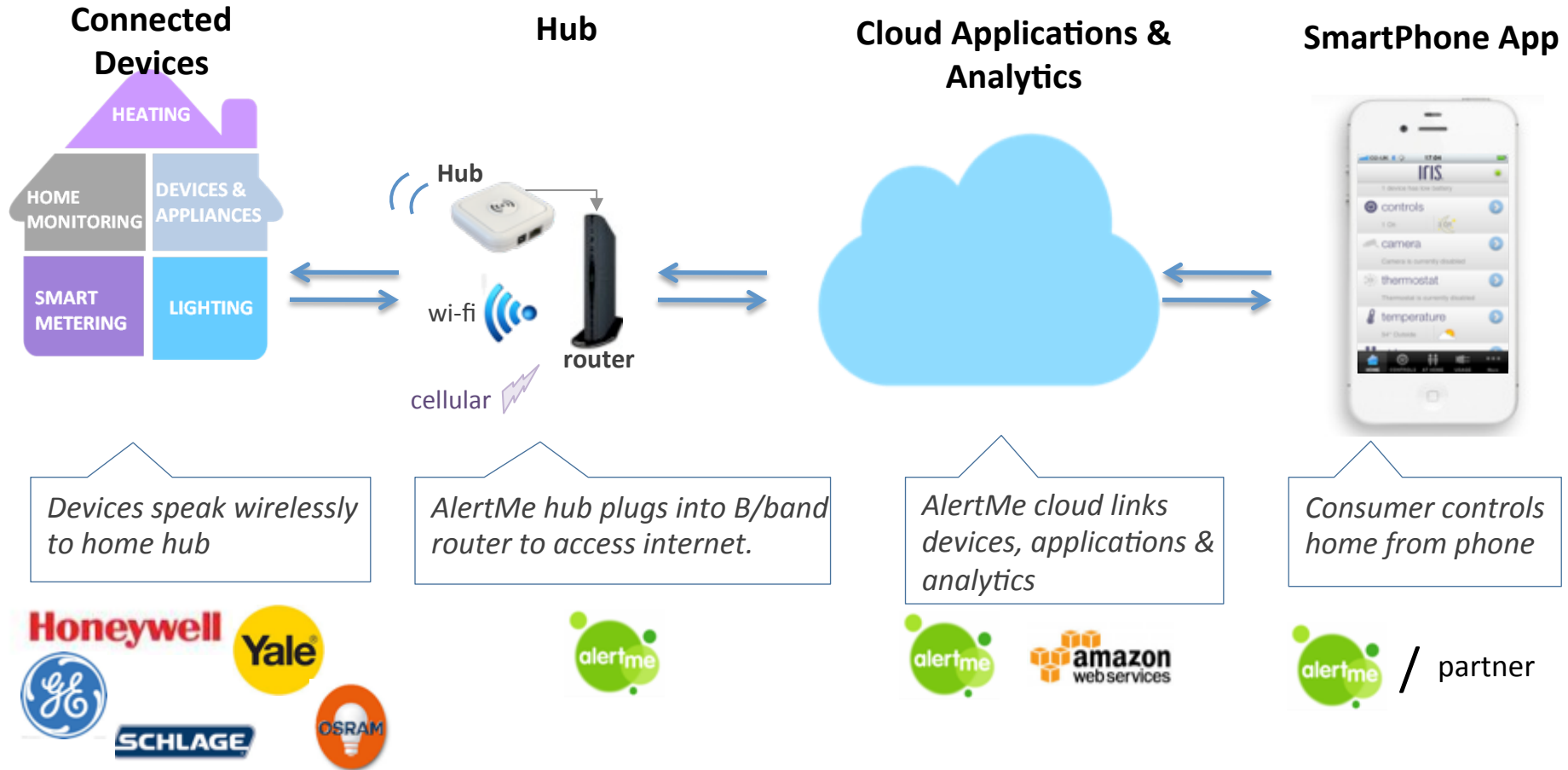
## AlertMe positioning & proposition

- B2B2C, multi-sector and multi-territory tier 1 partners – SaaS business model
- Broad adoptive platform working with 3<sup>rd</sup> party device brands (household names)

# How it Works



We provide a complete solution to Service Providers entering the Connected Home market





# Start customer journey with simple & relevant anchor products



## Energy Management



Smart meter roll-out driving Energy Analytics adoption.  
Parallel roll-out of heating & hot water controls.

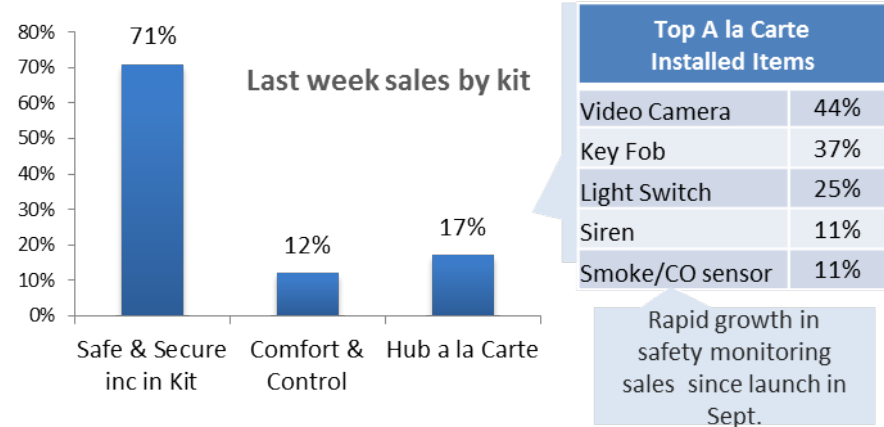


Hive Active Heating Control  
Smart Energy Report

## Home Monitoring

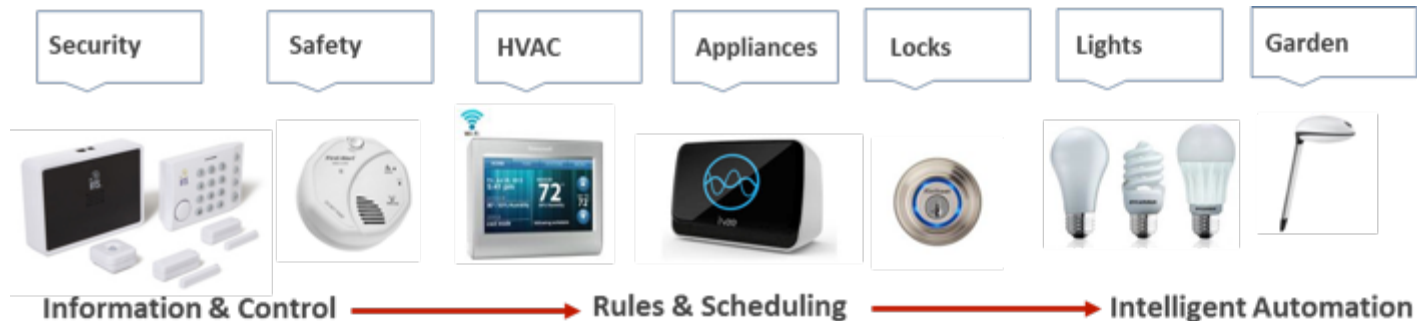


Security & Safety clear category lead.  
Adding professional monitoring to extend reach.



IRIS Smart Home - rolled out in 1500 stores

## ...extending to Home Automation and Intelligence



# Uniqueness & Competitive Advantage

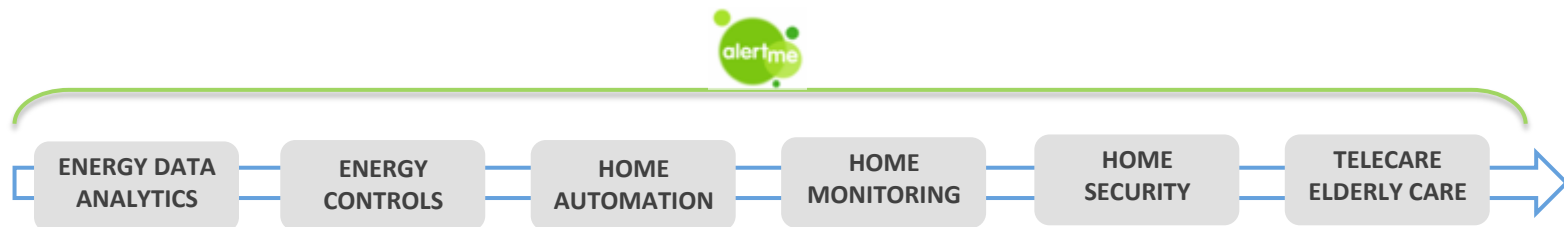


## Disruptive technology, revitalising traditional business models and create new categories

1. New products & business models cut across established sectors (energy, telco, retail, security, insurance)
2. Fundamentally change the way consumers interact with these traditional services

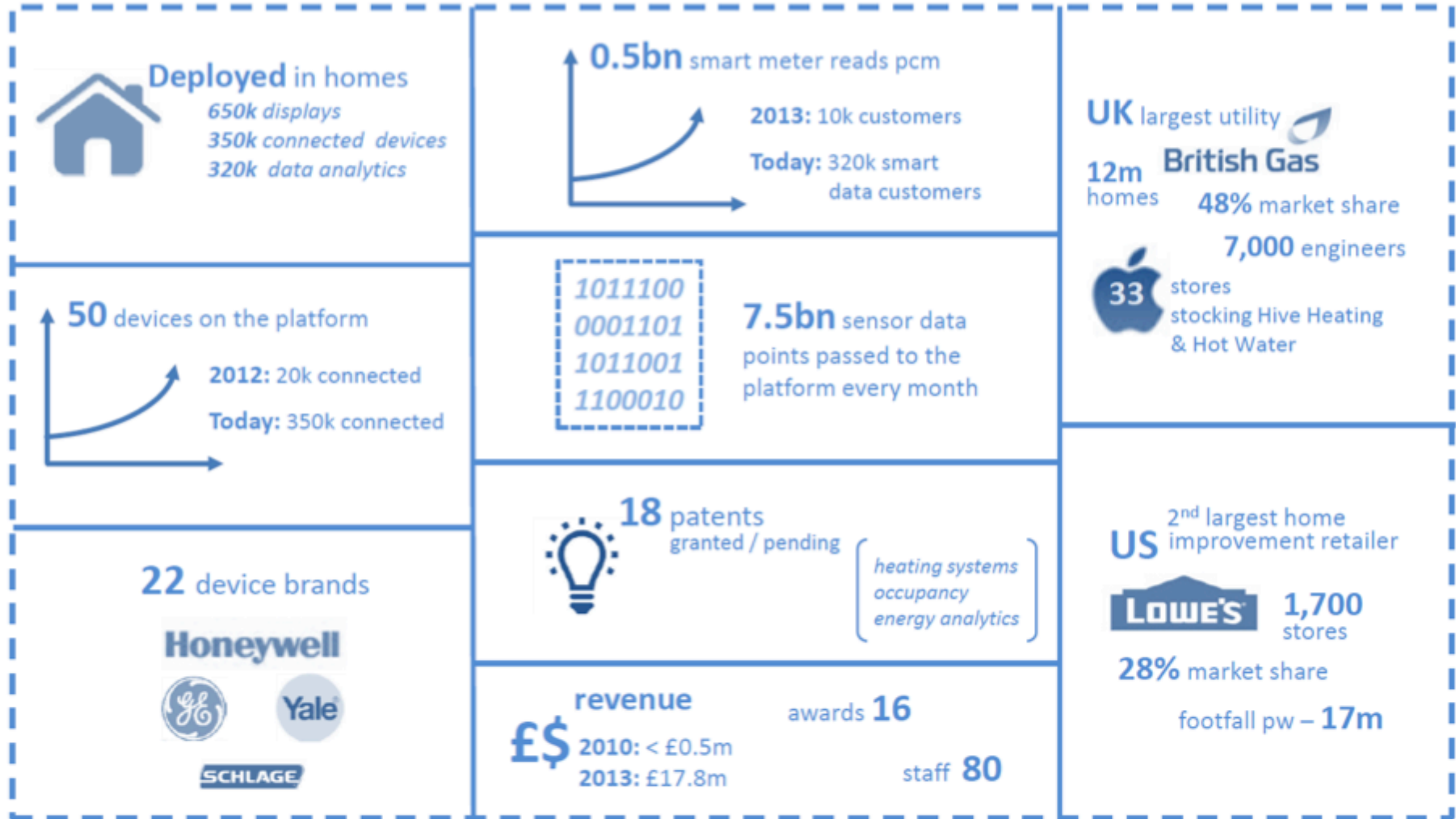
## Supporting partners – transform their core business, deliver new value-props to their customers

- Energy – enhancing traditional services, optimising smart meter deployment, improving engagement
- Retail – improved loyalty, engagement beyond the checkout, preventing disintermediation
- Telco/MSO – growth through customer acquisition and retention, extends VAS beyond the living room





# AlertMe - Proven through deployment



from voice activated garden sprinklers in Arizona to categorised energy bills in Norwich....

One platform :

..... connected door locks in Charlotte to home hot water scheduling in Soho.

## An award winning, fast growth technology company in the smart home sector

- > 45x revenue growth from £390k to £17.8m over 6 yrs
- 80 staff Europe & USA
- 13 Patents granted & 10 pending
- 16 awards – product innovation and business growth
  - CES 2013 Innovations Honoree
  - Top 15 Sunday Times TechTrack 100 – 2012 and 2013
  - #3 Deloitte UK Fast Fifty 2013
- Funding from world class investors:  
Index Ventures, Vantage Point Capital Partners, British Gas,  
Good Energies, ChrysalixSet VP



# Some possible HEM Business Models



- Product } } consumer expectations vary,
- Service } "Freemium" } by proposition & channel
- PAYG }
- Multi-sided market (e.g. aggregation)
- Subsidised
- IP
- Ecosystem (App store 10%)
- "Free"
  
- Walled Garden?
- Importance of standards

# Monetising Home Energy Management



1. Plan for scale
  1. Make it work (simplicity is hard)
  2. Make it scale (technically & commercially - ecosystem)
  3. Make it cost-effective (architect for minimum human costs)
  
2. Provide service that make sense to the consumer
  - Complements your traditional business and/or evolves the core proposition
  - e.g. Hive – a connected world version of a traditional home thermostat
  
3. Create innovative propositions beyond just selling a device or a subscription
  - All industry verticals (energy, security, telco, manufacturers) now competing for same customers
  - App-driven?
  
4. There are many ways to monetize:
  - Customer acquisition, retention, upsell
    - Telcos have mastered this with handset upgrades, Sky+, TiVo
  - Product differentiation
  - Create business and/or customer efficiency – streamline services e.g. remote diagnostics
  - Provide a gateway to new services & products e.g. service packages, insurance, tariffs
  - Get the “more data -> more value -> more data” loop going
  - Bundles (e.g. Mobile, BB, TV...). And integration of e.g. gateways

## Monetising Home Energy Management

*Pilgrim Beart, Founder*

3<sup>rd</sup> June 2014



6th Smart Grids & Cleanpower Conference  
3 June 2014, Cambridge, UK  
[www.hvm-uk.com](http://www.hvm-uk.com)

