

Innovating in Consumer Energy

Pilgrim Beart, Founder

4th June 2014



6th Smart Grids & Cleanpower Conference
3 June 2014, Cambridge, UK
www.hvm-uk.com



My Background

- Computer Engineering
- Other people's startups
 - Cambridge, Oxford, Silicon Valley
- My startups
 - activeRF
 - antenova
 - Splashpower
 - AlertMe
 - 1248



AlertMe History



- Co-founded in 2006
- Observation
 - Homes increasingly connected
 - People increasingly connected
- Vision:
 - Mass-market propositions
 - Home Security
 - Energy Management
 - Telecare
 - For “Normal people”
 - Not rich people or geeks
- 2007 Angel (£5m)
- 2009 VC (£8m) ← * Epiphany regarding global energy picture
- 2010 BG as strategic (£15m)
- 2014 Total of £39m raised

Homes still like “techno-caves” (vs. Cars)



The smartphone has become the centre of everyday living...



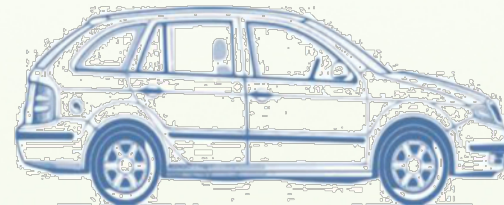
Lifestyles are changing, people:

- are managing life on the go
- expect instant gratification
- expect intelligence from technology

... and ‘things’ are becoming more connected and smart

**The car...
how smart has emerged**

Features considered luxury add-ons only 5 years ago are now fitted as standard:



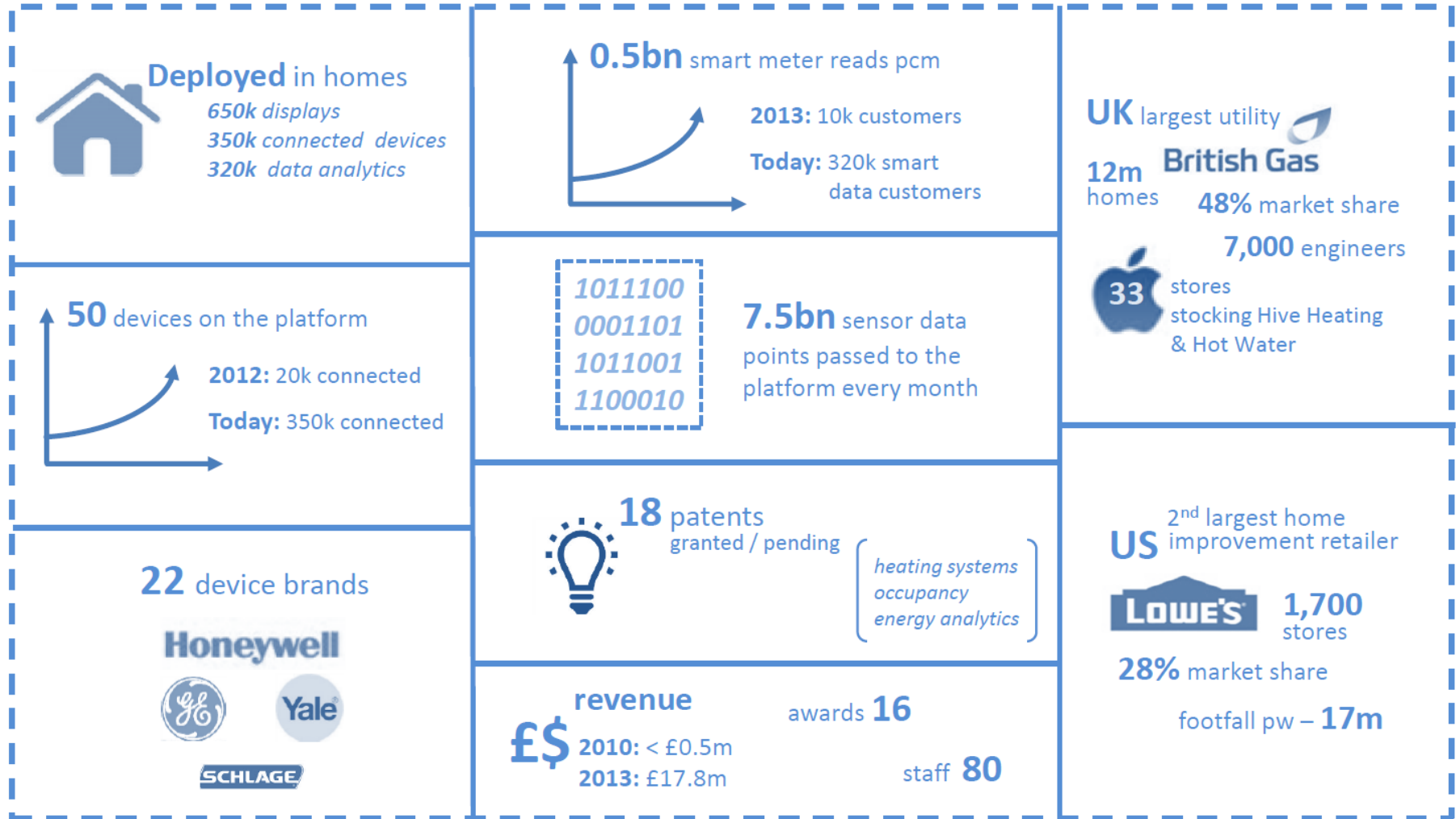
- in-car entertainment
- real-time traffic
- rain activated wipers
- emergency call-out
- location based services
- fuel efficiency
- sat-nav
- predictive maintenance
- parking sensors
- usage based insurance (PAYD)

60% new cars shipped globally in 2017 featuring connected car solutions

ABI Research

penetration in US / UK **70%** time spent using smartphone by UK users per day **128 mins**
ComScore ATKearney

Today - 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.

AlertMe Facts



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



Startup Challenges



- Gap between science and business
 - Small companies can be agile to address opportunities, therefore innovate.
- Success takes time
 - Innovators often too early for the market
 - Help to bridge the gap (Angels, VC, TSB & DECC funding)
 - Revenue is important evidence
- Path to market: B2C vs Channel Partners?
 - Both
 - Co-creation
- Horizontal or Vertical
 - Focussed (MVP) proposition may be easier to take to market
 - Platforms generally win in the end

Government initiatives & legislation



- Big Opportunity/Threat for any business
 - For small companies, generally opportunities
- Smart Meters & CADs, PV, EV,...
- Create environment for innovative and sustainable business models
 - Not just opportunism relying on government subsidies/loopholes
- Stability of policy is key (debacles: PV FITs, zero-carbon homes)
 - Need to see policy through and bring the market along with you.
 - Energy, more than many industries is a long game
- A 35 year transition – a good place to invest your life

How does innovation “take hold”?



- Create right environment for market innovation & transformation
 - 3-legged stool: Government, Industry, Consumer (win,win,win?)
 - Government: Address social issues
 - Industry: New propositions (threat-driven?)
 - Consumer: Quality of life
 - Regulation and infrastructure
 - Creates environment of possibility
 - Promise of future certainty & stability for investment in infrastructure & services.
 - Most consumers won't understand value of a brand new service
 - Need to put it in their hands in order to create consumer pull
 - Did we ever demand a smartphone?
 - Understand value chain, create channels to help push services to the mass market
- Examples:
 - Broadband
 - Digital TV
 - Recycling

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